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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended March 31, 2025

OR

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

Commission File Number	Registrant; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
1-11459	**PPL Corporation** (Exact name of Registrant as specified in its charter) Pennsylvania 645 Hamilton Street Allentown, PA 18101 (610) 774-5151	23-2758192
1-905	**PPL Electric Utilities Corporation** (Exact name of Registrant as specified in its charter) Pennsylvania 827 Hausman Road Allentown, PA 18104-9392 (610) 774-5151	23-0959590
1-2893	**Louisville Gas and Electric Company** (Exact name of Registrant as specified in its charter) Kentucky 820 West Broadway Louisville, KY 40202 (502) 627-2000 Former Address: 220 West Main Street Louisville, KY 40202-1377	61-0264150
1-3464	**Kentucky Utilities Company** (Exact name of Registrant as specified in its charter) Kentucky and Virginia One Quality Street Lexington, KY 40507-1462 (502) 627-2000	61-0247570

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

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

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

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

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

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

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

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

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

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

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

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

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

PPL Corporation	Common stock, $0.01 par value, 739,263,912 shares outstanding at April 25, 2025.
PPL Electric Utilities Corporation	Common stock, no par value, 66,368,056 shares outstanding and all held by PPL Energy Holdings LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at April 25, 2025.
Louisville Gas and Electric Company	Common stock, no par value, 21,294,223 shares outstanding and all held by LG&E and KU Energy LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at April 25, 2025.
Kentucky Utilities Company	Common stock, no par value, 37,817,878 shares outstanding and all held by LG&E and KU Energy LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at April 25, 2025.

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

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

FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2025

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

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

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GLOSSARY OF TERMS AND ABBREVIATIONS

PPL Corporation and its subsidiaries

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RIE - Rhode Island Energy, the name under which Narragansett Electric provides gas and electric services to customers in Rhode Island.

Other terms and abbreviations

£ - British pound sterling.

2024 Form 10-K - Annual Report to the SEC on Form 10-K for the year ended December 31, 2024.

Act 11 - Act 11 of 2012 that became effective on April 16, 2012. The Pennsylvania legislation authorized the PAPUC to approve two specific ratemaking mechanisms: the use of a fully projected future test year in base rate proceedings and, subject to certain conditions, a DSIC.

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

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

AOCI - accumulated other comprehensive income or loss.

ARO - asset retirement obligation.

ATM Program - at-the-market stock offering program.

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

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

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

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

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

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

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

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

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

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

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

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

EPS - earnings per share.

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

FY - fiscal year.

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

GHG(s) - greenhouse gas(es).

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

IBEW - International Brotherhood of Electrical Workers.

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

ISO - Independent System Operator.

ISR - Infrastructure, safety and reliability.

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

Mill Creek Unit 5 - a combined cycle natural gas unit under construction in Kentucky, jointly owned by LG&E and KU, which is expected to provide additional generating capacity of 200 MW and 445 MW to LG&E and KU beginning in 2027.

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

MW - megawatt, one thousand kilowatts.

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

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

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

NERC - North American Electric Reliability Corporation.

NGCC - Natural gas combined cycle.

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

OCI - other comprehensive income or loss.

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

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

PHMSA - Pipeline and Hazardous Materials Safety Administration.

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

PP&E - property, plant and equipment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

UWUA - Utility Workers Union of America.

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

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

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

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

Forward-looking Information

Statements contained in this Form 10-Q concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact are "forward-looking statements" within the meaning of the federal securities laws. Although the Registrants believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially from the results discussed in forward-looking statements. In addition to the specific factors discussed in each Registrant's 2024 Form 10-K and in "Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-Q, the following are among the important factors that could cause actual results to differ materially and adversely from the forward-looking statements:

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

- the effect of changing expectations and demands of our customers, regulators, investors and stakeholders, including differing views on environmental, social and governance concerns;
- the effect of any business or industry restructuring;
- the ability to control costs and avoid cost and schedule overruns during the development, construction and operation of generation facilities or other projects;
- development of new projects, markets and technologies;
- performance of new ventures;
- collective labor bargaining negotiations and labor costs;
- risks related to wildfires, including costs of potential regulatory penalties and other liabilities, and the cost and availability of insurance and damages in excess of insurance liability coverage; and
- the outcome of litigation involving the Registrants and their subsidiaries.

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

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

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

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

	Three Months Ended March 31,	
	2025	**2024**
Operating Revenues	**$ 2,504**	$ 2,304
Operating Expenses		
Operation		
Fuel	**234**	209
Energy purchases	**559**	520
Other operation and maintenance	**598**	626
Depreciation	**322**	316
Taxes, other than income	**113**	88
Total Operating Expenses	**1,826**	1,759
Operating Income	**678**	545
Other Income (Expense) - net (Note 12)	**28**	22
Interest Expense	**190**	179
Income Before Income Taxes	**516**	388
Income Taxes	**102**	81
Net Income	**$ 414**	$ 307
Earnings Per Share of Common Stock:		
Basic and Diluted		
Net Income Available to PPL Common Shareowners	**$ 0.56**	$ 0.42
Weighted-Average Shares of Common Stock Outstanding (in thousands)		
Basic	**738,691**	737,512
Diluted	**741,400**	738,820

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

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

	Three Months Ended March 31,	
	2025	**2024**
Net income	**$ 414**	$ 307
Other comprehensive income (loss):		
Amounts arising during the period - gains (losses), net of tax (expense) benefit:		
Equity investees' other comprehensive income (loss), net of tax of $0, $0	—	1
Reclassifications from AOCI - (gains) losses, net of tax expense (benefit):		
Qualifying derivatives, net of tax of $0, $0	**1**	1
Defined benefit plans:		
Net actuarial (gain) loss, net of tax of $0, $0	**(1)**	—
Total other comprehensive income (loss)	—	2
Comprehensive income	**$ 414**	$ 309

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
PPL Corporation and Subsidiaries
(Unaudited)
(Millions of Dollars)

	Three Months Ended March 31,	
	2025	**2024**
Cash Flows from Operating Activities		
Net income	**$ 414**	$ 307
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**322**	316
Amortization	**20**	24
Defined benefit plans - income	**(16)**	(15)
Deferred income taxes and investment tax credits	**38**	72
Other	**13**	3
Change in current assets and current liabilities		
Accounts receivable	**(277)**	(75)
Accounts payable	**(120)**	(221)
Unbilled revenues	**108**	57
Fuel, materials and supplies	**37**	33
Prepayments	**(87)**	(108)
Taxes payable	**40**	(47)
Regulatory assets and liabilities, net	**79**	(61)
Accrued interest	**67**	90
Other	**(80)**	(103)
Other operating activities		
Defined benefit plans - funding	**(5)**	(5)
Other assets	**(50)**	(1)
Other liabilities	**10**	16
Net cash provided by operating activities	**513**	282
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(793)**	(596)
Other investing activities	**10**	5
Net cash used in investing activities	**(783)**	(591)
Cash Flows from Financing Activities		
Issuance of long-term debt	**—**	1,148
Payment of common stock dividends	**(190)**	(177)
Net increase (decrease) in short-term debt	**475**	(701)
Other financing activities	**(14)**	(22)
Net cash provided by financing activities	**271**	248
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	**1**	(61)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	**339**	382
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 340**	$ 321
Supplemental Disclosures of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at March 31,	**$ 397**	$ 253

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

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

	March 31, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 312**	$ 306
Accounts receivable (less reserve: 2025, $166; 2024, $147)		
Customer	**1,208**	961
Other	**93**	76
Unbilled revenues (less reserve: 2025, $4; 2024, $6)	**377**	485
Fuel, materials and supplies	**476**	511
Prepayments	**223**	136
Regulatory assets	**274**	320
Other current assets	**133**	85
Total Current Assets	**3,096**	**2,880**
Property, Plant and Equipment		
Regulated utility plant	**40,648**	40,391
Less: accumulated depreciation - regulated utility plant	**9,751**	9,682
Regulated utility plant, net	**30,897**	30,709
Non-regulated property, plant and equipment	**80**	79
Less: accumulated depreciation - non-regulated property, plant and equipment	**30**	29
Non-regulated property, plant and equipment, net	**50**	50
Construction work in progress	**2,695**	2,390
Property, Plant and Equipment, net	**33,642**	33,149
Other Noncurrent Assets		
Regulatory assets	**2,049**	2,060
Goodwill	**2,247**	2,247
Other intangibles	**312**	314
Other noncurrent assets (less reserve for accounts receivable: 2025, $2; 2024, $1)	**463**	419
Total Other Noncurrent Assets	**5,071**	5,040
Total Assets	**$ 41,809**	$ 41,069

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

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

	March 31, 2025	December 31, 2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 778**	$ 303
Long-term debt due within one year	**569**	551
Accounts payable	**1,097**	1,196
Taxes	**143**	103
Interest	**224**	157
Dividends	**197**	186
Regulatory liabilities	**274**	223
Other current liabilities	**545**	614
Total Current Liabilities	**3,827**	3,333
Long-term Debt	**15,938**	15,952
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**3,421**	3,356
Investment tax credits	**111**	111
Accrued pension obligations	**298**	317
Asset retirement obligations	**130**	136
Regulatory liabilities	**3,338**	3,335
Other deferred credits and noncurrent liabilities	**449**	452
Total Deferred Credits and Other Noncurrent Liabilities	**7,747**	7,707
Commitments and Contingent Liabilities (Notes 6 and 10)		
Equity		
Common stock - $0.01 par value (a)	**8**	8
Additional paid-in capital	**12,330**	12,346
Treasury stock	**(904)**	(928)
Earnings reinvested	**3,047**	2,835
Accumulated other comprehensive loss	**(184)**	(184)
Total Equity	**14,297**	14,077
Total Liabilities and Equity	**$ 41,809**	$ 41,069

(a) 1,560,000 shares authorized, 770,415 shares issued and 739,066 shares outstanding at March 31, 2025. 1,560,000 shares authorized, 770,215 shares issued and 738,033 shares outstanding at December 31, 2024.

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

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
PPL Corporation and Subsidiaries

(Unaudited)
(Millions of Dollars)

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Treasury stock	Earnings reinvested	Accumulated other comprehensive loss	Total
December 31, 2024	738,033	$ 8	$ 12,346	$ (928)	$ 2,835	$ (184)	$ 14,077
Common stock issued	200		—				—
Treasury stock issued	833		—	24			24
Stock-based compensation			(16)				(16)
Net income					414		414
Dividends and dividend equivalents (b)					(202)		(202)
Other comprehensive income (loss)						—	—
March 31, 2025	739,066	$ 8	$ 12,330	$ (904)	$ 3,047	$ (184)	$ 14,297
December 31, 2023	737,130	$ 8	$ 12,326	$ (948)	$ 2,710	$ (163)	$ 13,933
Treasury stock issued	606		—	17			17
Stock-based compensation			(12)				(12)
Net income					307		307
Dividends and dividend equivalents (b)					(189)		(189)
Other comprehensive income (loss)						2	2
March 31, 2024	737,736	$ 8	$ 12,314	$ (931)	$ 2,828	$ (161)	$ 14,058

(a) Shares in thousands. Each share entitles the holder to one vote on any question presented at any shareowners' meeting.
(b) Dividends declared per share of common stock were $0.2725 and $0.2575 for the three months ended March 31, 2025 and March 31, 2024.

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

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

	Three Months Ended March 31,	
	2025	**2024**
Operating Revenues	**$ 819**	$ 770
Operating Expenses		
Operation		
Energy purchases	**229**	214
Other operation and maintenance	**162**	181
Depreciation	**102**	99
Taxes, other than income	**41**	36
Total Operating Expenses	**534**	530
Operating Income	**285**	240
Other Income (Expense) - net (Note 12)	**11**	9
Interest Income from Affiliate	**2**	10
Interest Expense	**60**	62
Income Before Income Taxes	**238**	197
Income Taxes	**54**	48
Net Income (a)	**$ 184**	$ 149

(a) Net income equals comprehensive income.

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

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

	Three Months Ended March 31,	
	2025	**2024**
Cash Flows from Operating Activities		
Net income	**$ 184**	$ 149
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**102**	99
Amortization	**11**	12
Defined benefit plans - income	**(7)**	(11)
Deferred income taxes and investment tax credits	**20**	32
Other	**(5)**	(7)
Change in current assets and current liabilities		
Accounts receivable	**(132)**	(33)
Accounts payable	**(7)**	(59)
Unbilled revenues	**43**	30
Materials and supplies	**(8)**	(4)
Prepayments	**(90)**	(110)
Regulatory assets and liabilities, net	**36**	(28)
Taxes payable	**(2)**	(48)
Accrued interest	**19**	35
Other	**(13)**	(26)
Other operating activities		
Other assets	**(18)**	—
Other liabilities	**1**	(3)
Net cash provided by operating activities	**134**	28
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(328)**	(229)
Expenditures for intangible assets	**(1)**	(1)
Notes receivable from affiliates	**222**	(554)
Other investing activities	**10**	4
Net cash used in investing activities	**(97)**	(780)
Cash Flows from Financing Activities		
Issuance of long-term debt	**—**	649
Contributions from parent	**—**	675
Payment of common stock dividends to parent	**(88)**	(88)
Net increase (decrease) in short-term debt	**55**	(509)
Debt issuance costs	**(1)**	(5)
Net cash provided by (used in) financing activities	**(34)**	722
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	**3**	(30)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	**24**	51
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 27**	$ 21
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at March 31,	**$ 185**	$ 146

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

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

	March 31, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 27**	$ 24
Accounts receivable (less reserve: 2025, $39; 2024, $37)		
Customer	**457**	353
Other	**21**	8
Accounts receivable from affiliates	**11**	10
Notes receivable from affiliate	**—**	222
Unbilled revenues (less reserve: 2025, $2; 2024, $3)	**116**	159
Materials and supplies	**110**	104
Prepayments	**164**	74
Regulatory assets	**94**	133
Other current assets	**43**	30
Total Current Assets	**1,043**	1,117
Property, Plant and Equipment		
Regulated utility plant	**16,503**	16,469
Less: accumulated depreciation - regulated utility plant	**3,983**	4,052
Regulated utility plant, net	**12,520**	12,417
Construction work in progress	**1,032**	898
Property, Plant and Equipment, net	**13,552**	13,315
Other Noncurrent Assets		
Regulatory assets	**685**	673
Intangibles	**274**	274
Other noncurrent assets (less reserve for accounts receivable: 2025, $2; 2024, $1)	**100**	96
Total Other Noncurrent Assets	**1,059**	1,043
Total Assets	**$ 15,654**	$ 15,475

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

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

	March 31, 2025	December 31, 2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 55**	$ —
Accounts payable	**477**	565
Accounts payable to affiliates	**133**	44
Interest	**74**	55
Regulatory liabilities	**54**	57
Other current liabilities	**77**	85
Total Current Liabilities	**870**	806
Long-term Debt	**5,214**	5,214
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**1,756**	1,726
Regulatory liabilities	**835**	839
Other deferred credits and noncurrent liabilities	**153**	160
Total Deferred Credits and Other Noncurrent Liabilities	**2,744**	2,725
Commitments and Contingent Liabilities (Notes 6 and 10)		
Equity		
Common stock - no par value (a)	**364**	364
Additional paid-in capital	**4,668**	4,668
Earnings reinvested	**1,794**	1,698
Total Equity	**6,826**	6,730
Total Liabilities and Equity	**$ 15,654**	$ 15,475

(a) 170,000 shares authorized; 66,368 shares issued and outstanding at March 31, 2025 and December 31, 2024.

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

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

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Earnings reinvested	Total
December 31, 2024	66,368	$ 364	$ 4,668	$ 1,698	$ 6,730
Net income				184	184
Dividends declared				(88)	(88)
March 31, 2025	66,368	$ 364	$ 4,668	$ 1,794	$ 6,826
December 31, 2023	66,368	$ 364	$ 4,040	$ 1,499	$ 5,903
Net income				149	149
Capital contributions from parent			675		675
Dividends declared				(88)	(88)
March 31, 2024	66,368	$ 364	$ 4,715	$ 1,560	$ 6,639

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

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

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

	Three Months Ended March 31,	
	2025	**2024**
Operating Revenues		
Retail and wholesale	**$ 500**	$ 460
Electric revenue from affiliate	**5**	16
Total Operating Revenues	**505**	476
Operating Expenses		
Operation		
Fuel	**82**	86
Energy purchases	**88**	71
Energy purchases from affiliate	**5**	1
Other operation and maintenance	**89**	88
Depreciation	**74**	76
Taxes, other than income	**13**	13
Total Operating Expenses	**351**	335
Operating Income	**154**	141
Other Income (Expense) - net	**3**	2
Interest Expense	**26**	26
Income Before Income Taxes	**131**	117
Income Taxes	**26**	24
Net Income (a)	**$ 105**	**$ 93**

(a) Net income equals comprehensive income.

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

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

	Three Months Ended March 31,	
	2025	**2024**
Cash Flows from Operating Activities		
Net income	**$ 105**	$ 93
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**74**	76
Amortization	**4**	3
Deferred income taxes and investment tax credits	**1**	2
Other	**—**	1
Change in current assets and current liabilities		
Accounts receivable	**(11)**	(19)
Accounts receivable from affiliates	**12**	(11)
Accounts payable	**23**	6
Accounts payable to affiliates	**26**	34
Unbilled revenues	**19**	16
Fuel, materials and supplies	**23**	13
Regulatory assets and liabilities, net	**(21)**	(21)
Taxes payable	**(23)**	(26)
Accrued interest	**23**	23
Other	**(19)**	(19)
Other operating activities		
Expenditures for asset retirement obligations	**(2)**	(2)
Other assets	**(32)**	—
Other liabilities	**(3)**	(3)
Net cash provided by operating activities	**199**	166
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(117)**	(92)
Net increase in notes receivable with affiliates	**(5)**	(28)
Net cash used in investing activities	**(122)**	(120)
Cash Flows from Financing Activities		
Net decrease in notes payable to affiliates	**(43)**	—
Net increase in short-term debt	**64**	28
Payment of common stock dividends to parent	**(43)**	(37)
Return of capital to parent	**(55)**	(51)
Debt issuance costs	**(1)**	—
Net cash used in financing activities	**(78)**	(60)
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	**(1)**	(14)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**24**	44
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 23**	$ 30
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at March 31,	**$ 72**	$ 35

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

CONDENSED BALANCE SHEETS
Louisville Gas and Electric Company
(Unaudited)
(Millions of Dollars, shares in thousands)

	March 31, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 10**	$ 8
Accounts receivable (less reserve: 2025, $5; 2024, $3)		
Customer	**141**	134
Other	**31**	23
Unbilled revenues (less reserve: 2025, $0; 2024, $0)	**68**	87
Accounts receivable from affiliates	**28**	40
Notes receivable from affiliates	**5**	—
Fuel, materials and supplies	**134**	157
Prepayments	**9**	9
Regulatory assets	**31**	8
Other current assets	**11**	2
Total Current Assets	**468**	468
Property, Plant and Equipment		
Regulated utility plant	**7,787**	7,748
Less: accumulated depreciation - regulated utility plant	**1,696**	1,643
Regulated utility plant, net	**6,091**	6,105
Construction work in progress	**515**	443
Property, Plant and Equipment, net	**6,606**	6,548
Other Noncurrent Assets		
Regulatory assets	**491**	491
Goodwill	**389**	389
Other intangibles	**11**	12
Other noncurrent assets	**116**	84
Total Other Noncurrent Assets	**1,007**	976
Total Assets	**$ 8,081**	$ 7,992

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

CONDENSED BALANCE SHEETS
Louisville Gas and Electric Company
(Unaudited)
(Millions of Dollars, shares in thousands)

	March 31, 2025	December 31, 2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 89**	$ 25
Long-term debt due within one year	**300**	300
Notes payable to affiliates	**—**	43
Accounts payable	**193**	158
Accounts payable to affiliates	**90**	64
Customer deposits	**36**	36
Taxes	**17**	40
Regulatory liabilities	**16**	14
Interest	**44**	21
Asset retirement obligations	**10**	11
Other current liabilities	**41**	50
Total Current Liabilities	**836**	762
Long-term Debt	**2,171**	2,171
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**809**	803
Investment tax credits	**29**	30
Price risk management liabilities	**4**	3
Asset retirement obligations	**74**	73
Regulatory liabilities	**814**	815
Other deferred credits and noncurrent liabilities	**66**	64
Total Deferred Credits and Other Noncurrent Liabilities	**1,796**	1,788
Commitments and Contingent Liabilities (Notes 6 and 10)		
Stockholder's Equity		
Common stock - no par value (a)	**424**	424
Additional paid-in capital	**1,927**	1,982
Earnings reinvested	**927**	865
Total Equity	**3,278**	3,271
Total Liabilities and Equity	**$ 8,081**	$ 7,992

(a) 75,000 shares authorized; 21,294 shares issued and outstanding at March 31, 2025 and December 31, 2024.

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

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

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Earnings reinvested	Total
December 31, 2024	21,294	$ 424	$ 1,982	$ 865	$ 3,271
Net income				105	105
Return of capital to parent			(55)		(55)
Dividends declared				(43)	(43)
March 31, 2025	21,294	$ 424	$ 1,927	$ 927	$ 3,278
December 31, 2023	21,294	$ 424	$ 1,993	$ 755	$ 3,172
Net income				93	93
Return of capital to parent			(51)		(51)
Dividends declared				(37)	(37)
March 31, 2024	21,294	$ 424	$ 1,942	$ 811	$ 3,177

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

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

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

	Three Months Ended March 31,	
	2025	**2024**
Operating Revenues		
Retail and wholesale	**$ 559**	$ 524
Electric revenue from affiliate	**5**	1
Total Operating Revenues	**564**	525
Operating Expenses		
Operation		
Fuel	**152**	123
Energy purchases	**7**	6
Energy purchases from affiliate	**5**	16
Other operation and maintenance	**100**	102
Depreciation	**102**	99
Taxes, other than income	**12**	12
Total Operating Expenses	**378**	358
Operating Income	**186**	167
Other Income (Expense) - net	**5**	2
Interest Expense	**35**	34
Income Before Income Taxes	**156**	135
Income Taxes	**31**	27
Net Income (a)	**$ 125**	$ 108

(a) Net income equals comprehensive income.

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

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

	Three Months Ended March 31,	
	2025	**2024**
Cash Flows from Operating Activities		
Net income	**$ 125**	$ 108
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**102**	99
Amortization	**4**	5
Deferred income taxes and investment tax credits	**3**	(1)
Other	**(3)**	(2)
Change in current assets and current liabilities		
Accounts receivable	**(29)**	(21)
Accounts payable	**(3)**	(13)
Accounts payable to affiliates	**29**	52
Unbilled revenues	**18**	6
Fuel, materials and supplies	**7**	8
Regulatory assets and liabilities, net	**5**	1
Taxes payable	**(18)**	(17)
Accrued interest	**32**	32
Other	**(3)**	(7)
Other operating activities		
Expenditures for asset retirement obligations	**(2)**	(2)
Other assets	**(9)**	8
Other liabilities	**(5)**	(4)
Net cash provided by operating activities	**253**	252
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(174)**	(148)
Other investing activities	**—**	—
Net cash used in investing activities	**(174)**	(148)
Cash Flows from Financing Activities		
Net increase in notes payable to affiliates	**(65)**	37
Net increase (decrease) in short-term debt	**68**	(48)
Payment of common stock dividends to parent	**(46)**	(47)
Return of capital to parent	**(37)**	(50)
Debt issuance costs	**(1)**	—
Net cash used in financing activities	**(81)**	(108)
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	**(2)**	(4)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**29**	38
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 27**	$ 34
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at March 31,	**$ 74**	$ 44

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

CONDENSED BALANCE SHEETS
Kentucky Utilities Company
(Unaudited)
(Millions of Dollars, shares in thousands)

	March 31, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 14**	$ 13
Accounts receivable (less reserve: 2025, $2; 2024, $2)		
Customer	**180**	160
Other	**28**	22
Unbilled revenues (less reserve: 2025, $0; 2024, $0)	**84**	102
Fuel, materials and supplies	**166**	173
Prepayments	**10**	11
Regulatory assets	**—**	1
Other current assets	**16**	9
Total Current Assets	**498**	491
Property, Plant and Equipment		
Regulated utility plant	**10,454**	10,419
Less: accumulated depreciation - regulated utility plant	**2,721**	2,652
Regulated utility plant, net	**7,733**	7,767
Construction work in progress	**679**	567
Property, Plant and Equipment, net	**8,412**	8,334
Other Noncurrent Assets		
Regulatory assets	**460**	458
Goodwill	**607**	607
Other intangibles	**27**	28
Other noncurrent assets	**157**	155
Total Other Noncurrent Assets	**1,251**	1,248
Total Assets	**$ 10,161**	$ 10,073

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

CONDENSED BALANCE SHEETS
Kentucky Utilities Company
(Unaudited)
(Millions of Dollars, shares in thousands)

	March 31, 2025	December 31, 2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 208**	$ 140
Long-term debt due within one year	**268**	250
Notes payable to affiliates	**8**	73
Accounts payable	**89**	96
Accounts payable to affiliates	**129**	100
Customer deposits	**39**	39
Taxes	**19**	37
Regulatory liabilities	**26**	22
Interest	**56**	24
Asset retirement obligations	**14**	10
Other current liabilities	**61**	58
Total Current Liabilities	**917**	849
Long-term Debt	**2,798**	2,816
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**934**	924
Investment tax credits	**81**	81
Asset retirement obligations	**47**	54
Regulatory liabilities	**1,007**	1,009
Other deferred credits and noncurrent liabilities	**36**	41
Total Deferred Credits and Other Noncurrent Liabilities	**2,105**	2,109
Commitments and Contingent Liabilities (Notes 6 and 10)		
Stockholder's Equity		
Common stock - no par value (a)	**308**	308
Additional paid-in capital	**3,019**	3,056
Earnings reinvested	**1,014**	935
Total Equity	**4,341**	4,299
Total Liabilities and Equity	**$ 10,161**	$ 10,073

(a) 80,000 shares authorized; 37,818 shares issued and outstanding at March 31, 2025 and December 31, 2024.

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

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

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Earnings reinvested	Total
December 31, 2024	37,818	$ 308	$ 3,056	$ 935	$ 4,299
Net income				125	125
Return of capital to parent			(37)		(37)
Dividends declared				(46)	(46)
March 31, 2025	37,818	$ 308	$ 3,019	$ 1,014	$ 4,341
December 31, 2023	37,818	$ 308	$ 3,033	$ 811	$ 4,152
Net income				108	108
Return of capital to parent			(50)		(50)
Dividends declared				(47)	(47)
March 31, 2024	37,818	$ 308	$ 2,983	$ 872	$ 4,163

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

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

Combined Notes to Condensed Financial Statements (Unaudited)

Index to Combined Notes to Condensed Financial Statements

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

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

1. Interim Financial Statements

(All Registrants)

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

The accompanying unaudited condensed financial statements have been prepared in accordance with GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X and, therefore, do not include all of the information and footnote disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation in accordance with GAAP are reflected in the condensed financial statements. All adjustments are of a normal recurring nature, except as otherwise disclosed. Each Registrant's Balance Sheet at December 31, 2024 is derived from that Registrant's 2024 audited Balance Sheet. The financial statements and notes thereto should be read in conjunction with the financial statements and notes contained in each Registrant's 2024 Form 10-K. The results of operations for the three months ended March 31, 2025 are not necessarily indicative of the results to be expected for the full year ending December 31, 2025 or other future periods, because results for interim periods can be disproportionately influenced by various factors, developments and seasonal variations.

2. Segment and Related Information

(PPL)

PPL is organized into three segments, broken down by geographic location: Kentucky Regulated, Pennsylvania Regulated and Rhode Island Regulated.

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

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

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

"Corporate and Other" primarily consists of corporate level financing costs, certain unallocated costs and certain non-recoverable costs incurred in conjunction with the acquisition of Rhode Island Energy. "Corporate and Other" is presented to reconcile segment information to PPL's consolidated results and is not a reportable segment.

The table below provides information about PPL's segments and includes the reconciliation to consolidated net income for the three months ended March 31, 2025:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 1,059	$ 819	$ 626	$ 2,504
Reconciliation of revenue				
Corporate and Other revenues				—
Total consolidated revenues				$ 2,504
Less:				
Fuel	234	—	—	234
Energy Purchases	96	229	235	560
Other operation and maintenance	200	162	200	562
Depreciation	176	102	42	320
Taxes, other than income	25	41	47	113
Other (income) expense - net	(8)	(11)	(7)	(26)
Interest (income) from affiliate	—	(2)	(2)	(4)
Interest expense	60	60	23	143
Income taxes	53	54	18	125
Segment net income	$ 223	$ 184	$ 70	$ 477
Reconciliation of segment profit or loss to consolidated net income				
Corporate and Other net loss				(63)
Net Income				$ 414

(a) See Note 3 for additional information on Operating Revenues.

Other information for the segments and reconciliation to PPL's Consolidated results for the three months ended March 31, 2025 are as follows:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total Segments	Corporate and Other	Consolidated Total
Other Segment Disclosures						
Amortization (a)	$ 5	$ 11	$ —	$ 16	$ 4	$ 20
Deferred income taxes and investment tax credits (b)	8	20	(7)	21	17	38
Expenditures for long lived assets	290	328	172	790	3	793

(a) Represents non-cash expense items that include amortization of operating lease right-of-use assets, regulatory assets and liabilities, debt discounts and premiums and debt issuance costs.
(b) Represents a non-cash expense item that is also included in "Income Taxes."

The table below provides information about PPL's segments and includes the reconciliation to consolidated net income for the three months ended March 31, 2024:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 984	$ 770	$ 549	$ 2,303
Reconciliation of revenue				
Corporate and Other revenues				1
Total consolidated revenues				$ 2,304
Less:				
Fuel	209	—	—	209
Energy Purchases	77	214	229	520
Other operation and maintenance	202	181	156	539
Depreciation	176	99	41	316
Taxes, other than income	25	36	27	88
Other (income) expense - net	(3)	(9)	(7)	(19)
Interest (income) from affiliate	—	(10)	—	(10)
Interest expense	60	62	24	146
Income taxes	48	48	15	111
Segment net income	$ 190	$ 149	$ 64	$ 403
Reconciliation of segment profit or loss to consolidated net income				
Corporate and Other net loss				(96)
Net Income				$ 307

(a) See Note 3 for additional information on Operating Revenues.

Other information for the segments and reconciliation to PPL's Consolidated results for the three months ended March 31, 2024 are as follows:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total Segments	Corporate and Other	Consolidated Total
Other Segment Disclosures						
Amortization (a)	$ 8	$ 12	$ —	$ 20	$ 4	$ 24
Deferred income taxes and investment tax credits (b)	4	32	18	54	18	72
Expenditures for long lived assets	241	229	125	595	1	596

(a) Represents non-cash expense items that include amortization of operating lease right-of-use assets, regulatory assets and liabilities, debt discounts and premiums and debt issuance costs.
(b) Represents a non-cash expense item that is also included in "Income Taxes."

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

	March 31, 2025	December 31, 2024
Total Assets		
Kentucky Regulated	$ 17,789	$ 17,626
Pennsylvania Regulated	15,654	15,475
Rhode Island Regulated	7,194	7,055
Corporate and Other (a)	1,172	913
Total	$ 41,809	$ 41,069

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

(PPL Electric)

PPL Electric has two operating segments, distribution and transmission, which are aggregated into a single reportable segment.

The measure of segment assets is reported on PPL Electric's Balance Sheets as total consolidated assets. The measures of significant segment expenses are reported on PPL Electric's Statements of Income. The measures of significant non-cash segment expenses as well as expenditures for long lived assets are reported on PPL Electric's Statements of Cash Flows.

(LG&E and KU)

Each of LG&E and KU operates as a single operating and reportable segment.

The measures of segment assets are reported on the Balance Sheets of LG&E and KU as total assets. The measures of significant segment expenses are reported on the Statements of Income of LG&E and KU. The measures of significant non-cash segment expenses as well as expenditures for long lived assets are reported on the Statements of Cash Flows of LG&E and KU.

3. Revenue from Contracts with Customers

(All Registrants)

See Note 3 in the Registrants' 2024 Form 10-K for a discussion of the principal activities from which PPL Electric, LG&E and KU and PPL's Pennsylvania Regulated, Rhode Island Regulated, and Kentucky Regulated segments generate their revenues. The following tables reconcile "Operating Revenues" included in each Registrant's Statement of Income with revenues generated from contracts with customers for the periods ended March 31.

	2025 Three Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)(b)	$ 2,504	$ 819	$ 505	$ 564
Revenues derived from:				
Alternative revenue programs (c)	50	(2)	2	4
Other (d)	(9)	(5)	(1)	(2)
Revenues from Contracts with Customers	$ 2,545	$ 812	$ 506	$ 566

	2024 Three Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)(b)	$ 2,304	$ 770	$ 476	$ 525
Revenues derived from:				
Alternative revenue programs (c)	7	(3)	2	5
Other (d)	(8)	(5)	(1)	(1)
Revenues from Contracts with Customers	$ 2,303	$ 762	$ 477	$ 529

(a) PPL includes $626 million for the three months ended March 31, 2025 and $549 million for the three months ended March 31, 2024 of revenues from external customers reported by the Rhode Island Regulated segment. PPL Electric represents revenues from external customers reported by the Pennsylvania Regulated segment and LG&E and KU, net of intercompany power sales and transmission revenues, represent revenues from external customers reported by the Kentucky Regulated segment. See Note 2 for additional information.

(b) PPL's transition services agreement associated with the RIE acquisition ended in the third quarter of 2024. In conjunction with the completion of the agreement, PPL conformed the presentation of RIE's and the Rhode Island Regulated segment's net metering charges with the presentation of the other segments, resulting in an increase in Operating Revenues and a corresponding increase in Energy purchases beginning in the fourth quarter of 2024. For the quarter ended March 31, 2025, net metering of $41 million was included in Energy purchases on PPL's Statement of Income. For the quarter ended March 31, 2024, $32 million of net metering was presented as a reduction of Operating Revenues on PPL's Statement of Income.

(c) This line item shows the over/under collection of rate mechanisms deemed alternative revenue programs with over-collections of revenue shown as positive amounts in the table above and under-collections shown as negative amounts.

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

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

	Three Months							
	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
2025								
PA Regulated	$ 457	$ 106	$ 13	$ 13	$ —	$ —	$ 223	$ 812
KY Regulated	487	280	154	96	7	38	—	1,062
RI Regulated (c)	441	197	18	(35)	—	—	50	671
Total PPL	$ 1,385	$ 583	$ 185	$ 74	$ 7	$ 38	$ 273	$ 2,545
2024								
PA Regulated	$ 426	$ 106	$ 12	$ 13	$ —	$ —	$ 205	$ 762
KY Regulated	443	267	161	97	6	15	—	989
RI Regulated (c)	261	78	4	161	—	—	47	551
Corp and Other	—	—	—	1	—	—	—	1
Total PPL	$ 1,130	$ 451	$ 177	$ 272	$ 6	$ 15	$ 252	$ 2,303
PPL Electric								
2025	$ 457	$ 106	$ 13	$ 13	$ —	$ —	$ 223	$ 812
2024	$ 426	$ 106	$ 12	$ 13	$ —	$ —	$ 205	$ 762
LG&E								
2025	$ 239	$ 147	$ 46	$ 54	$ —	$ 20	$ —	$ 506
2024	$ 218	$ 138	$ 47	$ 52	$ —	$ 22	$ —	$ 477
KU								
2025	$ 248	$ 133	$ 108	$ 42	$ 7	$ 28	$ —	$ 566
2024	$ 225	$ 129	$ 114	$ 46	$ 6	$ 9	$ —	$ 529

(a) Primarily includes revenues from pole attachments, street lighting, other public authorities and other non-core businesses, and for the Rhode Island Regulated Segment certain regulatory deferral mechanisms which could result in a reduction in revenues from over collections. For the period ended 2024, the Rhode Island Regulated segment primarily includes open access tariff revenues, which are calculated on combined customer classes.

(b) Includes wholesale power and transmission revenues. LG&E and KU amounts include intercompany power sales and transmission revenues, which are eliminated upon consolidation at the Kentucky Regulated segment.

(c) PPL's transition services agreement associated with the RIE acquisition ended in the third quarter of 2024. In conjunction with the completion of the agreement, PPL disaggregated the 2024 revenues of the Rhode Island Regulated segment in a manner consistent with that of its other segments. This resulted in certain customer revenues for the Rhode Island Regulated segment, which were previously presented in the "Other" category, being presented in the "Residential", "Commercial" or "Industrial" customer classes beginning in the fourth quarter of 2024. Applying the previous methodology to 2025 revenues would result in $155 million of Residential, $89 million of Commercial and $13 million of Industrial for the Rhode Island Regulated segment being presented as "Other" for the three months ended March 31, 2025.

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

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

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

	Three Months	
	2025	2024
PPL (a)	$ 25	$ 42
PPL Electric (a)	7	28
LG&E	2	1
KU	1	1

(a) 2024 includes amounts impaired related to PPL Electric's billing issues.

Contract liabilities result from recording contractual billings in advance for customer attachments to the Registrants' infrastructure and payments received in excess of revenues earned to date. Advanced billings for customer attachments are generally recognized as revenue ratably over the quarterly billing period. Payments received in excess of revenues earned to date are recognized as revenue as services are delivered in subsequent periods. PPL's contract liabilities are not material at March 31, 2025 and 2024.

4. Earnings Per Share

(PPL)

Basic EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding during the applicable period. Diluted EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding, increased by the number of incremental shares that would be outstanding if potentially dilutive share-based payment awards were converted to common shares as calculated using the Two-Class Method or Treasury Stock Method. Incremental non-participating securities that have a dilutive impact are detailed in the table below. In 2025, these securities also included forward sales of PPL common stock issued through an ATM Program. See Note 7 for additional information on the ATM Program. The forward sale agreements are dilutive under the Treasury Stock Method to the extent the average stock price of PPL's common shares exceeds the forward sale price prescribed in the agreements.

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

	Three Months	
	2025	2024
Income (Numerator)		
Net income attributable to PPL	$ 414	$ 307
Less amounts allocated to participating securities	1	—
Net income available to PPL common shareowners - Basic and Diluted	$ 413	$ 307
Shares of Common Stock (Denominator)		
Weighted-average shares - Basic EPS	738,691	737,512
Add: Dilutive share-based payment awards (a)	2,709	1,308
Weighted-average shares - Diluted EPS	741,400	738,820
Basic and Diluted EPS		
Net Income available to PPL common shareowners	$ 0.56	$ 0.42

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

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

	Three Months	
	2025	2024
DRIP	200	—

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

	Three Months	
	2025	2024
Stock-based compensation awards	175	—
Forward sale agreements	2,033	—

5. Income Taxes

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

(PPL)

	Three Months	
	2025	2024
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 108	$ 81
Increase (decrease) due to:		
State income taxes, net of federal income tax benefit	20	17
Utility rate-making tax adjustments (a)	(10)	(5)
Amortization of excess deferred federal and state income taxes	(15)	(13)
Other	(1)	1
Total increase (decrease)	(6)	—
Total income tax expense (benefit)	$ 102	$ 81

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

(PPL Electric)

	Three Months	
	2025	2024
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 50	$ 41
Increase (decrease) due to:		
State income taxes, net of federal income tax benefit	15	14
Utility rate-making tax adjustments (a)	(6)	(4)
Amortization of excess deferred federal and state income taxes	(3)	(2)
Other	(2)	(1)
Total increase (decrease)	4	7
Total income tax expense (benefit)	$ 54	$ 48

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

(LG&E)

	Three Months	
	2025	2024
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 27	$ 25
Increase (decrease) due to:		
State income taxes, net of federal income tax benefit	5	4
Amortization of excess deferred federal and state income taxes	(4)	(3)
Other	(2)	(2)
Total increase (decrease)	(1)	(1)
Total income tax expense (benefit)	$ 26	$ 24

(KU)

	Three Months	
	2025	2024
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 33	$ 28
Increase (decrease) due to:		
State income taxes, net of federal income tax benefit	6	5
Amortization of excess deferred federal and state income taxes	(5)	(5)
Other	(3)	(1)
Total increase (decrease)	(2)	(1)
Total income tax expense (benefit)	$ 31	$ 27

Other

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

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

6. Utility Rate Regulation

(All Registrants)

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

	PPL		PPL Electric		LG&E		KU	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Current Regulatory Assets:								
Rate adjustment mechanisms	$ 74	$ 95	$ —	$ —	$ —	$ —	$ —	$ —
Renewable energy certificates	16	14	—	—	—	—	—	—
Storm damage expense rider	46	68	46	68	—	—	—	—
Gas supply clause	23	3	—	—	23	3	—	—
Transmission service charge	35	44	—	27	—	—	—	—
Transmission formula rate	13	14	3	2	—	—	—	—
DSIC	9	8	9	8	—	—	—	—
TCJA customer refund and recovery	28	21	28	21	—	—	—	—
ISR deferral	10	22	—	—	—	—	—	—
Gas line tracker	5	4	—	—	5	4	—	—
Other	15	27	8	7	3	1	—	1
Total current regulatory assets	$ 274	$ 320	$ 94	$ 133	$ 31	$ 8	$ —	$ 1

	PPL		PPL Electric		LG&E		KU	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Noncurrent Regulatory Assets:								
Defined benefit plans	$ 962	$ 967	$ 472	$ 473	$ 223	$ 226	$ 147	$ 149
Plant outage costs	29	30	—	—	7	7	22	23
Net metering	147	147	—	—	—	—	—	—
Environmental cost recovery	96	96	—	—	—	—	—	—
Storm costs	116	113	41	22	22	20	36	29
Unamortized loss on debt	20	20	3	3	9	9	6	6
Terminated interest rate swaps	51	53	—	—	30	31	21	22
Accumulated cost of removal of utility plant	165	173	165	173	—	—	—	—
AROs	278	280	—	—	76	75	202	205
Retired asset recovery	83	83	—	—	83	83	—	—
Gas line inspections	24	24	—	—	22	22	2	2
Advanced metering infrastructure	31	28	—	—	15	14	16	14
Other	47	46	4	2	4	4	8	8
Total noncurrent regulatory assets	$ 2,049	$ 2,060	$ 685	$ 673	$ 491	$ 491	$ 460	$ 458

	PPL		PPL Electric		LG&E		KU	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Current Regulatory Liabilities:								
Generation supply charge	$ 45	$ 52	$ 45	$ 52	$ —	$ —	$ —	$ —
Environmental cost recovery	9	12	—	—	4	6	5	6
Rate adjustment mechanisms	63	71	—	—	—	—	—	—
Energy efficiency	24	25	—	—	—	—	—	—
DSM	24	17	—	—	10	7	14	10
Revenue decoupling mechanism	40	10	—	—	—	—	—	—
Deferred revenue	25	—	—	—	—	—	—	—
Derivative instruments	15	—	—	—	—	—	—	—
Other	29	36	9	5	2	1	7	6
Total current regulatory liabilities	$ 274	$ 223	$ 54	$ 57	$ 16	$ 14	$ 26	$ 22
Noncurrent Regulatory Liabilities:								
Accumulated cost of removal of utility plant	$ 1,027	$ 1,022	$ —	$ —	$ 318	$ 314	$ 409	$ 408
Net deferred taxes	1,875	1,899	729	739	434	439	491	498
Defined benefit plans	296	294	106	100	24	24	66	65
Terminated interest rate swaps	54	54	—	—	27	27	27	27
Energy efficiency	28	16	—	—	—	—	—	—
Other	58	50	—	—	11	11	14	11
Total noncurrent regulatory liabilities	$ 3,338	$ 3,335	$ 835	$ 839	$ 814	$ 815	$ 1,007	$ 1,009

Regulatory Matters

Rhode Island Activities *(PPL)*

FY 2026 Gas ISR Plan

On December 31, 2024, RIE filed its FY 2026 Gas ISR Plan with the RIPUC with a budget that included $187 million of capital investment spend and up to $15 million of additional contingency plan spend in connection with the PHMSA's potential

enactment of regulations during FY 2026 that, if enacted, would significantly alter RIE's leak detection and repair obligations under federal regulations. The Plan also included proposed spending on curb-to-curb paving of $22 million. On March 28, 2025, the RIPUC approved a FY 2026 Gas ISR Plan of $165 million of which $147 million is for capital investment spend and $18 million spend for paving costs as operations and maintenance (O&M), plus a potential additional $15 million is available if the above-mentioned regulations are implemented by the PHMSA. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

FY 2026 Electric ISR Plan

On December 23, 2024, RIE filed its FY 2026 Electric ISR Plan with the RIPUC with a budget that included $248 million of capital investment spend (including $88 million for Advanced Metering Functionality (AMF)), $14 million of vegetation operation and maintenance (O&M) spend and $1 million of Other O&M spend. On March 28, 2025, the RIPUC approved a FY 2026 Electric ISR Plan of $219 million for capital investment spend (including $88 million for AMF), $14 million for vegetation management O&M spend, and $1 million for Other O&M spend. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

Kentucky Activities

(PPL, LG&E and KU)

2025 CPCN

On February 28, 2025, LG&E and KU filed an application with the KPSC regarding certain future plans for new generation and generation-related construction matters. The proposals included in the application are intended to serve anticipated load growth, including from potential data center demand in LG&E's or KU's service territory. The proposals do not include retirements of coal or other fossil-fueled plants, which would require additional KPSC approval procedures under Kentucky legislation enacted in 2023 and 2024.

LG&E and KU submitted a joint application to the KPSC for approval of certain certificates of public convenience and necessity, site compatibility certificates, and accounting treatment, where applicable, relating to a number of generation-related plans or projects that generally are expected to become operational or established within the next six years. The aggregate projected capital expenditures associated with these proposals are currently expected to be $3.7 billion over the 2025 to 2031 period. The application includes proposals:

- to build a 645 MW natural gas combined cycle (NGCC) generation unit at KU's E.W. Brown station,
- to build a 645 MW NGCC generation unit at LG&E's Mill Creek station,
- to build a four-hour 400 MW (1,600 MWh total) battery energy storage system (BESS) at LG&E's Cane Run station, and
- to build a selective catalytic reduction (SCR) environmental facility at KU's Ghent station Unit 2.

The new NGCC units are anticipated to be wholly owned by LG&E and the BESS unit jointly owned by LG&E (32%) and KU (68%), with actual project costs allocated consistent with LG&E's and KU's ultimate ownership shares and existing shared dispatch, cost allocation, tariff or other frameworks. The proposed Mill Creek NGCC unit is in addition to a new NGCC unit currently under construction at that location.

The filing also notes projected in service dates for the projects, including the E.W. Brown NGCC unit in 2030, the Mill Creek NGCC unit in 2031, the Cane Run BESS in 2028 and the Ghent SCR facility in 2028.

LG&E and KU anticipate a ruling from the KPSC during the fourth quarter of 2025. LG&E and KU cannot predict the outcome of the proceedings.

Kentucky January 2025 Storm

In January 2025, LG&E and KU experienced snow, ice, sleet and freezing rain in their service territories, resulting in substantial damage to certain of LG&E's and KU's assets. On January 31, 2025, LG&E and KU submitted a filing with the KPSC requesting regulatory asset treatment of the extraordinary operations and maintenance (O&M) expenses portion of the costs incurred related to the storm. On March 19, 2025, the KPSC issued an order authorizing LG&E and KU to establish, for accounting purposes only, regulatory assets based on the jurisdictional incremental costs of extraordinary O&M expense incurred by LG&E and KU as a result of the 2025 Winter Storm, with recovery amounts and amortization thereof to be determined in subsequent base rate proceedings. LG&E and KU cannot predict the outcome of this matter. As of March 31, 2025, LG&E and KU recorded regulatory assets related to the storm of $2 million and $7 million.

Mill Creek Unit 1 and Unit 2 Retired Asset Recovery (RAR) Application (PPL and LG&E)

In 2023, the KPSC issued an order approving, among other items, the requested retirement of Mill Creek Units 1 and 2.

On October 4, 2024, LG&E submitted an application related to the retirement of Mill Creek Unit 1, which occurred on December 31, 2024, requesting recovery of associated costs under the RAR rider. LG&E expects these costs to be approximately $125 million and proposed to begin application of the RAR rider with bills issued in May 2025. On February 24, 2025, the KPSC issued an order approving LG&E’s cost recovery for Mill Creek Unit 1 under the RAR rider.

Mill Creek Unit 2 is expected to be retired in 2027. LG&E anticipates the recovery of associated costs, including the remaining net book value, for Mill Creek Unit 2 through the RAR rider. The remaining net book value of Mill Creek Unit 2 was approximately $215 million at March 31, 2025 and LG&E is continuing to depreciate using the current approved rates through its retirement date in 2027. LG&E expects to reclassify the net book value remaining at retirement, which is expected to total approximately $161 million, to a regulatory asset to be amortized over a period of ten years in accordance with the RAR. There can be no assurance that these costs will be recovered in the amounts or at the time that LG&E expects.

Pennsylvania Activities *(PPL and PPL Electric)*

DSIC Petition

On April 26, 2024, PPL Electric filed a Petition with the PAPUC requesting that the PAPUC waive PPL Electric's DSIC cap of 5% of billed revenues and increase the maximum allowable DSIC to 9% for bills rendered on or after January 1, 2025. On February 28, 2025, the PAPUC issued its written order permitting PPL Electric to increase its DSIC cap from 5% to 7.5% for bills rendered on or after March 13, 2025 until the effective date of rates established in PPL Electric’s next base rate case or the end of the PPL Electric’s 2023-2027 Long-term Infrastructure Improvement Plan, whichever occurs first, at which time it will return to 5%.

Federal Matters

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

In 2018, LG&E and KU applied to the FERC requesting elimination of certain on-going waivers and credits to a sub-set of transmission customers relating to the 1998 merger of LG&E's and KU's parent entities and the 2006 withdrawal of LG&E and KU from the Midcontinent Independent System Operator, Inc. (MISO), a regional transmission operator and energy market. The application sought termination of LG&E's and KU's commitment to provide certain Kentucky municipalities mitigation for certain horizontal market power concerns arising out of the 1998 LG&E and KU merger and 2006 MISO withdrawal. The amounts at issue are generally waivers or credits granted to a limited number of Kentucky municipalities for either certain LG&E and KU or MISO transmission charges incurred for transmission service received. In 2019, the FERC granted LG&E's and KU's request to remove the ongoing credits, conditioned upon the implementation by LG&E and KU of a transition mechanism for certain existing power supply arrangements, which was subsequently filed, modified, and approved by the FERC in 2020 and 2021. In 2020, LG&E and KU and other parties filed appeals with the U.S. Court of Appeals - D.C. Circuit (D.C. Circuit Court of Appeals) regarding the FERC's orders on the elimination of the mitigation and required transition mechanism. In August 2022, the D.C. Circuit Court of Appeals issued an order remanding the proceedings back to the FERC. On May 18, 2023, the FERC issued an order on remand reversing its 2019 decision and requiring LG&E and KU to refund credits previously withheld, including under such transition mechanism. LG&E and KU filed a petition for review of the FERC's May 18, 2023 order with the D.C. Circuit Court of Appeals and provided refunds in accordance with the FERC order

on December 1, 2023. The FERC issued an order on LG&E's and KU's compliance filing on November 16, 2023, and LG&E and KU filed a petition for review of this November 16, 2023 order on February 14, 2024. The FERC issued the substantive order on rehearing on March 21, 2024, reaffirming its prior decision. Oral argument before the D.C. Circuit Court of Appeals occurred on January 21, 2025. LG&E and KU cannot predict the ultimate outcome of the proceedings or any other post decision process but do not expect the annual impact to have a material effect on their operations or financial condition. LG&E and KU currently receive recovery of certain waivers and credits primarily through base rates increases, provided, however, that increases associated with the FERC's May 18, 2023 order are expected to be subject to future rate proceedings.

Recovery of Transmission Costs (PPL)

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

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

Other

Purchase of Receivables Program

(PPL and PPL Electric)

In accordance with RIPUC-approved and PAPUC-approved purchase of accounts receivable programs, RIE and PPL Electric purchase certain accounts receivable from alternative electricity suppliers at a discount, which reflects a provision for uncollectible accounts. The alternative electricity suppliers have no continuing involvement or interest in the purchased accounts receivable. Accounts receivable that are acquired are initially recorded at fair value on the date of acquisition.

During the three months ended March 31, 2025 and 2024, RIE purchased $87 million and $51 million of accounts receivable from alternative suppliers.

During the three months ended March 31, 2025 and 2024, PPL Electric purchased $466 million and $419 million of accounts receivable from alternative suppliers.

7. Financing Activities

Credit Arrangements and Short-term Debt

(All Registrants)

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

	Expiration Date	March 31, 2025 Capacity	Borrowed	Letters of Credit and Commercial Paper Issued (c)	Unused Capacity	December 31, 2024 Borrowed	Letters of Credit and Commercial Paper Issued (c)
PPL							
PPL Capital Funding (a)							
Syndicated Credit Facility (b)	Dec. 2029	$ 1,500	$ —	$ 427	$ 1,073	$ —	$ 138
Bilateral Credit Facility	Feb. 2026	100	—	—	100	—	—
Bilateral Credit Facility	Feb. 2026	100	—	55	45	—	15
Total PPL Capital Funding Credit Facilities		$ 1,700	$ —	$ 482	$ 1,218	$ —	$ 153
PPL Electric							
Syndicated Credit Facility	Dec. 2029	$ 750	$ —	$ 56	$ 694	$ —	$ 1
Total PPL Electric Credit Facilities		$ 750	$ —	$ 56	$ 694	$ —	$ 1
LG&E							
Syndicated Credit Facility	Dec. 2029	$ 600	$ —	$ 89	$ 511	$ —	$ 25
Total LG&E Credit Facilities		$ 600	$ —	$ 89	$ 511	$ —	$ 25
KU							
Syndicated Credit Facility	Dec. 2029	$ 600	$ —	$ 209	$ 391	$ —	$ 140
Total KU Credit Facilities		$ 600	$ —	$ 209	$ 391	$ —	$ 140

(a) PPL Capital Funding's obligations are fully and unconditionally guaranteed by PPL.
(b) In January 2025, PPL Capital Funding increased the borrowing capacity of this facility from $1.25 billion to $1.50 billion. At March 31, 2025, the facility included a $250 million borrowing sublimit for RIE and a $1.25 billion sublimit for PPL Capital Funding. At December 31, 2024, the facility included a $250 million borrowing sublimit for RIE and a $1 billion borrowing sublimit for PPL Capital Funding. RIE's borrowing sublimit is adjustable, at the borrowers' option, from $0 to $600 million, with the remaining balance available under the facility allocated to PPL Capital Funding. At March 31, 2025, PPL Capital Funding had $427 million of commercial paper outstanding and RIE had no commercial paper outstanding. At December 31, 2024, PPL Capital Funding had $138 million of commercial paper outstanding and RIE had no commercial paper outstanding. RIE's obligations under the facility are not guaranteed by PPL.
(c) Commercial paper issued reflects the undiscounted face value of the issuance.

(PPL)

In January 2025, PPL Capital Funding amended its existing $1.25 billion syndicated credit facility to extend the termination date from December 6, 2028 to December 6, 2029 and to increase the borrowing capacity under the facility to $1.50 billion.

(PPL and PPL Electric)

In January 2025, PPL Electric amended its existing $650 million syndicated credit facility to extend the termination date from December 6, 2028 to December 6, 2029 and to increase the borrowing capacity under the facility to $750 million.

(PPL and LG&E)

In January 2025, LG&E amended its existing $500 million syndicated credit facility to extend the termination date from December 6, 2028 to December 6, 2029 and to increase the borrowing capacity under the facility to $600 million.

(PPL and KU)

In January 2025, KU amended its existing $400 million syndicated credit facility to extend the termination date from December 6, 2028 to December 6, 2029 and to increase the borrowing capacity under the facility to $600 million.

(All Registrants)

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

	March 31, 2025				December 31, 2024	
	Weighted - Average Interest Rate	Capacity	Commercial Paper Issuances (c)	Unused Capacity	Weighted - Average Interest Rate	Commercial Paper Issuances (c)
PPL Capital Funding (a)(b)	4.71%	$ 1,350	$ 427	$ 923	4.76%	$ 138
RIE (b)		250	—	250		—
PPL Electric	4.68%	650	55	595		—
LG&E	4.67%	500	89	411	4.72%	25
KU	4.71%	400	209	191	4.71%	140
Total		$ 3,150	$ 780	$ 2,370		$ 303

(a) PPL Capital Funding's obligations are fully and unconditionally guaranteed by PPL.
(b) Issuances under the PPL Capital Funding and RIE commercial paper programs are supported by the PPL Capital Funding syndicated credit facility. At March 31, 2025, the borrowing sublimits were $250 million for RIE and $1.25 billion for PPL Capital Funding. At December 31, 2024, the borrowing sublimits were $250 million for RIE and $1 billion for PPL Capital Funding. PPL Capital Funding's commercial paper program is also backed by a separate bilateral credit facility for $100 million.
(c) Commercial paper issued reflects the undiscounted face value of the issuance.

(PPL Electric, LG&E, and KU)

See Note 11 for discussion of intercompany borrowings.

(PPL)

Equity Securities

ATM Program

In February 2025, PPL entered into an equity distribution agreement, pursuant to which PPL may sell, from time to time, up to an aggregate of $2 billion of its common stock through an ATM Program, including an optional forward sales component. Each forward contract under the agreement must be settled within 24 months. The compensation paid to the selling agents by PPL may be up to 2% of the gross offering proceeds of the shares. During the three months ended March 31, 2025, PPL entered into a forward contract to sell approximately 2.0 million shares of its common stock at an initial forward price of $34.49 per share. The forward sale price may be adjusted based on changes in daily interest rates, for certain stock loan fees as determined by a third-party agent, and will be subject to predetermined reductions based on expected dividends. This forward contract must be settled on or before December 30, 2025. PPL may elect, at its discretion, to physically settle, net share settle or net cash settle the forward contracts. At March 31, 2025, PPL could have settled the forward sale contract with physical delivery of 2.0 million shares of common stock for proceeds of approximately $70 million. In April 2025, PPL entered into forward contracts to sell approximately 2.8 million additional shares at a blended initial forward price of approximately $35.22 per share. The forward contracts under the ATM program are classified as equity transactions.

Dividends

In February 2025, PPL declared a quarterly cash dividend on its common stock, payable April 1, 2025, of 27.25 cents per share (equivalent to $1.09 per annum).

8. Acquisitions, Developments and Divestitures

Acquisitions *(PPL)*

Acquisition of Narragansett Electric

On May 25, 2022, PPL Rhode Island Holdings acquired 100% of the outstanding shares of common stock of Narragansett Electric from National Grid USA, a subsidiary of National Grid plc (the Acquisition). Following the closing of the Acquisition, Narragansett Electric provides services doing business under the name Rhode Island Energy (RIE). Please see Note 9 in PPL's 2024 Form 10-K for additional information concerning the Acquisition.

In connection with the Acquisition, National Grid USA Service Company, Inc., National Grid USA and Narragansett Electric entered into a transition services agreement (TSA), pursuant to which the National Grid entities agreed to provide certain transition services to Narragansett Electric to facilitate the transition of the operation of Narragansett Electric to PPL following the Acquisition, as agreed upon in the Narragansett share purchase agreement. The TSA was for an initial two-year term and was completed in the third quarter of 2024. TSA costs were $48 million during the three months ended March 31, 2024.

As a condition to the Acquisition, PPL made certain commitments to the Rhode Island Division of Public Utilities and Carriers and the Attorney General of the State of Rhode Island. See Note 9 in PPL's 2024 Form 10-K for a complete listing of those commitments. Included in these commitments is RIE's commitment to forgo potential recovery of any and all transition costs, which includes (1) the installation of certain information technology systems; (2) modification and enhancements to physical facilities in Rhode Island; and (3) costs related to severance payments, communications and branding changes, and other transition related costs. These costs, which are being expensed as incurred, were $17 million and $81 million for the three months ended March 31, 2025 and 2024.

9. Defined Benefits

(PPL)

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

	Pension Benefits	
	Three Months	
	2025	2024
PPL		
Service cost	$ 8	$ 9
Interest cost	45	46
Expected return on plan assets	(72)	(75)
Amortization of:		
Prior service cost	—	1
Actuarial loss	5	2
Net periodic defined benefit costs (credits)	$ (14)	$ (17)

	Other Postretirement Benefits	
	Three Months	
	2025	2024
PPL		
Service cost	$ 2	$ 1
Interest cost	7	7
Expected return on plan assets	(8)	(7)
Amortization of:		
Actuarial loss	(1)	(1)
Net periodic defined benefit costs (credits)	$ —	$ —

(All Registrants)

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

10. Commitments and Contingencies

Legal Matters

(All Registrants)

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

Narragansett Electric Litigation *(PPL)*

Energy Efficiency Programs Investigation

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

On February 21, 2025, the Division filed testimony confirming its initial testimony that $12 million is the appropriate amount to be refunded to the energy efficiency program. On March 4, 2025, a Settlement Agreement between RIE, the Division, and the Rhode Island Attorney General was filed with the RIPUC requiring refunds of $10 million. Of this amount, $2 million has already been refunded through the energy efficiency mechanism with the remaining $8 million to reduce the storm cost regulatory asset recorded on PPL's balance sheet. The settlement also included reimbursement of minor consulting fees and various other compliance actions. On March 5, 2025, the RIPUC approved the Settlement Agreement.

E.W. Brown Environmental Assessment *(PPL and KU)*

KU is undertaking extensive remedial measures at the E.W. Brown plant including closure of the former ash pond, implementation of a groundwater remedial action plan and performance of a corrective action plan including aquatic study of adjacent surface waters and risk assessment. The aquatic study and risk assessment are being undertaken pursuant to a 2017 Agreed Order with the Kentucky Energy and Environment Cabinet (KEEC). KU conducted sampling of Herrington Lake in 2017 and 2018. In June 2019, KU submitted to the KEEC the required aquatic study and risk assessment, conducted by an independent third-party consultant, finding that discharges from the E.W. Brown plant have not had any significant impact on Herrington Lake and that the water in the lake is safe for recreational use and meets safe drinking water standards. On May 31, 2021, the KEEC approved the report and released a response to public comments. On August 6, 2021, KU submitted a *Supplemental Remedial Alternatives Analysis* report to the KEEC that outlines proposed additional fish, water, and sediment testing. On February 18, 2022, the KEEC provided approval to KU to proceed with the proposed sampling, which commenced in the spring of 2022. On November 17, 2022, KU submitted a *Supplemental Performance Monitoring Report* to the KEEC finding that there are no significant unaddressed risks to human health or the environment at the plant. KU revised the *Supplemental Performance Monitoring Report* on June 8, 2023, in response to KEEC comments from April 24, 2023. On September 1, 2023, the KEEC requested KU to propose additional monitoring or remedial measures. KU submitted a revised *Supplemental Performance Monitoring and Corrective Action Completion* on December 28, 2023. In August 2024, KU submitted a proposed environmental covenant to the KEEC specifying certain site restrictions. Discussions between KU and the KEEC are ongoing, but KU cannot predict the outcome of this matter.

(PPL, LG&E and KU)

EPA Deregulatory Initiative

On March 12, 2025, the EPA announced a plan to reconsider 31 environmental rules including the Section 111 performance standards and emissions limits for greenhouse gases, the endangerment finding for greenhouse gases, the Good Neighbor Plan, the Mercury and Air Toxics Standards, revisions to the fine particulate matter standard, the ELGs, and the CCRs Rule. Supplementing previous Executive Orders directing various regulatory changes, on April 9, 2025, President Trump issued an Executive Order and Presidential Memorandum directing review of existing rules, repeal of unlawful rules, and initiation of a zero-based budgeting process by which certain rules would automatically expire unless extended. While the administration may seek to implement some regulatory changes outside of the rulemaking process, changes to existing rules are generally expected to require formal rulemaking proceedings. Any final EPA actions repealing or revising current rules will likely result in legal challenges. PPL, LG&E, and KU are unable to predict future regulatory changes, if any, that may result from the EPA's deregulatory plan or the outcome of any associated legal challenges. PPL, LG&E, and KU will closely monitor the ongoing EPA initiative and any related litigation for the impact to our business including planned capital expenditures to comply with the EPA rules.

Water/Waste

ELGs

In 2015, the EPA finalized ELGs for wastewater discharge permits for new and existing steam electricity generating facilities. These guidelines require deployment of additional control technologies providing physical, chemical and biological treatment and mandate operational changes including "zero discharge" requirements for certain wastewaters. The implementation date for individual generating stations was to be determined by the states on a case-by-case basis according to criteria provided by the EPA. In September 2017, the EPA issued a rule to postpone the compliance date for certain requirements. In October 2020, the EPA issued revisions to its best available technology standards for certain wastewaters and potential extensions to compliance dates (the Reconsideration Rule). On May 9, 2024, the EPA issued a final rule modifying the 2020 ELG revisions. The rule increases the stringency of previous control technology and zero discharge requirements, revises certain exemptions for generating units planned for retirement, and requires case-by-case limitations for legacy wastewaters based on the best professional judgment of the state regulators. Legal challenges to the final rule have been consolidated before the U.S. Court of Appeals for the Eighth Circuit. The final rule could potentially result in significant operational changes and additional controls for LG&E and KU plants, but in March 2025 the EPA announced its plan to reconsider the rule. The ELGs are expected to be implemented by the states or applicable permitting authorities in the course of their normal permitting activities. Certain costs are included in the Registrants' capital plans and expected to be recovered from customers through rate recovery mechanisms, but additional costs and recovery will depend on further regulatory developments at the state level.

CCRs

In 2015, the EPA issued a final rule governing management of CCRs, which include fly ash, bottom ash and sulfur dioxide scrubber wastes (2015 CCR Rule). The 2015 CCR Rule imposed extensive new requirements for certain CCR impoundments and landfills, including public notifications, location restrictions, design and operating standards, groundwater monitoring and corrective action requirements, and closure and post-closure care requirements, and specifies restrictions relating to the beneficial use of CCRs. In January 2022, the EPA issued several proposed regulatory determinations, facility notifications, and public announcements which indicate increased scrutiny by the EPA to determine the adequacy of measures taken by facility owners and operators to achieve closure of CCR surface impoundments and landfills. In particular, the agency indicated that it will focus on certain practices which it views as posing a threat of continuing groundwater contamination. On May 8, 2024, the EPA issued a final rule (2024 CCR Rule) establishing regulatory requirements for inactive surface impoundments at inactive electricity generation facilities (legacy impoundments). The 2024 CCR Rule also establishes identification, groundwater monitoring, corrective action, closure, and post-closure care requirements for all CCR management units, as defined in the rule, at regulated CCR facilities regardless of how or when the CCR was placed. The rule also requires LG&E and KU to complete applicability determinations, implement site security measures, initiate weekly inspections and monthly monitoring of the impoundment, create a website, and complete hazard assessments and reports for its legacy impoundments. Additionally, the rule could potentially subject CCR management units that have previously completed remedial action and closure and certain beneficial use projects to additional federal regulatory requirements. Legal challenges to the rule have been filed in the D.C. Circuit Court. In March 2025, the EPA announced its plan to update the rule.

In connection with the 2015 CCR Rule, LG&E and KU recorded adjustments to existing AROs beginning in 2015. In connection with the 2024 CCR Rule, in the second quarter of 2024, LG&E and KU recognized ARO obligations related to preliminary risk assessments, facility evaluations, feasibility studies and sampling. See Note 15 for additional information. The results of those evaluations, as well as future guidance, regulatory determinations, rulemakings, implementation determinations and other developments could potentially require revisions to current LG&E and KU compliance plans including additional monitoring and remediation at surface impoundments and landfills, the cost of which could be material. PPL, LG&E and KU are unable to predict the outcome of the ongoing litigation, rulemaking, and regulatory determinations or potential impacts on current LG&E and KU compliance plans. PPL, LG&E and KU are currently finalizing or revising closure plans and schedules in accordance with applicable regulations and further material changes to AROs, current capital plans or operating costs may be required as estimates are refined based on closure developments, groundwater monitoring results, and regulatory or legal proceedings. Costs relating to this rule are expected to be subject to rate recovery.

LG&E and KU received KPSC approval for a compliance plan associated with the 2015 CCR Rule providing for the closure of impoundments at the Mill Creek, Trimble County, E.W. Brown, and Ghent stations, and construction of process water management facilities at those plants. In addition to the foregoing measures required for compliance with the federal CCR Rule, KU also received KPSC approval for its plans to close impoundments at the retired Green River, Pineville and Tyrone plants to comply with applicable state law. LG&E and KU have completed planned closure measures at most of the subject impoundments and have commenced post closure groundwater monitoring as required at those facilities. LG&E and KU generally expect to complete all impoundment closures within five years of commencement, although a longer period may be required to complete closure of some facilities. Associated costs are expected to be subject to rate recovery.

Superfund and Other Remediation

(All Registrants)

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

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

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

(PPL and PPL Electric)

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

As of March 31, 2025 and December 31, 2024, PPL Electric had a recorded liability of $8 million, representing its best estimate of the probable loss incurred to remediate these sites.

(PPL)

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

As of March 31, 2025 and December 31, 2024, RIE had a recorded liability of $99 million and $98 million, representing its best estimate of the remaining costs of RIE's environmental remediation activities. These undiscounted costs are expected to be incurred over approximately 30 years and generally to be subject to rate recovery. However, remediation costs for each site may be materially higher than estimated, depending on changing technologies and regulatory standards, selected end uses for each site, and actual environmental conditions encountered. RIE has recovered amounts from certain insurers and potentially responsible parties, and, where appropriate, may seek additional recovery from other insurers and potentially responsible parties, but it is uncertain whether, and to what extent, such efforts will be successful.

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

Regulatory Issues

(*All Registrants)*

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

Electricity - Reliability Standards

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

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

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

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

Gas - Security Directives *(PPL and LG&E)*

In May and July of 2021, the Department of Homeland Security’s (DHS) Transportation Security Administration released two security directives applicable to certain notified owners and operators of natural gas pipeline facilities (including local distribution companies) that the Transportation Security Administration has determined to be critical. The Transportation Security Administration has determined that LG&E is within the scope of the directive, while RIE has not been notified of this distinction. The first security directive required notified owners/operators to implement cybersecurity incident reporting to the DHS, designate a cybersecurity coordinator, and perform a gap assessment of current entity cybersecurity practices against certain voluntary Transportation Security Administration security guidelines and report relevant results and proposed mitigation to applicable DHS agencies. The second security directive, revised in July of 2024, requires refinement of the cybersecurity implementation plan and the cybersecurity assessment plan. LG&E does not believe the security directives have had or will have a significant impact on LG&E’s operations or financial condition.

Other

Guarantees and Other Assurances

(All Registrants)

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

(PPL)

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

(All Registrants)

The table below details guarantees provided as of March 31, 2025. "Exposure" represents the estimated maximum potential amount of future payments that could be required to be made under the guarantee. The Registrants believe the probability of expected payment/performance under each of these guarantees is remote, except for the guarantees and indemnifications related to the sale of Safari Holdings, which PPL believes are reasonably possible but not probable of occurring. For reporting purposes, on a consolidated basis, the guarantees of PPL include the guarantees of its subsidiary Registrants.

	Exposure at March 31, 2025		Expiration Date
PPL			
Indemnifications related to certain tax liabilities related to the sale of the U.K. utility business	£ 50	(a)	2028
PPL guarantee of Safari payment obligations under certain sale/leaseback financing transactions related to the sale of Safari Holdings	$ 97	(b)	2028
Indemnifications for losses suffered related to items not covered by Aspen Power's representation and warranty insurance associated with the sale of Safari Holdings	140	(c)	2028
LG&E and KU			
LG&E and KU obligation of shortfall related to OVEC		(d)	

(a) PPL WPD Limited entered into a Tax Deed dated June 9, 2021, in which it agreed to a tax indemnity regarding certain potential tax liabilities of the entities sold with respect to periods prior to the completion of the sale, subject to customary exclusions and limitations. Because National Grid Holdings One plc, the buyer, agreed to purchase indemnity insurance, the amount of the cap on the indemnity for these liabilities is £1, except with respect to certain surrenders of tax losses, for which the amount of the cap on the indemnity is £50 million.

(b) PPL guaranteed the payment obligations of Safari under certain sale/leaseback financing transactions executed by Safari. These guarantees will remain in place until Safari exercises its option to buy-out the projects under the sale/leaseback financings by the year 2028. Safari will indemnify PPL for any payments made by PPL or claims against PPL under the sale/leaseback transaction guarantees up to $25 million.

(c) Aspen Power has obtained representation and warranty insurance, therefore, PPL generally has no liability for its representations and warranties under the agreement except for losses suffered related to items not covered. Expiration of these indemnifications range from 18 months to 6 years from the date of the closing of the transaction, and PPL's aggregate liability for these claims will not exceed $140 million, subject to certain adjustments.

(d) Pursuant to the OVEC power purchase contract, LG&E and KU are obligated to pay for their share of OVEC's excess debt service, post-retirement, and decommissioning costs, as well as any shortfall from amounts included within a demand charge designed and expected to cover these costs over the term of the contract. PPL's proportionate share of OVEC's outstanding debt was $77 million at March 31, 2025, consisting of LG&E's share of $53 million and KU's share of $24 million. The maximum exposure and the expiration date of these potential obligations are not presently determinable. See "Energy Purchase Commitments" in Note 12 in PPL's, LG&E's and KU's 2024 Form 10-K for additional information on the OVEC power purchase contract.

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

PPL, on behalf of itself and certain of its subsidiaries, maintains insurance that covers liability assumed under contract for bodily injury and property damage. The insurance provides maximum aggregate coverage of $231 million for non-wildfire liability losses and maximum aggregate coverage of $181 million for wildfire liability losses. This insurance may be applicable to obligations under certain of these contractual arrangements.

11. Related Party Transactions

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

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

	Three Months	
	2025	2024
PPL Electric from PPL Services	$ 64	$ 56
LG&E from LKS	30	29
LG&E from PPL Services	20	11
KU from LKS	38	38
KU from PPL Services	19	11

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

Intercompany Borrowings

(PPL Electric)

CEP Reserves maintains a $800 million revolving line of credit with a PPL Electric subsidiary. At March 31, 2025, CEP Reserves had an insignificant amount of borrowings outstanding. At December 31, 2024, CEP Reserves had borrowings outstanding of $222 million. The interest rates on borrowings are equal to an adjusted one-month SOFR plus a spread. Interest income is reflected in "Interest Income from Affiliate" on the PPL Electric Income Statements.

(LG&E and KU)

LG&E participates in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E funds up to the difference between LG&E's FERC borrowing limit and LG&E's commercial paper issued at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR. At March 31, 2025, LG&E's money pool unused capacity was $661 million. At March 31, 2025, LG&E had insignificant borrowings outstanding from KU and/or LKE. At December 31, 2024, LG&E had borrowings outstanding of $43 million from KU and/or LKE. These balances are reflected in "Notes payable to affiliates" on the LG&E Balance Sheets.

KU participates in an intercompany money pool agreement whereby LKE and/or LG&E make available to KU funds up to the difference between KU's FERC borrowing limit and KU's commercial paper issued at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR. At March 31, 2025, KU's money pool unused capacity was $433 million. At March 31, 2025, KU had borrowings outstanding from LG&E and/or LKE of $8 million. At December 31, 2024, KU had borrowings outstanding of $73 million from LG&E and/or LKE. These balances are reflected in "Notes payable to affiliates" on the KU Balance Sheets.

VEBA Funds Receivable

(PPL Electric)

In 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to a new subaccount within the VEBA, to be used to pay medical claims of active

bargaining unit employees. In 2024, additional excess funds were removed from the PPL Bargaining Unit Retiree Health Plan VEBA and deposited into the existing subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. Based on PPL Electric's participation in PPL's Other Postretirement Benefit plan, PPL Electric was allocated a portion of the excess funds from PPL Services. These funds have been recorded as an intercompany receivable on PPL Electric's Balance Sheets. The receivable balance decreases as PPL Electric pays incurred medical claims and is reimbursed by PPL Services. The intercompany receivable balance associated with these funds was $4 million at March 31, 2025, which was reflected in "Accounts receivable from affiliates" on PPL Electric's Balance Sheets. The intercompany receivable balance associated with these funds was $7 million at December 31, 2024, of which $4 million was reflected in "Accounts receivable from affiliates" and $3 million was reflected in "Other noncurrent assets" on PPL Electric's Balance Sheets.

12. Other Income (Expense) - net

(PPL)

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

	Three Months	
	2025	2024
Defined benefit plans - non-service credits (Note 9)	$ 8	$ 8
Interest income	5	9
AFUDC - equity component	16	9
Charitable contributions	(2)	(2)
Miscellaneous	1	(2)
Other Income (Expense) - net	$ 28	$ 22

(PPL Electric)

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

	Three Months	
	2025	2024
Defined benefit plans - non-service credits (Note 9)	$ 3	$ 4
Interest income	2	1
AFUDC - equity component	7	5
Charitable contributions	(1)	(1)
Other Income (Expense) - net	$ 11	$ 9

13. Fair Value Measurements

(All Registrants)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). A market approach (generally, data from market transactions), an income approach (generally, present value techniques and option pricing models) and/or a cost approach (generally, replacement cost) are used to measure the fair value of an asset or liability, as appropriate. These valuation approaches incorporate inputs such as observable, independent market data and/or unobservable data that management believes are predicated on the assumptions market participants would use to price an asset or liability. These inputs may incorporate, as applicable, certain risks such as nonperformance risk, which includes credit risk. The fair value of a group of financial assets and liabilities is measured on a net basis. See Note 1 in each Registrant's 2024 Form 10-K for information on the levels in the fair value hierarchy.

Recurring Fair Value Measurements

The assets and liabilities measured at fair value were:

	March 31, 2025				December 31, 2024			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
PPL								
Assets								
Cash and cash equivalents	$ 312	$ 312	$ —	$ —	$ 306	$ 306	$ —	$ —
Restricted cash and cash equivalents (a)	28	28	—	—	33	33	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	340	340	—	—	339	339	—	—
Special use funds (a):								
Money market fund	1	1	—	—	1	1	—	—
Commingled debt fund measured at NAV (c)	8	—	—	—	10	—	—	—
Commingled equity fund measured at NAV (c)	7	—	—	—	8	—	—	—
Total special use funds	16	1	—	—	19	1	—	—
Price risk management assets (d):								
Gas contracts	22	—	22	—	9	—	4	5
Total assets	$ 378	$ 341	$ 22	$ —	$ 367	$ 340	$ 4	$ 5
Liabilities								
Price risk management liabilities (d):								
Interest rate swaps	$ 5	$ —	$ 5	$ —	$ 3	$ —	$ 3	$ —
Gas contracts	6	—	—	6	13	—	10	3
Total price risk management liabilities	$ 11	$ —	$ 5	$ 6	$ 16	$ —	$ 13	$ 3
PPL Electric								
Assets								
Cash and cash equivalents	$ 27	$ 27	$ —	$ —	$ 24	$ 24	$ —	$ —
Total assets	$ 27	$ 27	$ —	$ —	$ 24	$ 24	$ —	$ —
LG&E								
Assets								
Cash and cash equivalents	$ 10	$ 10	$ —	$ —	$ 8	$ 8	$ —	$ —
Restricted cash and cash equivalents (a)	13	13	—	—	16	16	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	23	23	—	—	24	24	—	—
Total assets	$ 23	$ 23	$ —	$ —	$ 24	$ 24	$ —	$ —
Liabilities								
Price risk management liabilities:								
Interest rate swaps	$ 5	$ —	$ 5	$ —	$ 3	$ —	$ 3	$ —
Total price risk management liabilities	$ 5	$ —	$ 5	$ —	$ 3	$ —	$ 3	$ —
KU								
Assets								
Cash and cash equivalents	$ 14	$ 14	$ —	$ —	$ 13	$ 13	$ —	$ —
Restricted cash and cash equivalents (a)	13	13	—	—	16	16	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	27	27	—	—	29	29	—	—
Total assets	$ 27	$ 27	$ —	$ —	$ 29	$ 29	$ —	$ —

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

A reconciliation of net liabilities classified as Level 3 for the three months ended March 31 is as follows:

	Gas Contracts
2025	
Balance at beginning of period	$ (2)
Total unrealized gains (losses) recognized as Regulatory Assets/Regulatory Liabilities:	8
Settlements	—
Balance at end of period	$ 6

Special Use Funds *(PPL)*

The special use funds are investments restricted for paying active union employee medical costs. In 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to a new subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. In 2024, additional excess funds were removed from the PPL Bargaining Unit Retiree Health Plan VEBA and deposited in the existing subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. The funds are invested primarily in commingled debt and equity funds measured at NAV and are classified as investments in equity securities. Changes in the fair value of the funds are recorded to the Statements of Income.

Price Risk Management Assets/Liabilities

Interest Rate Swaps (PPL, LG&E and KU)

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

Gas Contracts (PPL)

To manage gas commodity price risk associated with natural gas purchases, RIE utilizes over-the-counter (OTC) gas swaps contracts with pricing inputs obtained from the New York Mercantile Exchange (NYMEX) and the Intercontinental Exchange (ICE), except in cases where the ICE publishes seasonal averages or where there were no transactions within the last seven days. RIE may utilize discounting based on quoted interest rate curves, including consideration of non-performance risk, and may include a liquidity reserve calculated based on bid/ask spread. Substantially all of these price curves are observable in the marketplace throughout at least 95% of the remaining contractual quantity, or they could be constructed from market observable curves with correlation coefficients of 95% or higher. These contracts are classified as Level 2.

RIE also utilizes gas option and purchase and capacity transactions, which are valued based on internally developed models. Industry-standard valuation techniques, such as the Black-Scholes pricing model, are used for valuing such instruments. For valuations that include both observable and unobservable inputs, if the unobservable input is determined to be significant to the overall inputs, the entire valuation is classified as Level 3. This includes derivative instruments valued using indicative price quotations whose contract tenure extends into unobservable periods. In instances where observable data is unavailable, consideration is given to the assumptions that market participants would use in valuing the asset or liability. This includes assumptions about market risks such as liquidity, volatility, and contract duration. Such instruments are classified as Level 3 as the model inputs generally are not observable. RIE considers non-performance risk and liquidity risk in the valuation of derivative instruments classified as Level 2 and Level 3.

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

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

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

	March 31, 2025		December 31, 2024	
	Carrying Amount (a)	Fair Value	Carrying Amount (a)	Fair Value
PPL	$ 16,507	$ 15,847	$ 16,503	$ 15,562
PPL Electric	5,214	4,931	5,214	4,862
LG&E	2,471	2,335	2,471	2,295
KU	3,066	2,804	3,066	2,750

(a) Amounts are net of debt issuance costs.

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

14. Derivative Instruments and Hedging Activities

(All Registrants)

Risk Management Objectives

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

Market Risk

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

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

Interest Rate Risk

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

Commodity Price Risk

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

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

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

Volumetric Risk

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

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

Equity Securities Price Risk

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

Credit Risk

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

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

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

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

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

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

PPL, LG&E and KU had no obligation to return or post cash collateral under master netting arrangements at March 31, 2025 and December 31, 2024.

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

Interest Rate Risk

(All Registrants)

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

Cash Flow Hedges *(PPL)*

Interest rate risks include exposure to adverse interest rate movements for outstanding variable rate debt and for future anticipated financings. Financial interest rate swap contracts that qualify as cash flow hedges may be entered into to hedge floating interest rate risk associated with both existing and anticipated debt issuances. PPL had no such contracts at March 31, 2025.

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

For the three months ended March 31, 2025 and 2024, PPL had no cash flow hedges reclassified into earnings associated with discontinued cash flow hedges.

At March 31, 2025, the amount of accumulated net unrecognized after-tax gains (losses) on qualifying derivatives expected to be reclassified into earnings during the next 12 months is insignificant. Amounts are reclassified as the hedged interest expense is recorded.

Economic Activity *(PPL and LG&E)*

LG&E enters into interest rate swap contracts that economically hedge interest payments. Because realized gains and losses from the swaps, including terminated swap contracts, are recoverable through regulated rates, any subsequent changes in fair value of these derivatives are included in regulatory assets or liabilities until they are realized as interest expense. Realized gains and losses are recognized in "Interest Expense" on the Statements of Income at the time the underlying hedged interest expense is recorded. At March 31, 2025, LG&E held contracts with a notional amount of $64 million that mature in 2033.

Commodity Price Risk *(PPL)*

Economic Activity

RIE enters into derivative contracts that economically hedge natural gas purchases. Realized gains and losses from the derivatives are recoverable through regulated rates, therefore subsequent changes in fair value are included in regulatory assets or liabilities until they are realized as purchased gas. Realized gains and losses are recognized in "Energy Purchases" on the Statements of Income upon settlement of the contracts. At March 31, 2025, RIE held contracts with notional volumes of 40 Bcf that range in maturity from 2025 through 2029.

Accounting and Reporting

(All Registrants)

All derivative instruments are recorded at fair value on the Balance Sheet as an asset or liability unless the NPNS is elected. NPNS contracts include certain full requirement purchase contracts and other physical purchase contracts. Changes in the fair value of derivatives not designated as NPNS are recognized in earnings unless specific hedge accounting criteria are met and designated as such, except for the changes in fair values of LG&E's interest rate swaps that are recognized as regulatory assets or regulatory liabilities. See Note 6 for amounts recorded in regulatory assets and regulatory liabilities at March 31, 2025 and December 31, 2024.

See Note 1 in each Registrant's 2024 Form 10-K for additional information on accounting policies related to derivative instruments.

(PPL)

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

	March 31, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Current:				
Price Risk Management Assets/Liabilities (a):				
Interest rate swaps	$ —	$ 1	$ —	$ —
Gas contracts	16	1	7	10
Total current	16	2	7	10
Noncurrent:				
Price Risk Management Assets/Liabilities (a):				
Interest rate swaps	—	4	—	3
Gas contracts	6	5	2	3
Total noncurrent	6	9	2	6
Total derivatives	$ 22	$ 11	$ 9	$ 16

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

The following tables present the pre-tax effect of derivative instruments recognized in income, OCI or regulatory assets and regulatory liabilities for the period ended March 31, 2025.

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

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Three Months
Gas contracts	Energy purchases	$ (5)
	Total	$ (5)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized as Regulatory Liabilities/Assets	Three Months
Interest rate swaps	Regulatory assets - noncurrent	$ (1)
Gas contracts	Regulatory liabilities - current	18
	Regulatory liabilities - noncurrent	1
	Total	$ 18

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

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

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Three Months
Gas contracts	Energy purchases	$ (16)
	Total	$ (16)

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

The following table presents the effect of cash flow hedge activity on the Statement of Income for the period ended March 31, 2025.

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships
	Three Months
	Interest Expense
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 190
The effects of cash flow hedges:	
Gain (Loss) on cash flow hedging relationships:	
Interest rate swaps:	
Amount of gain (loss) reclassified from AOCI to income	(1)

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

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships
	Three Months
	Interest Expense
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 179
The effects of cash flow hedges:	
Gain (Loss) on cash flow hedging relationships:	
Interest rate swaps:	
Amount of gain (loss) reclassified from AOCI to income	(1)

(LG&E)

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

	March 31, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Current:				
Price Risk Management Assets/Liabilities:				
Interest rate swaps	$ —	$ 1	$ —	$ —
Total current	—	1	—	—
Noncurrent:				
Price Risk Management Assets/Liabilities:				
Interest rate swaps	—	4	—	3
Total noncurrent	—	4	—	3
Total derivatives	$ —	$ 5	$ —	$ 3

The following tables present the pre-tax effect of derivatives not designated as cash flow hedges that are recognized in income or regulatory assets for the period ended March 31, 2025.

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

Derivative Instruments	Location of Gain (Loss) Recognized in Regulatory Assets	Three Months
Interest rate swaps	Regulatory assets - noncurrent	$ (1)

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

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

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

(PPL, LG&E and KU)

Offsetting Derivative Instruments

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

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

	Assets				Liabilities			
		Eligible for Offset				Eligible for Offset		
	Gross	Derivative Instruments	Cash Collateral Received	Net	Gross	Derivative Instruments	Cash Collateral Pledged	Net
March 31, 2025								
Derivatives								
PPL	$ 22	$ 1	$ —	$ 21	$ 11	$ 1	$ —	$ 10
LG&E	—	—	—	—	5	—	—	5

	Assets				Liabilities			
		Eligible for Offset				Eligible for Offset		
	Gross	Derivative Instruments	Cash Collateral Received	Net	Gross	Derivative Instruments	Cash Collateral Pledged	Net
December 31, 2024								
Derivatives								
PPL	$ 9	$ 5	$ —	$ 4	$ 16	$ 5	$ —	$ 11
LG&E	—	—	—	—	3	—	—	3

Credit Risk-Related Contingent Features

Certain derivative contracts contain credit risk-related contingent features which, when in a net liability position, would permit the counterparties to require the transfer of additional collateral upon a decrease in the credit ratings of PPL, LG&E and KU or certain of their subsidiaries. Most of these features would require the transfer of additional collateral or permit the counterparty to terminate the contract if the applicable credit rating were to fall below investment grade. Some of these features also would allow the counterparty to require additional collateral upon each downgrade in credit rating at levels that remain above investment grade. In either case, if the applicable credit rating were to fall below investment grade, and assuming no assignment to an investment grade affiliate were allowed, most of these credit contingent features require either immediate payment of the net liability as a termination payment or immediate and ongoing full collateralization on derivative instruments in net liability positions.

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

(PPL)

At March 31, 2025, there were no derivative contracts in a net liability position that contain credit risk-related contingent features. At March 31, 2025, there were no additional collateral requirements in the event of a credit downgrade below investment grade.

15. Asset Retirement Obligations

(PPL, LG&E and KU)

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

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

	PPL	LG&E	KU
Balance at December 31, 2024	$ 157	$ 84	$ 64
Accretion	2	1	1
Changes in estimated timing or cost	(1)	—	(1)
Obligations settled	(4)	(1)	(3)
Balance at March 31, 2025	$ 154	$ 84	$ 61

16. Accumulated Other Comprehensive Income (Loss)

(PPL)

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

	Unrealized gains (losses) on qualifying derivatives	Equity investees' AOCI	Defined benefit plans		Total
			Prior service costs	Actuarial gain (loss)	
PPL					
December 31, 2024	$ 9	$ 4	$ (3)	$ (194)	$ (184)
Reclassifications from AOCI	1	—	—	(1)	—
Net OCI during the period	1	—	—	(1)	—
March 31, 2025	$ 10	$ 4	$ (3)	$ (195)	$ (184)
December 31, 2023	$ 6	$ 3	$ (4)	$ (168)	$ (163)
Amounts arising during the period	—	1	—	—	1
Reclassifications from AOCI	1	—	—	—	1
Net OCI during the period	1	1	—	—	2
March 31, 2024	$ 7	$ 4	$ (4)	$ (168)	$ (161)

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

Details about AOCI	Three Months		Affected Line Item on the Statements of Income
	2025	2024	
Qualifying derivatives			
Interest rate swaps	$ (1)	$ (1)	Interest Expense
Total Pre-tax	(1)	(1)	
Income Taxes	—	—	
Total After-tax	(1)	(1)	
Defined benefit plans			
Net actuarial loss (a)	1	—	
Total Pre-tax	1	—	
Income Taxes	—	—	
Total After-tax	1	—	
Total reclassifications during the period	$ —	$ (1)	

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

17. New Accounting Guidance Pending Adoption

(All Registrants)

Improvements to Income Tax Disclosures

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

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

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

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued guidance which requires public business entities to provide in the notes to financial statements specified information about certain costs and expenses. This includes the disclosure of amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities included in each relevant income statement expense caption. A relevant expense caption is an expense caption included on the face of the income statement within continuing operations that contains any of the specified expense categories (a)-(e). A qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated must also be disclosed. Additionally, public business entities must disclose the total amount of selling expenses and, in annual reporting periods, the entity's definition of selling expenses.

For public business entities, this guidance will be applied on a prospective basis. Retrospective application is permitted. This guidance will be effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted.

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

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

(All Registrants)

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

The following should be read in conjunction with the Registrants' Condensed Consolidated Financial Statements and the accompanying Notes and with the Registrants' 2024 Form 10-K. Capitalized terms and abbreviations are defined in the glossary. Dollars are in millions, except per share data, unless otherwise noted.

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

- "Overview" provides a description of each Registrant's business strategy and a discussion of important financial and operational developments.
- "Results of Operations" for all Registrants includes a "Statement of Income Analysis," which discusses significant changes in principal line items on the Statements of Income, comparing the three months ended March 31, 2025 with the same period in 2024. The PPL "Results of Operations" also includes "Segment Earnings," which provides a detailed analysis of earnings by reportable segment. These discussions include the non-GAAP financial measure "Earnings from Ongoing Operations" and provide an explanation of the non-GAAP financial measure and a reconciliation of the measure to the most comparable GAAP measure.
- "Financial Condition - Liquidity and Capital Resources" provides an analysis of the Registrants' liquidity positions and credit profiles. This section also includes a discussion of rating agency actions.
- "Financial Condition - Risk Management" provides an explanation of the Registrants' risk management programs relating to market and credit risk.

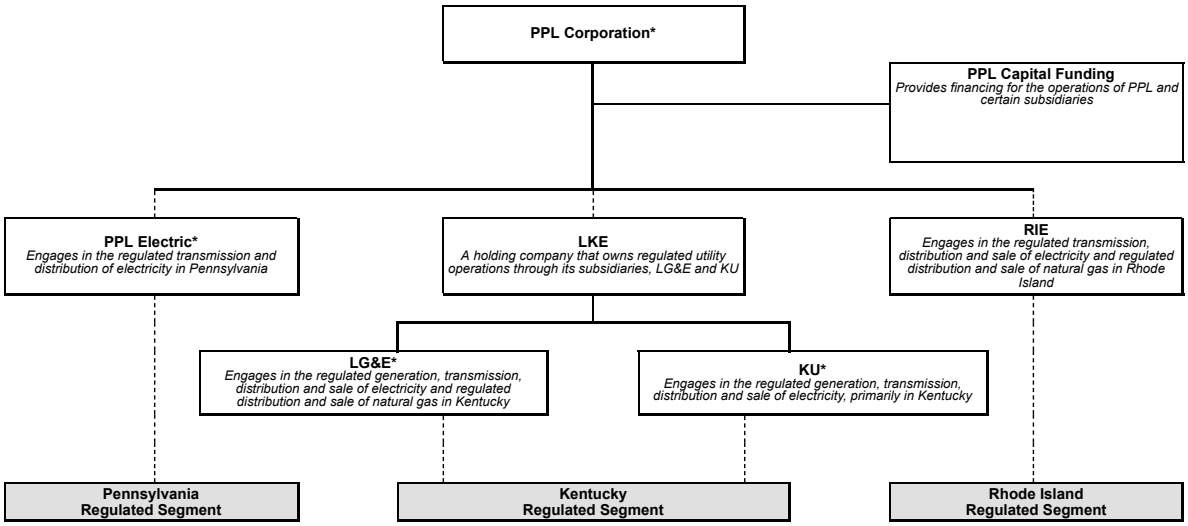
Overview

Introduction

(PPL)

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

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



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

(PPL Electric)

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

(LG&E)

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

(KU)

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

Segment Information *(PPL)*

PPL is organized into three reportable segments as depicted in the chart above: Kentucky Regulated, which primarily represents the results of LG&E and KU, Pennsylvania Regulated, which primarily represents the results of PPL Electric, and Rhode Island Regulated, which primarily represents the results of RIE. "Corporate and Other" primarily consists of corporate level financing

costs, certain unallocated costs and certain non-recoverable costs incurred in conjunction with the acquisition of Rhode Island Energy.

Business Strategy

(All Registrants)

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

PPL's strategy, which is supported by the other Registrants and subsidiaries, is focused on creating the utilities of the future to drive greater value for our customers and shareowners. Key objectives in support of this strategy include:

- Strengthening the reliability and resilience of our electric and gas networks to improve service and protect against current and future weather and storms.
- Advancing a cleaner energy future affordably and reliably. This includes expanding and modernizing our generation with natural gas, renewables and battery storage, while supporting research and development of low-carbon solutions.
- Driving operational efficiencies to improve customer service and help keep energy affordable.
- Utilizing artificial intelligence and other advanced technologies to inform decision making, optimize asset planning and maintenance and better manage supply and demand on the grid.
- Empowering customers through expanded digital options and improved service.
- Engaging with key stakeholders to strengthen resource adequacy, power economic development, and support the growth and success of the regions we serve.

This strategy supports our mission to provide safe, affordable, reliable and sustainable energy to our customers and competitive, long-term returns to shareowners.

Financial and Operational Developments

Regulatory Requirements

(All Registrants)

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

(PPL, LG&E and KU)

Environmental Considerations for Coal-Fired Generation

The businesses of LG&E and KU are subject to extensive federal, state and local environmental laws, rules and regulations, including those pertaining to CCRs, GHG, and ELGs. See Notes 6, 10 and 15 to the Financial Statements for a discussion of these significant environmental matters. These and other environmental requirements led PPL, LG&E and KU to retire approximately 1,500 MW of coal-fired generating plants in Kentucky since 2010. As part of the long-term generation planning process, LG&E and KU evaluate a range of factors including the impact of potential stricter environmental regulations, fuel price scenarios, the cost of replacement generation, continued operations and major maintenance costs and the risk of major equipment failures in determining when to retire generation assets.

As a result of environmental requirements and aging infrastructure, LG&E has sought and obtained approval to retire two older coal-fired units at the Mill Creek Plant. Mill Creek Unit 1, with 300 MW of capacity, was retired in 2024. Mill Creek Unit 2, with 297 MW of capacity, is expected to be retired in 2027, subject to certain conditions.

On October 4, 2024, LG&E submitted an application related to the retirement of Mill Creek Unit 1, which occurred on December 31, 2024, requesting recovery of associated costs under the RAR rider. On February 24, 2025, the KPSC issued an order approving LG&E's cost recovery for Mill Creek Unit 1 under the RAR rider. See Note 6 to the Financial Statements for additional information on the Mill Creek Unit 1 RAR rider application.

2025 CPCN

On February 28, 2025, LG&E and KU filed an application with the KPSC regarding certain future plans for new generation and generation-related construction matters. The proposals included in the application are intended to serve anticipated load growth, including from potential data center demand in LG&E's or KU's service territory. The proposals do not include retirements of coal or other fossil-fueled plants, which would require additional KPSC approval procedures under Kentucky legislation enacted in 2023 and 2024.

LG&E and KU submitted a joint application to the KPSC for approval of certain certificates of public convenience and necessity, site compatibility certificates, and accounting treatment, where applicable, relating to a number of generation-related plans or projects that generally are expected to become operational or established within the next six years. The aggregate projected capital expenditures associated with these proposals are currently expected to be $3.7 billion over the 2025 to 2031 period. Projected capital expenditures related to these proposals for the years 2025 through 2027 were included in PPL's, LG&E's and KU's projections in "Management Discussion and Analysis – Financial Condition - Liquidity and Capital Resources - Forecasted Uses of Cash – Capital Expenditures" in the 2024 Form 10-K. The application includes proposals:

- to build a 645 MW natural gas combined cycle (NGCC) generation unit at KU's E.W. Brown station,
- to build a 645 MW NGCC generation unit at LG&E's Mill Creek station,
- to build a four-hour 400 MW (1,600 MWh total) battery energy storage system (BESS) at LG&E's Cane Run station, and
- to build a selective catalytic reduction (SCR) environmental facility at KU's Ghent station Unit 2.

The new NGCC units are anticipated to be wholly owned by LG&E and the BESS unit jointly owned by LG&E (32%) and KU (68%), with actual project costs allocated consistent with LG&E's and KU's ultimate ownership shares and existing shared dispatch, cost allocation, tariff or other frameworks. The proposed Mill Creek NGCC unit is in addition to a new NGCC unit currently under construction at that location.

The filing also notes projected in service dates for the projects, including the E.W. Brown NGCC unit in 2030, the Mill Creek NGCC unit in 2031, the Cane Run BESS in 2028 and the Ghent SCR facility in 2028.

LG&E and KU anticipate a ruling from the KPSC during the fourth quarter of 2025. LG&E and KU cannot predict the outcome of the proceedings.

2025 Kentucky Rate Cases

On April 4, 2025, LG&E and KU filed with the KPSC respective Notices of Intent to file, on or after May 30, 2025, applications for a general adjustment in their electric and gas rates following a four-year stay out provision included in the base rate cases that became effective July 1, 2021. These applications will be supported by a fully forecasted test period ending December 31, 2026. The applications will request an adjustment of their electric and gas rates and charges, request other changes to their electric and gas tariffs, including terms and conditions of service, and address certain regulatory and accounting treatments. In addition, pursuant to prior orders of the KPSC, LG&E and KU are required to include an assessment of a potential legal merger of LG&E and KU in each rate case proceeding. If LG&E and KU conclude a legal merger may be appropriate, LG&E and KU would formally seek regulatory approval for a merger in a future proceeding. There is no assurance that LG&E and KU would receive regulatory approval for a potential merger.

FERC Transmission Rate Filing

In 2018, LG&E and KU applied to the FERC requesting elimination of certain on-going waivers and credits to a sub-set of transmission customers relating to the 1998 merger of LG&E's and KU's parent entities and the 2006 withdrawal of LG&E and KU from the Midcontinent Independent System Operator, Inc. (MISO), a regional transmission operator and energy market. The application sought termination of LG&E's and KU's commitment to provide certain Kentucky municipalities mitigation for certain horizontal market power concerns arising out of the 1998 LG&E and KU merger and 2006 MISO withdrawal. The amounts at issue are generally waivers or credits granted to a limited number of Kentucky municipalities for either certain LG&E and KU or MISO transmission charges incurred for transmission service received. In 2019, the FERC granted LG&E's and KU's request to remove the ongoing credits, conditioned upon the implementation by LG&E and KU of a transition mechanism for certain existing power supply arrangements, which was subsequently filed, modified, and approved by the FERC in 2020 and 2021. In 2020, LG&E and KU and other parties filed appeals with the U.S. Court of Appeals - D.C. Circuit (D.C. Circuit Court of Appeals) regarding the FERC's orders on the elimination of the mitigation and required transition

mechanism. In August 2022, the D.C. Circuit Court of Appeals issued an order remanding the proceedings back to the FERC. On May 18, 2023, the FERC issued an order on remand reversing its 2019 decision and requiring LG&E and KU to refund credits previously withheld, including under such transition mechanism. LG&E and KU filed a petition for review of the FERC's May 18, 2023 order with the D.C. Circuit Court of Appeals and provided refunds in accordance with the FERC order on December 1, 2023. The FERC issued an order on LG&E's and KU's compliance filing on November 16, 2023, and LG&E and KU filed a petition for review of this November 16, 2023 order on February 14, 2024. The FERC issued the substantive order on rehearing on March 21, 2024, reaffirming its prior decision. Oral argument before the D.C. Circuit Court of Appeals occurred on January 21, 2025. LG&E and KU cannot predict the ultimate outcome of the proceedings or any other post decision process but do not expect the annual impact to have a material effect on their operations or financial condition. LG&E and KU currently receive recovery of certain waivers and credits primarily through base rates increases, provided, however, that increases associated with the FERC's May 18, 2023 order are expected to be subject to future rate proceedings.

(PPL)

FY 2026 Gas ISR Plan

On December 31, 2024, RIE filed its FY 2026 Gas ISR Plan with the RIPUC with a budget that included $187 million of capital investment spend and up to $15 million of additional contingency plan spend in connection with the PHMSA's potential enactment of regulations during FY 2026 that, if enacted, would significantly alter RIE's leak detection and repair obligations under federal regulations. The Plan also included proposed spending on curb-to-curb paving of $22 million. On March 28, 2025, the RIPUC approved a FY 2026 Gas ISR Plan of $165 million of which $147 million is for capital investment spend and $18 million spend for paving costs as operations and maintenance (O&M), plus a potential additional $15 million is available if the above-mentioned regulations are implemented by the PHMSA. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

FY 2026 Electric ISR Plan

On December 23, 2024, RIE filed its FY 2026 Electric ISR Plan with the RIPUC with a budget that included $248 million of capital investment spend (including $88 million for Advanced Metering Functionality (AMF)), $14 million of vegetation operation and maintenance (O&M) spend and $1 million of Other O&M spend. On March 28, 2025, the RIPUC approved a FY 2026 Electric ISR Plan of $219 million for capital investment spend (including $88 million for AMF), $14 million for vegetation management O&M spend, and $1 million for Other O&M spend. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

DSIC Petition (PPL and PPL Electric)

On April 26, 2024, PPL Electric filed a Petition with the PAPUC requesting that the PAPUC waive PPL Electric's DSIC cap of 5% of billed revenues and increase the maximum allowable DSIC to 9% for bills rendered on or after January 1, 2025. On February 28, 2025, the PAPUC issued its written order permitting PPL Electric to increase its DSIC cap from 5% to 7.5% for bills rendered on or after March 13, 2025 until the effective date of rates established in PPL Electric’s next base rate case or the end of the PPL Electric’s 2023-2027 Long-term Infrastructure Improvement Plan, whichever occurs first, at which time it will return to 5%.

Results of Operations

(PPL)

The "Statement of Income Analysis" discussion below describes significant changes in principal line items on the Statements of Income, comparing the three months ended March 31, 2025 with the same period in 2024. The "Segment Earnings" discussion provides a review of results by reportable segment. These discussions include the non-GAAP financial measure "Earnings from Ongoing Operations" and provide an explanation of the non-GAAP financial measure and a reconciliation of the measure to the most comparable GAAP measure.

(PPL Electric, LG&E and KU)

A "Statement of Income Analysis" is presented separately for PPL Electric, LG&E and KU. The "Statement of Income Analysis" discussion below describes significant changes in principal line items on the Statements of Income, comparing the three months ended March 31, 2025 with the same period in 2024.

(All Registrants)

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

PPL: Statement of Income Analysis and Segment Earnings

Statement of Income Analysis

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

	Three Months		
	2025	2024	$ Change
Operating Revenues	$ 2,504	$ 2,304	$ 200
Operating Expenses			
Operation			
Fuel	234	209	25
Energy purchases	559	520	39
Other operation and maintenance	598	626	(28)
Depreciation	322	316	6
Taxes, other than income	113	88	25
Total Operating Expenses	1,826	1,759	67
Operating Income	678	545	133
Other Income (Expense) - net	28	22	6
Interest Expense	190	179	11
Income Before Income Taxes	516	388	128
Income Taxes	102	81	21
Net Income	$ 414	$ 307	$ 107

Operating Revenues

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

	Three Months
PPL Electric distribution price (a)	$ (6)
PPL Electric distribution volume (b)	22
PPL Electric PLR (c)	18
PPL Electric transmission formula rate (d)	15
LG&E volumes (b)	10
LG&E fuel and other energy purchases (e)	25
KU volumes (b)	18
KU fuel and other energy purchases (f)	8
KU off-system sales (g)	9
RIE energy purchases and other recoveries (h)	28
RIE net metering presentation (i)	41
RIE capital investments	10
Other	2
Total	$ 200

(a) The decrease was primarily due to reconcilable cost recovery mechanisms approved by the PAPUC.
(b) The increases were primarily due to weather, along with other higher usage in 2025 at PPL Electric.
(c) The increase was primarily the result of higher customer volumes due to weather and other higher usage, partially offset by lower energy prices and fewer PLR customers.
(d) The increase was primarily due to returns on additional transmission capital investments and return of depreciation, partially offset by O&M expenses.
(e) The increase was primarily due to higher recoveries of energy purchases.
(f) The increase was primarily due to higher recoveries of fuel expenses.
(g) The increase was primarily due to higher volumes.
(h) The increase was primarily due to higher transmission costs, higher recoveries of gas related maintenance expenses and higher gross earnings taxes, partially offset by lower recoveries of commodity costs.
(i) In conjunction with the completion of the transition services agreement associated with the RIE acquisition, PPL conformed the presentation of RIE's net metering charges beginning in the fourth quarter of 2024 with the presentation of the other operating companies, resulting in an increase in Operating Revenues and a corresponding increase in Energy purchases. See Note 3 to the Financial Statements for additional information.

Fuel

Fuel increased $25 million for the three months ended March 31, 2025 compared with 2024, primarily due to an increase in volumes due to weather.

Energy Purchases

The increase (decrease) in energy purchases was due to:

	Three Months
PPL Electric PLR volumes	$ 25
PPL Electric PLR prices	(15)
LG&E volumes	12
RIE commodity costs	(35)
RIE net metering presentation (a)	41
Other	11
Total	$ 39

(a) In conjunction with the completion of the transition services agreement associated with the RIE acquisition, PPL conformed the presentation of RIE's net metering charges beginning in the fourth quarter of 2024 with the presentation of the other operating companies, resulting in an increase in Operating Revenues and a corresponding increase in Energy purchases. See Note 3 to the Financial Statements for additional information.

Other Operation and Maintenance

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

	Three Months
PPL Electric bad debt expenses	$ (21)
RIE gas maintenance expenses	15
RIE transmission expenses	24
RIE bad debt expenses	6
Transition costs associated with RIE	(64)
Other	12
Total	$ (28)

Taxes, Other Than Income

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

	Three Months
State gross earnings and gross receipts tax (a)	$ 26
Other	(1)
Total	$ 25

(a) The increase was primarily due to the RIE Gross Earnings Tax Holiday Credit that took place in 2024.

Interest Expense

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

	Three Months
Long-term debt (a)	$ 15
Other	(4)
Total	$ 11

(a) The increase was primarily due to increased borrowings.

Income Taxes

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

	Three Months
Change in pre-tax income	$ 30
Utility rate-making tax adjustments (a)	(5)
Other	(4)
Total	$ 21

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

See Note 5 to the Financial Statements for additional information on income taxes.

Segment Earnings

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

	Three Months		
	2025	2024	$ Change
Kentucky Regulated	$ 223	$ 190	$ 33
Pennsylvania Regulated	184	149	35
Rhode Island Regulated	70	64	6
Corporate and Other (a)	(63)	(96)	33
Net Income (Loss)	$ 414	$ 307	$ 107

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

Earnings from Ongoing Operations

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

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

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

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

	Three Months		
	2025	2024	$ Change
Kentucky Regulated	$ 225	$ 191	$ 34
Pennsylvania Regulated	185	161	24
Rhode Island Regulated	72	78	(6)
Corporate and Other	(38)	(28)	(10)
Earnings from Ongoing Operations	$ 444	$ 402	$ 42

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

Kentucky Regulated Segment

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

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

	Three Months		
	2025	2024	$ Change
Operating Revenues	$ 1,059	$ 984	$ 75
Fuel	234	209	25
Energy purchases	96	77	19
Other operation and maintenance	200	202	(2)
Depreciation	176	176	—
Taxes, other than income	25	25	—
Total Operating Expenses	731	689	42
Other Income (Expense) - net	8	3	5
Interest Expense	60	60	—
Income Taxes	53	48	5
Net Income	223	190	33
Less: Special Items	(2)	(1)	(1)
Earnings from Ongoing Operations	$ 225	$ 191	$ 34

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

		Three Months	
	Income Statement Line Item	2025	2024
Strategic corporate initiatives, net of tax of $0 (a)	Other operation and maintenance	$ —	$ (1)
IT transformation, net of tax of $1 (b)	Other operation and maintenance	(1)	—
Office relocation and related costs, net of tax of $0 (c)	Other operation and maintenance	(1)	—
Total Special Items		$ (2)	$ (1)

(a) Costs incurred related to PPL's corporate centralization efforts.
(b) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(c) Certain costs related to the relocation of corporate offices.

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

	Three Months
Operating Revenues	$ 75
Fuel	(25)
Energy purchases	(19)
Other operation and maintenance	4
Depreciation	—
Taxes, other than income	—
Other Income (Expense) - net	5
Interest Expense	—
Income Taxes	(6)
Earnings from Ongoing Operations	34
Special Items, after-tax	(1)
Net Income	$ 33

- Higher operating revenues primarily due to a $34 million increase in recoveries of fuel and energy purchases, a $28 million increase in sales volumes due to weather and a $14 million increase in off-system sales.
- Higher fuel expense primarily due to an increase in volumes due to weather.
- Higher energy purchases primarily due to an increase in volumes primarily due to weather.

Pennsylvania Regulated Segment

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

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

	Three Months		
	2025	2024	$ Change
Operating Revenues	$ 819	$ 770	$ 49
Energy purchases	229	214	15
Other operation and maintenance	162	181	(19)
Depreciation	102	99	3
Taxes, other than income	41	36	5
Total Operating Expenses	534	530	4
Other Income (Expense) - net	11	9	2
Interest Income from Affiliate	2	10	(8)
Interest Expense	60	62	(2)
Income Taxes	54	48	6
Net Income	184	149	35
Less: Special Items	(1)	(12)	11
Earnings from Ongoing Operations	$ 185	$ 161	$ 24

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

	Income Statement Line Item	Three Months 2025	Three Months 2024
PPL Electric billing issue, net of tax of $4 (a)	Other operation and maintenance	$ —	$ (11)
Strategic corporate initiatives, net of tax of $0 (b)	Other operation and maintenance	—	(1)
Office relocation and related costs, net of tax of $1 (c)	Other operation and maintenance	(1)	—
Total Special Items		$ (1)	$ (12)

(a) Certain expenses related to billing issues.
(b) Costs incurred related to PPL's corporate centralization and other strategic efforts.
(c) Certain costs related to the relocation of corporate offices.

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

	Three Months
Operating Revenues	$ 49
Energy purchases	(15)
Other operation and maintenance	4
Depreciation	(3)
Taxes, other than income	(5)
Other Income (Expense) - net	2
Interest Income from Affiliate	(8)
Interest Expense	2
Income Taxes	(2)
Earnings from Ongoing Operations	24
Special Items, after-tax	11
Net Income	$ 35

- Higher operating revenues primarily due to a $22 million increase in distribution volumes primarily due to weather, $18 million of higher PLR and a $15 million increase in transmission formula rate returns, partially offset by a $6 million decrease in distribution prices.

- Higher energy purchases primarily due to $25 million of higher PLR volumes, partially offset by $15 million of lower PLR prices.

Rhode Island Regulated Segment

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

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

	Three Months 2025	Three Months 2024	$ Change
Operating Revenues	$ 626	$ 549	$ 77
Energy purchases	235	229	6
Other operation and maintenance	200	156	44
Depreciation	42	41	1
Taxes, other than income	47	27	20
Total Operating Expenses	524	453	71
Other Income (Expense) - net	7	7	—
Interest Income from Affiliate	2	—	2
Interest Expense	23	24	(1)
Income Taxes	18	15	3
Net Income	70	64	6
Less: Special Items	(2)	(14)	12
Earnings from Ongoing Operations	$ 72	$ 78	$ (6)

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

		Three Months	
	Income Statement Line Item	2025	2024
Acquisition integration, net of tax of $0, $4 (a)	Other operation and maintenance	$ (2)	$ (14)
Acquisition integration, net of tax of ($2) (b)	Other Income (Expense)	9	—
IT transformation, net of tax of $0 (c)	Other operation and maintenance	(1)	—
Energy efficiency programs settlement, net of tax of $0 (d)	Other Income (Expense)	(8)	—
Total Special Items		$ (2)	$ (14)

(a) 2025 costs are related to distributed generation projects that PPL will not seek regulatory recovery of. 2024 primarily includes certain transition services agreement costs for IT systems that will not be part of PPL's ongoing operations.
(b) Costs associated with a final transition services agreement settlement.
(c) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(d) See Note 10 to the Financial Statements for additional information.

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

	Three Months
Operating Revenues	$ 77
Energy purchases	(6)
Other operation and maintenance	(57)
Depreciation	(1)
Taxes, other than income	(20)
Other Income (Expense) - net	(1)
Interest Income from Affiliate	2
Interest Expense	1
Income Taxes	(1)
Earnings from Ongoing Operations	(6)
Special Items, after-tax	12
Net Income	$ 6

- Higher operating revenues primarily due to a $41 million increase related to the effects of conforming the presentation of RIE's net metering charges to that of PPL's other operating utilities beginning in the fourth quarter of 2024, a $24 million increase in recovery of transmission expenses, a $22 million increase in recovery of gross earnings taxes, a $15 million increase in recovery of gas maintenance expenses and a $10 million increase related to capital investments, partially offset by a $35 million decrease in recovery of commodity costs.

- Higher energy purchases primarily due to a $41 million increase due to the effects of conforming the presentation of RIE's net metering charges to that of PPL's other operating utilities beginning in the fourth quarter of 2024, partially offset by a $35 million decrease in commodity costs.

- Higher operation and maintenance expense primarily due to a $24 million increase in transmission expenses, a $15 million increase in gas maintenance expenses, a $6 million increase in bad debt expenses and an $11 million increase of other items that were not individually significant.

- Higher taxes, other than income primarily due to an increase in gross earnings taxes.

Reconciliation of Earnings from Ongoing Operations

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

	2025 Three Months				
	KY Regulated	PA Regulated	RI Regulated	Corporate and Other	Total
Net Income (Loss)	$ 223	$ 184	$ 70	$ (63)	$ 414
Less: Special Items (expense) benefit:					
Talen litigation costs, net of tax of $0 (a)	—	—	—	(1)	(1)
Acquisition integration, net of tax of ($2), $4 (b)	—	—	7	(14)	(7)
IT transformation, net of tax of $1, $0, $3 (c)	(1)	—	(1)	(10)	(12)
Energy efficiency programs settlement, net of tax of $0 (d)	—	—	(8)	—	(8)
Office relocation and related costs, net of tax of $0, $1 (e)	(1)	(1)	—	—	(2)
Total Special Items	(2)	(1)	(2)	(25)	(30)
Earnings from Ongoing Operations	$ 225	$ 185	$ 72	$ (38)	$ 444

(a) PPL incurred legal expenses related to litigation associated with its former affiliate, Talen Montana, LLC and certain affiliated entities.
(b) Rhode Island Regulated primarily includes a final transition services agreement settlement. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE.
(c) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(d) See Note 10 to the Financial Statements for additional information.
(e) Certain costs related to the relocation of corporate offices.

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

(a) Represents costs primarily related to PPL's centralization efforts and other strategic efforts.
(b) Rhode Island Regulated primarily includes certain transition services agreement costs for IT systems that will not be part of PPL's ongoing operations. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE. See Note 8 to the Financial Statements for additional information.
(c) Certain expenses related to billing issues.

PPL Electric: Statement of Income Analysis

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

	Three Months		
	2025	2024	$ Change
Operating Revenues	$ 819	$ 770	$ 49
Operating Expenses			
Operation			
Energy purchases	229	214	15
Other operation and maintenance	162	181	(19)
Depreciation	102	99	3
Taxes, other than income	41	36	5
Total Operating Expenses	534	530	4
Operating Income	285	240	45
Other Income (Expense) - net	11	9	2
Interest Income from Affiliate	2	10	(8)
Interest Expense	60	62	(2)
Income Before Income Taxes	238	197	41
Income Taxes	54	48	6
Net Income	$ 184	$ 149	$ 35

Operating Revenues

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

	Three Months
Distribution price (a)	$ (6)
Distribution volume (b)	22
PLR (c)	18
Transmission formula rate (d)	15
Total	$ 49

(a) The decrease was primarily due to reconcilable cost recovery mechanisms approved by the PAPUC.
(b) The increase was primarily due to weather, along with other higher usage in 2025.
(c) The increase was primarily the result of higher customer volumes due to weather and other higher usage, partially offset by lower energy prices and fewer PLR customers.
(d) The increase was primarily due to returns on additional transmission capital investments and return of depreciation, partially offset by O&M expenses.

Energy Purchases

Energy purchases increased $15 million for the three months ended March 31, 2025 compared with 2024, primarily due to higher PLR volumes of $25 million, partially offset by lower PLR prices of $15 million.

Other Operation and Maintenance

Other operation and maintenance decreased $19 million for the three months ended March 31, 2025 compared with 2024, primarily due to lower bad debt expenses.

LG&E: Statement of Income Analysis

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

	Three Months		
	2025	2024	$ Change
Operating Revenues			
Retail and wholesale	$ 500	$ 460	$ 40
Electric revenue from affiliate	5	16	(11)
Total Operating Revenues	505	476	29
Operating Expenses			
Operation			
Fuel	82	86	(4)
Energy purchases	88	71	17
Energy purchases from affiliate	5	1	4
Other operation and maintenance	89	88	1
Depreciation	74	76	(2)
Taxes, other than income	13	13	—
Total Operating Expenses	351	335	16
Operating Income	154	141	13
Other Income (Expense) - net	3	2	1
Interest Expense	26	26	—
Income Before Income Taxes	131	117	14
Income Taxes	26	24	2
Net Income	$ 105	$ 93	$ 12

Operating Revenues

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

	Three Months
Fuel and other energy purchases (a)	$ 12
Volumes (b)	10
Off-system sales (c)	7
Total	$ 29

(a) The increase was primarily due to higher recoveries of energy purchases and lower revenues from affiliates due to timing of plant outages and retirements.
(b) The increase was primarily due to weather.
(c) The increase was primarily due to higher volumes.

Energy Purchases

Energy purchases increased $17 million for the three months ended March 31, 2025 compared with 2024, primarily due to an increase in volumes due to weather.

KU: Statement of Income Analysis

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

	Three Months		
	2025	2024	$ Change
Operating Revenues			
Retail and wholesale	$ 559	$ 524	$ 35
Electric revenue from affiliate	5	1	4
Total Operating Revenues	564	525	39
Operating Expenses			
Operation			
Fuel	152	123	29
Energy purchases	7	6	1
Energy purchases from affiliate	5	16	(11)
Other operation and maintenance	100	102	(2)
Depreciation	102	99	3
Taxes, other than income	12	12	—
Total Operating Expenses	378	358	20
Operating Income	186	167	19
Other Income (Expense) - net	5	2	3
Interest Expense	35	34	1
Income Before Income Taxes	156	135	21
Income Taxes	31	27	4
Net Income	$ 125	$ 108	$ 17

Operating Revenues

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

	Three Months
Fuel and other energy purchases (a)	$ 12
Volumes (b)	18
Off-system sales (c)	9
Total	$ 39

(a) The increase was primarily due to higher recoveries of fuel expenses.
(b) The increase was primarily due to weather.
(c) The increase was primarily due to higher volumes.

Fuel

Fuel expense increased $29 million for the three months ended March 31, 2025 compared with 2024, primarily due to an increase in volumes due to weather and lower energy purchases from affiliates.

Energy Purchases from affiliate

Energy purchases from affiliate decreased $11 million for the three months ended March 31, 2025 compared with 2024, primarily due to a decrease in volumes due to the timing and scope of plant outages and retirements.

Financial Condition

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

Liquidity and Capital Resources

(All Registrants)

The Registrants had the following at:

	PPL	PPL Electric	LG&E	KU
March 31, 2025				
Cash and cash equivalents	$ 312	$ 27	$ 10	$ 14
Short-term debt	778	55	89	208
Long-term debt due within one year	569	—	300	268
Notes payable to affiliates		—	—	8
December 31, 2024				
Cash and cash equivalents	$ 306	$ 24	$ 8	$ 13
Short-term debt	303	—	25	140
Long-term debt due within one year	551	—	300	250
Notes payable to affiliates		—	43	73

(All Registrants)

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

	PPL	PPL Electric	LG&E	KU
2025				
Operating activities	$ 513	$ 134	$ 199	$ 253
Investing activities	(783)	(97)	(122)	(174)
Financing activities	271	(34)	(78)	(81)
2024				
Operating activities	$ 282	$ 28	$ 166	$ 252
Investing activities	(591)	(780)	(120)	(148)
Financing activities	248	722	(60)	(108)
Change - Cash Provided (Used)				
Operating activities	$ 231	$ 106	$ 33	$ 1
Investing activities	(192)	683	(2)	(26)
Financing activities	23	(756)	(18)	27

Operating Activities

The components of the change in cash provided by (used in) operating activities for the three months ended March 31, 2025 compared with 2024 were as follows.

	PPL	PPL Electric	LG&E	KU
Change - Cash Provided (Used)				
Net income	$ 107	$ 35	$ 12	$ 17
Non-cash components	(23)	(4)	(3)	5
Working capital	202	89	56	(3)
Other operating activities	(55)	(14)	(32)	(18)
Total	$ 231	$ 106	$ 33	$ 1

(PPL)

PPL's cash provided by operating activities in 2025 increased $231 million compared with 2024.

- Net income increased $107 million between the periods and included a decrease in non-cash components of $23 million. The decrease in non-cash components was primarily due to a decrease in deferred income taxes and investment tax credits.

- The $202 million increase in cash from changes in working capital was primarily due to increases in accounts payable and taxes payable (primarily due to timing of payments), a decrease in net regulatory assets (primarily due to the timing of rate recovery mechanisms), a decrease in unbilled revenues (primarily due to weather) and a decrease in prepayments (primarily due to the timing of payments), partially offset by an increase in accounts receivable (primarily due to timing of payments).

- The $55 million decrease in cash provided by other operating activities was driven primarily by an increase in other assets (primarily related to preliminary survey costs for new generation projects) and an increase in noncurrent regulatory assets (primarily related to deferred storm costs recorded as noncurrent regulatory assets).

(PPL Electric)

PPL Electric's cash provided by operating activities in 2025 increased $106 million compared with 2024.

- Net income increased $35 million between the periods and included a decrease in non-cash components of $4 million.

- The $89 million increase in cash from changes in working capital was primarily due to increases in accounts payable and taxes payable (primarily due to timing of payments), a decrease in net regulatory assets (primarily due to the timing of rate recovery mechanisms) and a decrease in prepayments (primarily due to the timing of payments), partially offset by an increase in accounts receivable (primarily due to timing of payments).

- The $14 million decrease in cash provided by other operating activities was driven primarily by an increase in noncurrent regulatory assets (primarily related to deferred storm costs recorded as noncurrent regulatory assets).

(LG&E)

LG&E's cash provided by operating activities in 2025 increased $33 million compared with 2024.

- Net income increased $12 million between the periods and included a decrease in non-cash components of $3 million.

- The $56 million increase in cash from changes in working capital was primarily due to a decrease in accounts receivable from affiliates (primarily due to timing of payments), an increase in accounts payable (primarily due to timing of payments) and decreases in fuel, materials and supplies and accounts receivable (primarily due to weather).

- The $32 million decrease in cash provided by other operating activities was driven by an increase in other assets (primarily related to preliminary survey costs for new generation projects).

(KU)

KU's cash provided by operating activities in 2025 increased $1 million compared with 2024.

- Net income increased $17 million between the periods and included an increase in non-cash components of $5 million.
- The $3 million decrease in cash from changes in working capital was primarily due to a decrease in accounts payable to affiliates (primarily due to timing of payments) and an increase in accounts receivable (primarily due to weather), partially offset by a decrease in unbilled revenues (primarily due to weather) and an increase in accounts payable (primarily due to timing of payments).
- The $18 million decrease in cash provided by other operating activities was driven by an increase in other assets (primarily related to higher deferred storm costs recorded as noncurrent regulatory assets).

Investing Activities

(All Registrants)

The components of the change in cash provided by (used in) investing activities for the three months ended March 31, 2025 compared with 2024 were as follows.

Change - Cash Provided (Used)	PPL	PPL Electric	LG&E	KU
Expenditures for PP&E	$ (197)	$ (99)	$ (25)	$ (26)
Notes receivable from affiliate	—	776	23	—
Other investing activities	5	6	—	—
Total	$ (192)	$ 683	$ (2)	$ (26)

For PPL, the increase in expenditures for PP&E was due to an increase in project expenditures at PPL Electric, RIE, LG&E and KU. The increase in expenditures at PPL Electric was primarily due to increases in transmission and distribution projects. The increase in expenditures at LG&E and KU was primarily due to Mill Creek Unit 5 and increases in the Advanced Metering Infrastructure initiative.

For PPL Electric, the change in "Notes receivable from affiliate" activity resulted from payments received of $776 million from an affiliate. See Note 11 to the Financial Statements for further discussion of intercompany borrowings.

Financing Activities

(All Registrants)

The components of the change in cash provided by (used in) financing activities for the three months ended March 31, 2025 compared with 2024 were as follows.

Change - Cash Provided (Used)	PPL	PPL Electric	LG&E	KU
Debt issuance/retirement, net	$ (1,148)	$ (649)	$ —	$ —
Dividends	(13)	—	(6)	1
Capital contributions/distributions, net	—	(675)	(4)	13
Change in short-term debt, net	1,176	564	36	116
Net increase (decrease) in notes payable with affiliate	—	—	(43)	(102)
Other financing activities	8	4	(1)	(1)
Total	$ 23	$ (756)	$ (18)	$ 27

See Note 7 to the Financial Statements in this Form 10-Q for information on 2025 short-term and long-term debt activity, equity transactions and PPL dividends. See Note 8 to the Financial Statements in the Registrants' 2024 Form 10-K for information on 2024 activity.

Credit Facilities

The Registrants maintain credit facilities to enhance liquidity, provide credit support and provide a backstop to commercial paper programs. Amounts borrowed under these credit facilities are reflected in "Short-term debt" on the Balance Sheets. At March 31, 2025, the total committed borrowing capacity under credit facilities and the borrowings under these facilities were:

External

	Committed Capacity	Borrowed	Letters of Credit and Commercial Paper Issued	Unused Capacity
PPL Capital Funding Credit Facilities (a)	$ 1,600	$ —	$ 427	$ 1,173
PPL Electric Credit Facility	750	—	56	694
LG&E Credit Facility	600	—	89	511
KU Credit Facility	600	—	209	391
Total Credit Facilities (b)	$ 3,550	$ —	$ 781	$ 2,769

(a) Includes a $1.5 billion syndicated credit facility with a $250 million borrowing sublimit for RIE and a $1.25 billion sublimit for PPL Capital Funding. RIE's borrowing sublimit is adjustable, at the borrowers' option, from $0 to $600 million, with the remaining balance of the $1.5 billion available under the facility allocated to PPL Capital Funding. At March 31, 2025, PPL Capital Funding had $427 million of commercial paper outstanding and RIE had no commercial paper outstanding. RIE's obligations under the facility are not guaranteed by PPL.

(b) The commitments under the credit facilities are provided by a diverse bank group, with no one bank and its affiliates providing an aggregate commitment of more than the following percentages of the total committed capacity: PPL - 8%, PPL Electric - 7%, LG&E - 7% and KU - 7%.

See Note 7 to the Financial Statements for further discussion of the Registrants' credit facilities.

Intercompany (LG&E and KU)

	Committed Capacity	Borrowed	Commercial Paper Issued	Unused Capacity
LG&E Money Pool (a)	$ 750	$ —	$ 89	$ 661
KU Money Pool (a)	650	8	209	433

(a) LG&E and KU participate in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E, and LKE and/or LG&E make available to KU funds up to the difference between LG&E's and KU's FERC borrowing limit and LG&E's and KU's commercial paper issued, at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR.

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

Commercial Paper *(All Registrants)*

The Registrants, and PPL Capital Funding and RIE, maintain commercial paper programs to provide an additional financing source to fund short-term liquidity needs, as necessary. Commercial paper issuances, included in "Short-term debt" on the Balance Sheets, are supported by the respective Registrant's credit facility, with PPL Capital Funding and RIE's issuances supported by PPL Capital Funding's syndicated credit facility. The following commercial paper programs were in place at March 31, 2025:

	Capacity	Commercial Paper Issuances	Unused Capacity
PPL Capital Funding (a)	$ 1,350	$ 427	$ 923
RIE (a)	250	—	250
PPL Electric	650	55	595
LG&E	500	89	411
KU	400	209	191
Total PPL	$ 3,150	$ 780	$ 2,370

(a) Issuances under the PPL Capital Funding and RIE commercial paper programs are supported by the PPL Capital Funding syndicated credit facility, which has a total capacity of $1.5 billion, currently with a $250 million borrowing sublimit for RIE and a $1.25 billion sublimit for PPL Capital Funding. PPL Capital Funding's Commercial paper program is also backed by a separate bilateral credit facility for $100 million.

Long-term Debt *(All Registrants)*

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

(PPL)

Equity Security Activities

ATM Program

In February 2025, PPL entered into an equity distribution agreement, pursuant to which PPL may sell, from time to time, up to an aggregate of $2 billion of its common stock through an ATM Program, including an optional forward sales component. Each forward contract under the agreement must be settled within 24 months. The compensation paid to the selling agents by PPL may be up to 2% of the gross offering proceeds of the shares. During the three months ended March 31, 2025, PPL entered into a forward contract to sell approximately 2.0 million shares of its common stock at an initial forward price of $34.49 per share. The forward sale price may be adjusted based on changes in daily interest rates, for certain stock loan fees as determined by a third-party agent, and will be subject to predetermined reductions based on expected dividends. This forward contract must be settled on or before December 30, 2025. PPL may elect, at its discretion, to physically settle, net share settle or net cash settle the forward contracts. At March 31, 2025, PPL could have settled the forward sale contract with physical delivery of 2.0 million shares of common stock for proceeds of approximately $70 million. In April 2025, PPL entered into forward contracts to sell approximately 2.8 million additional shares at a blended initial forward price of approximately $35.22 per share. The forward contracts under the ATM program are classified as equity transactions.

Common Stock Dividends

In February 2025, PPL declared a quarterly common stock dividend, payable April 1, 2025, of 27.25 cents per share. Future dividends, declared at the discretion of the Board of Directors, will depend upon future earnings, cash flows, financial and legal requirements and other factors.

Rating Agency Actions

(All Registrants)

Moody's and S&P periodically review the credit ratings of the debt of the Registrants and their subsidiaries. Based on their respective independent reviews, the rating agencies may make certain ratings revisions or ratings affirmations.

A credit rating reflects an assessment by the rating agency of the creditworthiness associated with an issuer and particular securities that it issues. The credit ratings of the Registrants and their subsidiaries are based on information provided by the Registrants and other sources. The ratings of Moody's and S&P are not a recommendation to buy, sell or hold any securities of the Registrants or their subsidiaries. Such ratings may be subject to revisions or withdrawal by the agencies at any time and should be evaluated independently of each other and any other rating that may be assigned to the securities.

The credit ratings of the Registrants and their subsidiaries affect their liquidity, access to capital markets and cost of borrowing under their credit facilities. A downgrade in the Registrants' or their subsidiaries' credit ratings could result in higher borrowing costs and reduced access to capital markets. The Registrants and their subsidiaries have no credit rating triggers that would result in the reduction of access to capital markets or the acceleration of maturity dates of outstanding debt.

Since June 2023, the rating agencies have taken no ratings actions related to the Registrants and their subsidiaries.

Ratings Triggers

(PPL, LG&E and KU)

Various derivative and non-derivative contracts, including contracts for the sale and purchase of electricity and fuel, commodity transportation and storage, and interest rate instruments, contain provisions that require the posting of additional collateral or permit the counterparty to terminate the contract, if PPL's, LG&E's or KU's or their subsidiaries' credit rating, as applicable, were to fall below investment grade. See Note 14 to the Financial Statements for a discussion of "Credit Risk-Related

Contingent Features," including a discussion of the potential additional collateral requirements for PPL for derivative contracts in a net liability position at March 31, 2025.

(All Registrants)

For additional information on the Registrants' liquidity and capital resources, see "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Registrants' 2024 Form 10-K.

Risk Management *(All Registrants)*

Market Risk

See Notes 13 and 14 to the Financial Statements for information about the Registrants' risk management objectives, valuation techniques and accounting designations.

The forward-looking information presented below provides estimates of what may occur in the future, assuming certain adverse market conditions and model assumptions. Actual future results may differ materially from those presented. These are not precise indicators of expected future losses, but are rather only indicators of possible losses under normal market conditions at a given confidence level.

Interest Rate Risk

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

The following interest rate hedges were outstanding at March 31, 2025.

	Exposure Hedged	Fair Value, Net - Asset (Liability) (a)	Effect of a 10% Adverse Movement in Rates (b)	Maturities Ranging Through
PPL and LG&E				
Economic hedges				
Interest rate swaps (c)	$ 64	$ (5)	$ (1)	2033

(a) Includes accrued interest, if applicable.
(b) Effects of adverse movements decrease assets or increase liabilities, as applicable, which could result in an asset becoming a liability. Sensitivities represent a 10% adverse movement in interest rates.
(c) Realized changes in the fair value of such economic hedges are recoverable through regulated rates and any subsequent changes in the fair value of these derivatives are included in regulatory assets or regulatory liabilities.

The Registrants are exposed to a potential increase in interest expense and to changes in the fair value of their debt portfolios. The estimated impact of a 10% adverse movement in interest rates on the fair value of debt at March 31, 2025 is shown below.

	10% Adverse Movement in Rates on Fair Value of Debt
PPL	$ 601
PPL Electric	257
LG&E	86
KU	127

Commodity Price Risk

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

- PPL Electric is required to purchase electricity to fulfill its obligation as a PLR. Potential commodity price risk is mitigated through its PAPUC-approved cost recovery mechanism and full-requirement supply agreements to serve its PLR customers which transfer the risk to energy suppliers.
- LG&E's and KU's rates include certain mechanisms for fuel, fuel-related expenses and energy purchases. In addition, LG&E's rates include a mechanism for natural gas supply costs. These mechanisms generally provide for timely recovery of market price fluctuations associated with these costs.
- RIE utilizes derivative instruments pursuant to its RIPUC-approved plan to manage commodity price risk associated with its natural gas purchases. RIE's commodity price risk management strategy is to reduce fluctuations in firm gas sales prices to its customers. RIE's costs associated with derivatives instruments are recoverable through its RIPUC-approved cost recovery mechanisms. RIE is also required to purchase electricity to fulfill its obligation to provide Last Resort Service (LRS). Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms and full requirements service agreements to serve LRS customers, which transfer the risk to energy suppliers. Additionally, RIE is required to contract through long-term agreements for clean energy supply under the Rhode Island Renewable Energy Growth program and Long-term Clean Energy Standard. Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms, which true-up cost differences between contract prices and market prices.

Volumetric Risk

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

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

Inflation and Supply Chain Related Risk

PPL and its subsidiaries continue to monitor the impact of inflation and supply chain disruptions. PPL and its subsidiaries monitor the cost of fuel, construction, regulatory and environmental compliance costs and other costs, including as a result of tariffs. Mechanisms are in place to mitigate the risk of inflationary effects and supply chain disruptions, to the extent possible, but increased costs and supply chain disruptions may directly or indirectly affect our ongoing operations. These mechanisms include pricing strategies, productivity improvements and cost reductions in order to ensure that the Registrants are able to procure the necessary materials and other resources needed to maintain services in a safe and reliable manner, and to invest in infrastructure consistent with the capital expenditure plan. For additional information see "Forward-looking Information" at the beginning of this report and "Item 1A. Risk Factors" of the Registrants' 2024 Form 10-K.

Credit Risk

See Notes 13 and 14 to the Financial Statements in this Form 10-Q and "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition - Risk Management - Credit Risk" in the Registrants' 2024 Form 10-K for additional information.

Related Party Transactions *(All Registrants)*

The Registrants are not aware of any material ownership interests or operating responsibility by senior management in outside partnerships, including leasing transactions with variable interest entities, or other entities doing business with the Registrants. See Note 11 to the Financial Statements for additional information on related party transactions for PPL Electric, LG&E and KU.

Acquisitions, Development and Divestitures *(All Registrants)*

The Registrants from time to time evaluate opportunities for potential acquisitions, divestitures and development projects. Development projects are reexamined based on market conditions and other factors to determine whether to proceed with, modify or terminate the projects. Any resulting transactions may impact future financial results. See Note 8 to the Financial Statements for additional information on acquisition, development, and divestiture activity.

Environmental Matters *(All Registrants)*

Extensive federal, state and local environmental laws and regulations are applicable to the Registrants' air emissions, water discharges and the management of hazardous and solid waste, as well as other aspects of the Registrants' businesses. The costs of compliance or alleged non-compliance cannot be predicted with certainty but could be significant. In addition, costs may increase significantly if the requirements or scope of environmental laws or regulations, or similar rules, are expanded or changed. Costs may take the form of increased capital expenditures or operating and maintenance expenses, monetary fines, penalties or other restrictions. Many of these environmental law considerations are also applicable to the operations of key suppliers, or customers, such as coal producers and industrial power users, and may impact the costs for their products or their demand for the Registrants' services. Increased capital and operating costs are expected to be subject to rate recovery. The Registrants can provide no assurances as to the ultimate outcome of future environmental or rate proceedings before regulatory authorities.

See "Environmental Matters" in Item 1. "Business" in the Registrants' 2024 Form 10-K for information about environmental laws and regulations affecting the Registrants' business. See "Financial Condition - Liquidity and Capital Resources - Forecasted Uses of Cash - Capital Expenditures" in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Registrants' 2024 Form 10-K for information on projected environmental capital expenditures for 2025 through 2027. See "Legal Matters" in Note 10 to the Financial Statements for a discussion of the more significant environmental claims. See Note 15 to the Financial Statements for information related to the impacts of CCRs on AROs.

The information below represents an update to “Item 1. Business – Environmental Matters” in the Registrants' 2024 Form 10-K.

(PPL, LG&E and KU)

EPA Deregulatory Initiative

On March 12, 2025, the EPA announced a plan to reconsider 31 environmental rules including the Section 111 performance standards and emissions limits for greenhouse gases, the endangerment finding for greenhouse gases, the Good Neighbor Plan, the Mercury and Air Toxics Standards, revisions to the fine particulate matter standard, the ELGs, and the CCRs Rule. Supplementing previous Executive Orders directing various regulatory changes, on April 9, 2025, President Trump issued an Executive Order and Presidential Memorandum directing review of existing rules, repeal of unlawful rules, and initiation of a zero-based budgeting process by which certain rules would automatically expire unless extended. While the administration may seek to implement some regulatory changes outside of the rulemaking process, changes to existing rules are generally expected to require formal rulemaking proceedings. Any final EPA actions repealing or revising current rules will likely result in legal challenges. PPL, LG&E, and KU are unable to predict future regulatory changes, if any, that may result from the EPA’s deregulatory plan or the outcome of any associated legal challenges. PPL, LG&E, and KU will closely monitor the ongoing EPA initiative and any related litigation for the impact to our business including planned capital expenditures to comply with the EPA rules.

Air

NAAQS

The Clean Air Act has a significant impact on the operation of fossil fuel generation plants. The Clean Air Act requires the EPA periodically to establish and review NAAQS for six pollutants including ozone (contributed to by nitrogen oxide emissions) and particulate matter, which are particularly relevant for fossil fuel generation plants. On February 2, 2024, the D.C. Circuit Court granted the EPA's motion for voluntary remand, without vacatur, of the ozone rule, which was under legal challenge. The EPA will complete a new review to incorporate new studies and updated analyses to determine the adequacy of the existing ozone standard. On March 6, 2024, the EPA finalized revisions to the particulate matter standard that lowers the primary standard for fine particulates. Several states and trade groups challenged the EPA's finalized revisions to the particulate matter standard in the D.C. Circuit Court. In March 2025, the EPA announced that it would reconsider the revised fine particulate standard. Nonattainment designations for counties in which LG&E and KU generation is located, including Jefferson County, Kentucky, could potentially require additional particulate matter and nitrogen oxide reductions from sources including LG&E's Mill Creek Station, and more stringent requirements for new generation. PPL, LG&E, and KU are unable to predict future implementation actions or the outcome of future evaluations by the EPA and the states with respect to the NAAQS standards.

In March 2021, the EPA released final revisions to the Cross-State Air Pollution Rule (CSAPR), aimed at ensuring compliance with the 2008 ozone NAAQS and providing for reductions in ozone season nitrogen oxide emissions for 2021 and subsequent years. In March 2023, the EPA released a final Federal Implementation Plan under the Good Neighbor provisions of the Clean Air Act providing for significant additional nitrogen oxide emission reductions for compliance with the revised 2015 ozone NAAQS. The reductions in Kentucky state-wide nitrogen oxide budgets were scheduled to commence in 2023, with the largest reductions planned for 2026. The rules provide for reduced availability of nitrogen oxide allowances that have historically permitted operational flexibility for fossil units and could potentially result in constraints that may require implementation of additional emission controls or accelerate implementation of lower emission generation technologies. In June 2024, the U.S. Supreme Court issued a stay of the Good Neighbor Plan while the D.C. Circuit Court considers legal challenges to the rule. On December 10, 2024, EPA published in the Federal Register a supplement to the record. In March 2025, the EPA announced that it would reconsider the Good Neighbor Plan. On December 6, 2024, the U.S. Court of Appeals for the Sixth Circuit vacated and remanded the EPA's disapproval of Kentucky's state implementation plan for the ozone NAAQS. PPL, LG&E, and KU are monitoring ongoing legal and regulatory developments.

PPL, LG&E, and KU are unable to predict the ultimate outcome of pending litigation or future emission reductions that may be required by future federal rules or state implementation actions. Compliance with the NAAQS, CSAPR, Good Neighbor Plan, and related requirements may require installation of additional pollution controls or other compliance actions, inclusive of retirements, the costs of which PPL, LG&E and KU believe would be subject to rate recovery.

Modification of Mercury and Air Toxics Standards

In 2012, the EPA issued the Mercury and Air Toxics Standards (MATS) rule requiring reductions in mercury and other hazardous air pollutants from fossil fuel-fired power plants. LG&E and KU installed significant controls to achieve compliance with MATS and other rules. On May 7, 2024, the EPA issued a final rule increasing the stringency of MATS and further reducing emissions of certain hazardous air pollutants to reflect perceived developments in control technologies. Legal challenges to the rule have been filed in the D.C. Circuit Court. PPL, LG&E, and KU have reviewed the final rule and do not expect significant operational changes or additional controls to be required. In March 2025, the EPA announced that it would reconsider the final rule.

Greenhouse Gas Standards

On May 9, 2024, the EPA issued a final rule under Section 111 of the Clean Air Act, which establishes performance standards and emissions limits aimed at reducing GHG emissions from certain new, existing, and modified fossil fuel-fired electric generating units (EGUs). In the final rule, the EPA announced it would set performance standards for existing natural gas-fired turbines in a future rule. The standards require phased implementation of carbon mitigation technologies including state-of-the-art efficiency requirements, carbon capture and sequestration, and natural gas co-firing. New natural gas EGUs would be immediately subject to the stricter efficiency standard. Legal challenges to the rule have been filed in the D.C. Circuit Court. PPL, LG&E, and KU are unable to predict the impact of new GHG reduction requirements until completion of a comprehensive review and resolution of related legal and regulatory proceedings. While the impact of new GHG reduction requirements on operations and financial results of operations could potentially be substantial, the cost of complying with such requirements is expected to be subject to rate recovery. In March 2025, the EPA announced that it would reconsider the final rule.

New Accounting Guidance *(All Registrants)*

There has been no new accounting guidance adopted in 2025. See Note 17 to the Financial Statements for discussion of significant accounting guidance pending adoption as of March 31, 2025.

Application of Critical Accounting Policies *(All Registrants)*

Financial condition and results of operations are impacted by the methods, assumptions and estimates used in the application of critical accounting policies. The following table summarizes the accounting policies by Registrant that are particularly important to an understanding of the reported financial condition or results of operations and require management to make estimates or other judgments of matters that are inherently uncertain. See "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Registrants' 2024 Form 10-K for a discussion of each critical accounting policy.

	PPL	PPL Electric	LG&E	KU
Defined Benefits	X	X	X	X
Income Taxes	X	X	X	X
Regulatory Assets and Liabilities	X	X	X	X
Price Risk Management	X			
Goodwill Impairment	X		X	X
AROs			X	X
Revenue Recognition - Unbilled Revenue	X		X	X

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to "Risk Management" in "Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

The Registrants' principal executive officers and principal financial officers, based on their evaluation of the Registrants' disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934) have concluded that, as of March 31, 2025, the Registrants' disclosure controls and procedures are effective to ensure that material information relating to the Registrants and their consolidated subsidiaries is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, particularly during the period for which this quarterly report has been prepared. The principal officers have concluded that the disclosure controls and procedures are also effective to ensure that information required to be disclosed in reports filed under the Exchange Act is accumulated and communicated to management, including the principal executive and principal financial officers, to allow for timely decisions regarding required disclosure.

(b) Change in internal controls over financial reporting.

The Registrants' principal executive officers and principal financial officers have concluded that there were no changes in the Registrants' internal controls over financial reporting during the Registrants' first fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Registrants' internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal, tax, regulatory, environmental or other administrative proceedings that became reportable events or were pending in the first quarter of 2025 see:

- "Item 3. Legal Proceedings" in each Registrant's 2024 Form 10-K; and
- Notes 5, 6, 8 and 10 to the Financial Statements.

Item 1A. Risk Factors

There have been no material changes in the Registrants' risk factors from those disclosed in "Item 1A. Risk Factors" of the Registrants' 2024 Form 10-K.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

On February 21, 2025, Ms. Angela K. Gosman, Executive Vice President and Chief HR Officer of PPL, adopted a trading arrangement for the sale of shares of PPL's common stock (a Rule 10b5-1 Trading Plan) that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934. Ms. Gosman's Rule 10b5-1 Trading Plan, which terminates on the earlier of (i) December 31, 2025 and (ii) the date all trades specified under the plan have been executed or all orders under the plan have expired, provides for the sale of up to 6,533 shares of common stock of PPL, plus dividends on such shares prior to sale, pursuant to the terms of the plan.

Item 6. Exhibits

The following Exhibits indicated by an asterisk preceding the Exhibit number are filed herewith. The balance of the Exhibits has heretofore been filed with the Commission and pursuant to Rule 12(b)-23 are incorporated herein by reference. Exhibits indicated by a [_] are filed or listed pursuant to Item 601(b)(10)(iii) of Regulation S-K.

1.1	- Equity Distribution Agreement, dated February 14, 2025, by and among PPL Corporation and Barclays Capital Inc., BofA Securities, Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, MUFG Securities Americas Inc., RBC Capital Markets, LLC, Scotia Capital (USA) Inc. and Wells Fargo Securities, LLC, acting as managers, Barclays Bank PLC, Bank of America, N.A., Goldman Sachs & Co. LLC, JPMorgan Chase Bank, National Association, Mizuho Markets Americas LLC, Morgan Stanley & Co. LLC, Royal Bank of Canada, The Bank of Nova Scotia and Wells Fargo Bank, National Association, acting as forward purchasers, and Barclays Capital Inc., BofA Securities, Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, RBC Capital Markets, LLC, Scotia Capital (USA) Inc. and Wells Fargo Securities, LLC acting as forward sellers, including the Form of Master Forward Confirmation attached thereto as Exhibit B. (Exhibit 1.1 to PPL Corporation Form 8-K Report (File No. 1-11459) filed February 14, 2025)
3(g)-1	- Amended and Restated Articles of Incorporation of Louisville Gas and Electric Company, effective as of November 6, 1996 (Exhibit 3(a) to Registration Statement filed on Form S-4 (File No. 333-173676))
3(g)-2	- Articles of Amendment to Articles of Incorporation of Louisville Gas and Electric Company, effective as of April 6, 2004 (Exhibit 3(b) to Registration Statement filed on Form S-4 (File No. 333-173676))
*3(g)-3	- Statement of Change of Principal Office Address: an amendment, dated March 28, 2025, to the Amended and Restated Articles of Incorporation of Louisville Gas and Electric Company, effective November 6, 1996, as amended, effective April 6, 2004
10.1	- Amendment No.3, dated January 2, 2025, to the Amended and Restated Revolving Credit Agreement, dated as of December 6, 2021, among PPL Capital Funding, Inc., as Borrower, The Narragansett Electric Company, as Designated Borrower, PPL Corporation, as Guarantor, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender. (Exhibit 10.1 to PPL Corporation Form 8-K Report (File No. 1-11459) filed January 6, 2025)
10.2	- Amendment No.3, dated January 2, 2025, to the Amended and Restated Revolving Credit Agreement, dated as of December 6, 2021, among PPL Electric Utilities Corporation, as Borrower, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender. (Exhibit 10.2 to PPL Corporation Form 8-K Report (File No. 1-11459) filed January 6, 2025)
10.3	- Amendment No.3, dated January 2, 2025, to the Amended and Restated Revolving Credit Agreement, dated as of December 6, 2021, among Louisville Gas and Electric Company, as Borrower, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender. (Exhibit 10.3 to PPL Corporation Form 8-K Report (File No. 1-11459) filed January 6, 2025)
10.4	- Amendment No.3, dated January 2, 2025, to the Amended and Restated Revolving Credit Agreement, dated as of December 6, 2021, among Kentucky Utilities Company, as Borrower, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender. (Exhibit 10.4 to PPL Corporation Form 8-K Report (File No. 1-11459) filed January 6, 2025)

10.5[_]	- Separation Agreement between Francis X. Sullivan and PPL Services Corporation, dated January 14, 2025. (Exhibit 10.1 to PPL Corporation Form 8-K Report (File No. 1-11459) filed January 15, 2025)
10.6[_]	- Form of Change in Control Severance Protection Agreement entered into between PPL Corporation and Joseph P. Bergstein, Jr., David J. Bonenberger, John Gregory Cornett, John R. Crockett III, Dean A. Del Vecchio, Angela K. Gosman, Christine M. Martin, Stephanie R. Raymond, Vincent Sorgi, Francis X. Sullivan, Wendy E. Stark and Lonnie E. Bellar. (Exhibit [_]10(s) to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2023)

Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, for the quarterly period ended March 31, 2025, filed by the following officers for the following companies:

*31(a)	- PPL Corporation's principal executive officer
*31(b)	- PPL Corporation's principal financial officer
*31(c)	- PPL Electric Utilities Corporation's principal executive officer
*31(d)	- PPL Electric Utilities Corporation's principal financial officer
*31(e)	- Louisville Gas and Electric Company's principal executive officer
*31(f)	- Louisville Gas and Electric Company's principal financial officer
*31(g)	- Kentucky Utilities Company's principal executive officer
*31(h)	- Kentucky Utilities Company's principal financial officer

Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, for the quarterly period ended March 31, 2025, furnished by the following officers for the following companies:

*32(a)	- PPL Corporation's principal executive officer and principal financial officer
*32(b)	- PPL Electric Utilities Corporation's principal executive officer and principal financial officer
*32(c)	- Louisville Gas and Electric Company's principal executive officer and principal financial officer
*32(d)	- Kentucky Utilities Company's principal executive officer and principal financial officer

101.INS	- XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	- XBRL Taxonomy Extension Schema
101.CAL	- XBRL Taxonomy Extension Calculation Linkbase
101.DEF	- XBRL Taxonomy Extension Definition Linkbase
101.LAB	- XBRL Taxonomy Extension Label Linkbase
101.PRE	- XBRL Taxonomy Extension Presentation Linkbase
104	- The Cover Page Interactive Data File is formatted as Inline XBRL and contained in Exhibits 101.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

PPL Corporation

(Registrant)

Date: April 30, 2025

/s/ Marlene C. Beers

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

PPL Electric Utilities Corporation

(Registrant)

Date: April 30, 2025

/s/ Marlene C. Beers

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

Louisville Gas and Electric Company

(Registrant)

Kentucky Utilities Company

(Registrant)

Date: April 30, 2025

/s/ Christopher M. Garrett

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

PPOC

Commonwealth of Kentucky
Michael G. Adams, Secretary of St

0032196
Michael G. Adams
KY Secretary of State
Received and Filed
3/28/2025 8:38:00 AM
Fee receipt: $10.00

Michael G. Adams
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
http://www.sos.ky.gov

Statement of Change of Principal Office Address

POC

Pursuant to the provisions of KRS 14A.5-010, the undersigned hereby applies to change the principal office on behalf of

LOUISVILLE GAS AND ELECTRIC COMPANY

and for that purpose submits the following statements:

1. Address of current principal office

220 W. MAIN ST., LGE-11
LEGAL DEPARTMENT
LOUISVILLE, KY 40202

2. Principal office is hereby changed to:

820 WEST BROADWAY
LOUISVILLE, KY 40202

3. Authorized Signature of Entity

Deborah C Gregor, Asst Corporate Secretary
Signature and Title

Deborah C Gregor, Asst Corporate Secretary
Type or print name and title

3/28/2025 8:38 AM
Date

Exhibit 31(a)

CERTIFICATION

I, VINCENT SORGI, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2025

/s/ Vincent Sorgi

Vincent Sorgi
President and Chief Executive Officer
(Principal Executive Officer)
PPL Corporation

Exhibit 31(b)

CERTIFICATION

I, JOSEPH P. BERGSTEIN, JR., certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2025

/s/ Joseph P. Bergstein, Jr.
Joseph P. Bergstein, Jr.
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
PPL Corporation

Exhibit 31(c)

CERTIFICATION

I, CHRISTINE M. MARTIN, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2025

/s/ Christine M. Martin
Christine M. Martin
President
(Principal Executive Officer)
PPL Electric Utilities Corporation

Exhibit 31(d)

CERTIFICATION

I, MARLENE C. BEERS, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2025

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

Exhibit 31(e)

CERTIFICATION

I, JOHN R. CROCKETT III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2025

/s/ John R. Crockett III
John R. Crockett III
President
(Principal Executive Officer)
Louisville Gas and Electric Company

Exhibit 31(f)

CERTIFICATION

I, CHRISTOPHER M. GARRETT, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2025

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

Exhibit 31(g)

CERTIFICATION

I, JOHN R. CROCKETT III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kentucky Utilities Company (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2025

/s/ John R. Crockett III
John R. Crockett III
President
(Principal Executive Officer)
Kentucky Utilities Company

Exhibit 31(h)

CERTIFICATION

I, CHRISTOPHER M. GARRETT, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kentucky Utilities Company (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2025

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

Exhibit 32(a)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR PPL CORPORATION'S FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2025

In connection with the quarterly report on Form 10-Q of PPL Corporation (the "Company") for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, Vincent Sorgi, the Principal Executive Officer of the Company, and Joseph P. Bergstein, Jr., the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2025

/s/ Vincent Sorgi
Vincent Sorgi
President and Chief Executive Officer
(Principal Executive Officer)
PPL Corporation

/s/ Joseph P. Bergstein, Jr.
Joseph P. Bergstein, Jr.
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
PPL Corporation

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(b)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR PPL ELECTRIC UTILITIES CORPORATION'S FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2025

In connection with the quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "Company") for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, Christine M. Martin, the Principal Executive Officer of the Company, and Marlene C. Beers, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2025

/s/ Christine M. Martin
Christine M. Martin
President
(Principal Executive Officer)
PPL Electric Utilities Corporation

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

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(c)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR LOUISVILLE GAS AND ELECTRIC COMPANY'S FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2025

In connection with the quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "Company") for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, John R. Crockett III, the Principal Executive Officer of the Company, and Christopher M. Garrett, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2025

/s/ John R. Crockett III
John R. Crockett III
President
(Principal Executive Officer)
Louisville Gas and Electric Company

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

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(d)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR KENTUCKY UTILITIES COMPANY'S FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2025

In connection with the quarterly report on Form 10-Q of Kentucky Utilities Company (the "Company") for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, John R. Crockett III, the Principal Executive Officer of the Company, and Christopher M. Garrett, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 30, 2025

/s/ John R. Crockett III
John R. Crockett III
President
(Principal Executive Officer)
Kentucky Utilities Company

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

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended June 30, 2025

OR

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

Commission File Number	Registrant; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
1-11459	**PPL Corporation** (Exact name of Registrant as specified in its charter) Pennsylvania 645 Hamilton Street Allentown, PA 18101 (610) 774-5151	23-2758192
1-905	**PPL Electric Utilities Corporation** (Exact name of Registrant as specified in its charter) Pennsylvania 827 Hausman Road Allentown, PA 18104-9392 (610) 774-5151	23-0959590
1-2893	**Louisville Gas and Electric Company** (Exact name of Registrant as specified in its charter) Kentucky 820 West Broadway Louisville, KY 40202 (502) 627-2000	61-0264150
1-3464	**Kentucky Utilities Company** (Exact name of Registrant as specified in its charter) Kentucky and Virginia One Quality Street Lexington, KY 40507-1462 (502) 627-2000	61-0247570

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

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

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

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

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

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

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

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

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

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

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

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

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

PPL Corporation	Common stock, $0.01 par value, 739,515,243 shares outstanding at July 25, 2025.
PPL Electric Utilities Corporation	Common stock, no par value, 66,368,056 shares outstanding and all held by PPL Energy Holdings LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at July 25, 2025.
Louisville Gas and Electric Company	Common stock, no par value, 21,294,223 shares outstanding and all held by LG&E and KU Energy LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at July 25, 2025.
Kentucky Utilities Company	Common stock, no par value, 37,817,878 shares outstanding and all held by LG&E and KU Energy LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at July 25, 2025.

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

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

FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2025

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

Unless otherwise specified, references in this Form 10-Q, individually, to PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company are references to such entities directly or to one or more of their subsidiaries, as the case may be, the financial results of which subsidiaries are consolidated into such Registrants' financial statements in accordance with GAAP. This presentation has been applied where identification of particular subsidiaries is not material to the matter being disclosed, and to conform narrative disclosures to the presentation of financial information on a consolidated basis.

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GLOSSARY OF TERMS AND ABBREVIATIONS

PPL Corporation and its subsidiaries

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RIE - Rhode Island Energy, the name under which Narragansett Electric provides gas and electric services to customers in Rhode Island.

Other terms and abbreviations

£ - British pound sterling.

2024 Form 10-K - Annual Report to the SEC on Form 10-K for the year ended December 31, 2024.

Act 11 - Act 11 of 2012 that became effective on April 16, 2012. The Pennsylvania legislation authorized the PAPUC to approve two specific ratemaking mechanisms: the use of a fully projected future test year in base rate proceedings and, subject to certain conditions, a DSIC.

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

AOCI - accumulated other comprehensive income or loss.

ARO - asset retirement obligation.

ATM Program - at-the-market stock offering program.

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

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

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

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

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

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

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

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

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

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

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

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

EPS - earnings per share.

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

FY - fiscal year.

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

GHG(s) - greenhouse gas(es).

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

IRA - Inflation Reduction Act, a U.S. federal law, which aims to curb inflation by possibly reducing the federal government budget deficit, lowering prescription drug prices, and investing in domestic energy production while promoting clean energy.

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

ISO - Independent System Operator.

ISR - Infrastructure, safety and reliability.

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

Mill Creek Unit 5 - a combined cycle natural gas unit under construction in Kentucky, jointly owned by LG&E and KU, which is expected to provide additional generating capacity of 200 MW and 445 MW to LG&E and KU beginning in 2027.

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

MW - megawatt, one thousand kilowatts.

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

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

NERC - North American Electric Reliability Corporation.

NGCC - Natural gas combined cycle.

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

OCI - other comprehensive income or loss.

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

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

PHMSA - Pipeline and Hazardous Materials Safety Administration.

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

PP&E - property, plant and equipment.

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

Registrant(s) - refers to the Registrants named on the cover of this Form 10-Q (each a "Registrant" and collectively, the "Registrants").

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Forward-looking Information

Statements contained in this Form 10-Q concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact are "forward-looking statements" within the meaning of the federal securities laws. Although the Registrants believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially from the results discussed in forward-looking statements. In addition to the specific factors discussed in each Registrant's 2024 Form 10-K and in "Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-Q, the following are among the important factors that could cause actual results to differ materially and adversely from the forward-looking statements:

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

- the effect of changing expectations and demands of our customers, regulators, investors and stakeholders, including differing views on environmental, social and governance concerns;
- the effect of any business or industry restructuring;
- the ability to control costs and avoid cost and schedule overruns during the development, construction and operation of generation facilities or other projects;
- development of new projects, markets and technologies;
- performance of new ventures;
- collective labor bargaining negotiations and labor costs;
- risks related to wildfires, including costs of potential regulatory penalties and other liabilities, and the cost and availability of insurance and damages in excess of insurance liability coverage; and
- the outcome of litigation involving the Registrants and their subsidiaries.

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

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

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Operating Revenues	**$ 2,025**	$ 1,881	**$ 4,529**	$ 4,185
Operating Expenses				
Operation				
Fuel	**192**	181	**426**	390
Energy purchases	**388**	275	**947**	795
Other operation and maintenance	**614**	623	**1,212**	1,249
Depreciation	**324**	319	**646**	635
Taxes, other than income	**101**	93	**214**	181
Total Operating Expenses	**1,619**	1,491	**3,445**	3,250
Operating Income	**406**	390	**1,084**	935
Other Income (Expense) - net (Note 12)	**23**	32	**51**	54
Interest Expense	**199**	182	**389**	361
Income Before Income Taxes	**230**	240	**746**	628
Income Taxes	**47**	50	**149**	131
Net Income	**$ 183**	$ 190	**$ 597**	$ 497
Earnings Per Share of Common Stock:				
Net Income Available to PPL Common Shareowners:				
Basic	**$ 0.25**	$ 0.26	**$ 0.81**	$ 0.67
Diluted	**$ 0.25**	$ 0.26	**$ 0.80**	$ 0.67
Weighted-Average Shares of Common Stock Outstanding (in thousands)				
Basic	**739,276**	737,748	**738,986**	737,630
Diluted	**742,541**	739,563	**741,972**	739,191

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
PPL Corporation and Subsidiaries

(Unaudited)

(Millions of Dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	**$ 183**	$ 190	**$ 597**	$ 497
Other comprehensive income (loss):				
Amounts arising during the period - gains (losses), net of tax (expense) benefit:				
Qualifying derivatives, net of tax of $0, $0, $0, $0	**1**	—	**1**	—
Equity investees' other comprehensive income (loss), net of tax of $0, $0, $0, $0	**—**	—	**—**	1
Defined benefit plans:				
Net actuarial gain (loss), net of tax of $3, ($1), $3, ($1)	**(8)**	2	**(8)**	2
Reclassifications from AOCI - (gains) losses, net of tax expense (benefit):				
Qualifying derivatives, net of tax of ($1), ($1), ($1), ($1)	**—**	—	**1**	1
Defined benefit plans:				
Net actuarial (gain) loss, net of tax of $0, $1, $0, $1	**1**	(1)	**—**	(1)
Total other comprehensive income (loss)	**(6)**	1	**(6)**	3
Comprehensive income	**$ 177**	$ 191	**$ 591**	$ 500

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
PPL Corporation and Subsidiaries
(Unaudited)
(Millions of Dollars)

	Six Months Ended June 30,	
	2025	**2024**
Cash Flows from Operating Activities		
Net income	**$ 597**	$ 497
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**646**	635
Amortization	**49**	47
Defined benefit plans - income	**(30)**	(35)
Deferred income taxes and investment tax credits	**104**	114
Other	**3**	10
Change in current assets and current liabilities		
Accounts receivable	**(91)**	162
Accounts payable	**(167)**	(167)
Unbilled revenues	**63**	74
Fuel, materials and supplies	**13**	4
Prepayments	**(56)**	(107)
Taxes payable	**40**	(21)
Regulatory assets and liabilities, net	**64**	(74)
Accrued interest	**(5)**	21
Other	**(52)**	(57)
Other operating activities		
Defined benefit plans - funding	**(7)**	(7)
Other assets	**(77)**	(60)
Other liabilities	**21**	12
Net cash provided by operating activities	**1,115**	1,048
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(1,723)**	(1,266)
Other investing activities	**10**	5
Net cash used in investing activities	**(1,713)**	(1,261)
Cash Flows from Financing Activities		
Issuance of long-term debt	**—**	1,148
Payment of common stock dividends	**(392)**	(367)
Net increase (decrease) in short-term debt	**983**	(603)
Other financing activities	**(14)**	(23)
Net cash provided by financing activities	**577**	155
Net Decrease in Cash, Cash Equivalents and Restricted Cash	**(21)**	(58)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	**339**	382
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 318**	$ 324
Supplemental Disclosures of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at June 30,	**$ 450**	$ 288

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

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

	June 30, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 294**	$ 306
Accounts receivable (less reserve: 2025, $171; 2024, $147)		
Customer	**998**	961
Other	**122**	76
Unbilled revenues (less reserve: 2025, $4; 2024, $6)	**418**	485
Fuel, materials and supplies	**504**	511
Prepayments	**192**	136
Regulatory assets	**303**	320
Other current assets	**92**	85
Total Current Assets	**2,923**	**2,880**
Property, Plant and Equipment		
Regulated utility plant	**41,171**	40,391
Less: accumulated depreciation - regulated utility plant	**9,950**	9,682
Regulated utility plant, net	**31,221**	30,709
Non-regulated property, plant and equipment	**80**	79
Less: accumulated depreciation - non-regulated property, plant and equipment	**33**	29
Non-regulated property, plant and equipment, net	**47**	50
Construction work in progress	**3,088**	2,390
Property, Plant and Equipment, net	**34,356**	33,149
Other Noncurrent Assets		
Regulatory assets	**2,055**	2,060
Goodwill	**2,247**	2,247
Other intangibles	**312**	314
Other noncurrent assets (less reserve for accounts receivable: 2025, $2; 2024, $1)	**470**	419
Total Other Noncurrent Assets	**5,084**	5,040
Total Assets	**$ 42,363**	$ 41,069

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

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

	June 30, 2025	December 31, 2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 1,286**	$ 303
Long-term debt due within one year	**1,219**	551
Accounts payable	**1,135**	1,196
Taxes	**143**	103
Interest	**152**	157
Dividends	**197**	186
Regulatory liabilities	**273**	223
Other current liabilities	**573**	614
Total Current Liabilities	**4,978**	3,333
Long-term Debt	**15,292**	15,952
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**3,501**	3,356
Investment tax credits	**110**	111
Accrued pension obligations	**294**	317
Asset retirement obligations	**141**	136
Regulatory liabilities	**3,335**	3,335
Other deferred credits and noncurrent liabilities	**426**	452
Total Deferred Credits and Other Noncurrent Liabilities	**7,807**	7,707
Commitments and Contingent Liabilities (Notes 6 and 10)		
Equity		
Common stock - $0.01 par value (a)	**8**	8
Additional paid-in capital	**12,343**	12,346
Treasury stock	**(902)**	(928)
Earnings reinvested	**3,027**	2,835
Accumulated other comprehensive loss	**(190)**	(184)
Total Equity	**14,286**	14,077
Total Liabilities and Equity	**$ 42,363**	$ 41,069

(a) 1,560,000 shares authorized, 770,601 shares issued and 739,306 shares outstanding at June 30, 2025. 1,560,000 shares authorized, 770,215 shares issued and 738,033 shares outstanding at December 31, 2024.

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

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

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Treasury stock	Earnings reinvested	Accumulated other comprehensive loss	Total
March 31, 2025	739,066	$ 8	$ 12,330	$ (904)	$ 3,047	$ (184)	$ 14,297
Common stock issued	186						—
Treasury stock issued	54		7	2			9
Stock-based compensation			6				6
Net income					183		183
Dividends and dividend equivalents (b)					(203)		(203)
Other comprehensive income (loss)						(6)	(6)
June 30, 2025	739,306	$ 8	$ 12,343	$ (902)	$ 3,027	$ (190)	$ 14,286
December 31, 2024	738,033	$ 8	$ 12,346	$ (928)	$ 2,835	$ (184)	$ 14,077
Common stock issued	386						—
Treasury stock issued	887		7	26			33
Stock-based compensation			(10)				(10)
Net income					597		597
Dividends and dividend equivalents (b)					(405)		(405)
Other comprehensive income (loss)						(6)	(6)
June 30, 2025	739,306	$ 8	$ 12,343	$ (902)	$ 3,027	$ (190)	$ 14,286
March 31, 2024	737,736	$ 8	$ 12,314	$ (931)	$ 2,828	$ (161)	$ 14,058
Treasury stock issued	26			1			1
Stock-based compensation			7				7
Net income					190		190
Dividends and dividend equivalents (b)					(192)		(192)
Other comprehensive income (loss)						1	1
June 30, 2024	737,762	$ 8	$ 12,321	$ (930)	$ 2,826	$ (160)	$ 14,065
December 31, 2023	737,130	$ 8	$ 12,326	$ (948)	$ 2,710	$ (163)	$ 13,933
Treasury stock issued	632			18			18
Stock-based compensation			(5)				(5)
Net income					497		497
Dividends and dividend equivalents (b)					(381)		(381)
Other comprehensive income (loss)						3	3
June 30, 2024	737,762	$ 8	$ 12,321	$ (930)	$ 2,826	$ (160)	$ 14,065

(a) Shares in thousands. Each share entitles the holder to one vote on any question presented at any shareowners' meeting.
(b) Dividends declared per share of common stock were $0.2725 and $0.5450 for the three and six months ended June 30, 2025 and $0.2575 and $0.5150 for the three and six months ended June 30, 2024.

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

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME
PPL Electric Utilities Corporation and Subsidiaries

(Unaudited)

(Millions of Dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Operating Revenues	**$ 693**	$ 673	**$ 1,512**	$ 1,443
Operating Expenses				
Operation				
Energy purchases	**169**	153	**398**	367
Other operation and maintenance	**159**	154	**321**	335
Depreciation	**100**	100	**202**	199
Taxes, other than income	**32**	30	**73**	66
Total Operating Expenses	**460**	437	**994**	967
Operating Income	**233**	236	**518**	476
Other Income (Expense) - net (Note 12)	**11**	11	**22**	20
Interest Income from Affiliate	**—**	10	**2**	20
Interest Expense	**62**	61	**122**	123
Income Before Income Taxes	**182**	196	**420**	393
Income Taxes	**43**	46	**97**	94
Net Income (a)	**$ 139**	$ 150	**$ 323**	$ 299

(a) Net income equals comprehensive income.

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

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

(Unaudited)

(Millions of Dollars)

	Six Months Ended June 30,	
	2025	**2024**
Cash Flows from Operating Activities		
Net income	**$ 323**	$ 299
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**202**	199
Amortization	**21**	25
Defined benefit plans - income	**(15)**	(19)
Deferred income taxes and investment tax credits	**48**	60
Other	**(13)**	(9)
Change in current assets and current liabilities		
Accounts receivable	**(83)**	12
Accounts payable	**(83)**	(33)
Unbilled revenues	**17**	40
Materials and supplies	**(10)**	(11)
Prepayments	**(38)**	(88)
Regulatory assets and liabilities, net	**46**	(52)
Taxes payable	**(1)**	(41)
Accrued interest	**—**	15
Other	**—**	(20)
Other operating activities		
Defined benefit plans - funding	**—**	(1)
Other assets	**(26)**	(19)
Other liabilities	**(6)**	(4)
Net cash provided by operating activities	**382**	353
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(697)**	(519)
Expenditures for intangible assets	**(4)**	(2)
Notes receivable from affiliates	**222**	(502)
Other investing activities	**12**	3
Net cash used in investing activities	**(467)**	(1,020)
Cash Flows from Financing Activities		
Issuance of long-term debt	**—**	649
Contributions from parent	**—**	680
Return of capital to parent	**(100)**	—
Payment of common stock dividends to parent	**(207)**	(184)
Net increase (decrease) in short-term debt	**384**	(509)
Debt issuance costs	**(1)**	(7)
Net cash provided by (used in) financing activities	**76**	629
Net Decrease in Cash, Cash Equivalents and Restricted Cash	**(9)**	(38)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	**24**	51
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 15**	$ 13
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at June 30,	**$ 201**	$ 161

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

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

	June 30, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 15**	$ 24
Accounts receivable (less reserve: 2025, $38; 2024, $37)		
Customer	**403**	353
Other	**28**	8
Accounts receivable from affiliates	**10**	10
Notes receivable from affiliate	**—**	222
Unbilled revenues (less reserve: 2025, $2; 2024, $3)	**138**	159
Materials and supplies	**116**	104
Prepayments	**112**	74
Regulatory assets	**92**	133
Other current assets	**33**	30
Total Current Assets	**947**	1,117
Property, Plant and Equipment		
Regulated utility plant	**16,767**	16,469
Less: accumulated depreciation - regulated utility plant	**4,033**	4,052
Regulated utility plant, net	**12,734**	12,417
Construction work in progress	**1,140**	898
Property, Plant and Equipment, net	**13,874**	13,315
Other Noncurrent Assets		
Regulatory assets	**692**	673
Intangibles	**276**	274
Other noncurrent assets (less reserve for accounts receivable: 2025, $2; 2024, $1)	**103**	96
Total Other Noncurrent Assets	**1,071**	1,043
Total Assets	**$ 15,892**	$ 15,475

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

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

	June 30, 2025	December 31, 2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 384**	$ —
Accounts payable	**498**	565
Accounts payable to affiliates	**68**	44
Interest	**55**	55
Regulatory liabilities	**62**	57
Other current liabilities	**117**	85
Total Current Liabilities	**1,184**	806
Long-term Debt	**5,215**	5,214
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**1,792**	1,726
Regulatory liabilities	**831**	839
Other deferred credits and noncurrent liabilities	**124**	160
Total Deferred Credits and Other Noncurrent Liabilities	**2,747**	2,725
Commitments and Contingent Liabilities (Notes 6 and 10)		
Equity		
Common stock - no par value (a)	**364**	364
Additional paid-in capital	**4,568**	4,668
Earnings reinvested	**1,814**	1,698
Total Equity	**6,746**	6,730
Total Liabilities and Equity	**$ 15,892**	$ 15,475

(a) 170,000 shares authorized; 66,368 shares issued and outstanding at June 30, 2025 and December 31, 2024.

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

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

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Earnings reinvested	Total
March 31, 2025	66,368	$ 364	$ 4,668	$ 1,794	$ 6,826
Net income				139	139
Return of capital to parent			(100)		(100)
Dividends declared				(119)	(119)
June 30, 2025	66,368	$ 364	$ 4,568	$ 1,814	$ 6,746
December 31, 2024	66,368	$ 364	$ 4,668	$ 1,698	$ 6,730
Net income				323	323
Return of capital to parent			(100)		(100)
Dividends declared				(207)	(207)
June 30, 2025	66,368	$ 364	$ 4,568	$ 1,814	$ 6,746
March 31, 2024	66,368	$ 364	$ 4,715	$ 1,560	$ 6,639
Net income				150	150
Capital contributions from parent			5		5
Dividends declared				(96)	(96)
June 30, 2024	66,368	$ 364	$ 4,720	$ 1,614	$ 6,698
December 31, 2023	66,368	$ 364	$ 4,040	$ 1,499	$ 5,903
Net income				299	299
Capital contributions from parent			680		680
Dividends declared				(184)	(184)
June 30, 2024	66,368	$ 364	$ 4,720	$ 1,614	$ 6,698

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

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Operating Revenues				
Retail and wholesale	**$ 373**	$ 363	**$ 873**	$ 823
Electric revenue from affiliate	**5**	3	**10**	19
Total Operating Revenues	**378**	366	**883**	842
Operating Expenses				
Operation				
Fuel	**75**	67	**157**	153
Energy purchases	**23**	15	**111**	86
Energy purchases from affiliate	**7**	7	**12**	8
Other operation and maintenance	**91**	87	**180**	175
Depreciation	**77**	77	**151**	153
Taxes, other than income	**13**	12	**26**	25
Total Operating Expenses	**286**	265	**637**	600
Operating Income	**92**	101	**246**	242
Other Income (Expense) - net (Note 12)	**5**	4	**8**	6
Interest Expense	**27**	26	**53**	52
Income Before Income Taxes	**70**	79	**201**	196
Income Taxes	**14**	17	**40**	41
Net Income (a)	**$ 56**	$ 62	**$ 161**	$ 155

(a) Net income equals comprehensive income.

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

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

	Six Months Ended June 30,	
	2025	**2024**
Cash Flows from Operating Activities		
Net income	**$ 161**	$ 155
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**151**	153
Amortization	**11**	8
Deferred income taxes and investment tax credits	**1**	2
Other	**(3)**	(2)
Change in current assets and current liabilities		
Accounts receivable	**19**	(10)
Accounts receivable from affiliates	**12**	(10)
Accounts payable	**(8)**	11
Accounts payable to affiliates	**7**	9
Unbilled revenues	**3**	6
Fuel, materials and supplies	**15**	2
Regulatory assets and liabilities, net	**(17)**	(10)
Taxes payable	**(12)**	(14)
Accrued interest	**(1)**	(1)
Other	**(12)**	(11)
Other operating activities		
Expenditures for asset retirement obligations	**(4)**	(6)
Other assets	**(43)**	(7)
Other liabilities	**(1)**	(2)
Net cash provided by operating activities	**279**	273
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(296)**	(207)
Net increase in notes receivable with affiliates	**(10)**	—
Net cash used in investing activities	**(306)**	(207)
Cash Flows from Financing Activities		
Net increase (decrease) in notes payable to affiliates	**(43)**	19
Net increase in short-term debt	**133**	10
Payment of common stock dividends to parent	**(111)**	(97)
Contributions from parent	**101**	37
Return of capital to parent	**(55)**	(51)
Debt issuance costs	**(1)**	—
Net cash provided by (used in) financing activities	**24**	(82)
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	**(3)**	(16)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**24**	44
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 21**	$ 28
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at June 30,	**$ 74**	$ 55

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

CONDENSED BALANCE SHEETS
Louisville Gas and Electric Company
(Unaudited)
(Millions of Dollars, shares in thousands)

	June 30, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 10**	$ 8
Accounts receivable (less reserve: 2025, $5; 2024, $3)		
Customer	**119**	134
Other	**25**	23
Unbilled revenues (less reserve: 2025, $0; 2024, $0)	**84**	87
Accounts receivable from affiliates	**28**	40
Notes receivable from affiliates	**10**	—
Fuel, materials and supplies	**142**	157
Prepayments	**13**	9
Regulatory assets	**26**	8
Other current assets	**10**	2
Total Current Assets	**467**	468
Property, Plant and Equipment		
Regulated utility plant	**7,904**	7,748
Less: accumulated depreciation - regulated utility plant	**1,753**	1,643
Regulated utility plant, net	**6,151**	6,105
Construction work in progress	**571**	443
Property, Plant and Equipment, net	**6,722**	6,548
Other Noncurrent Assets		
Regulatory assets	**488**	491
Goodwill	**389**	389
Other intangibles	**9**	12
Other noncurrent assets	**121**	84
Total Other Noncurrent Assets	**1,007**	976
Total Assets	**$ 8,196**	$ 7,992

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

CONDENSED BALANCE SHEETS
Louisville Gas and Electric Company
(Unaudited)
(Millions of Dollars, shares in thousands)

	June 30, 2025	December 31, 2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 158**	$ 25
Long-term debt due within one year	**300**	300
Notes payable to affiliates	**—**	43
Accounts payable	**164**	158
Accounts payable to affiliates	**71**	64
Customer deposits	**37**	36
Taxes	**28**	40
Regulatory liabilities	**15**	14
Interest	**20**	21
Asset retirement obligations	**6**	11
Other current liabilities	**53**	50
Total Current Liabilities	**852**	762
Long-term Debt	**2,172**	2,171
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**815**	803
Investment tax credits	**29**	30
Price risk management liabilities	**5**	3
Asset retirement obligations	**76**	73
Regulatory liabilities	**813**	815
Other deferred credits and noncurrent liabilities	**67**	64
Total Deferred Credits and Other Noncurrent Liabilities	**1,805**	1,788
Commitments and Contingent Liabilities (Notes 6 and 10)		
Stockholder's Equity		
Common stock - no par value (a)	**424**	424
Additional paid-in capital	**2,028**	1,982
Earnings reinvested	**915**	865
Total Equity	**3,367**	3,271
Total Liabilities and Equity	**$ 8,196**	$ 7,992

(a) 75,000 shares authorized; 21,294 shares issued and outstanding at June 30, 2025 and December 31, 2024.

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

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

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Earnings reinvested	Total
March 31, 2025	21,294	$ 424	$ 1,927	$ 927	$ 3,278
Net income				56	56
Capital contributions from parent			101		101
Dividends declared				(68)	(68)
June 30, 2025	21,294	$ 424	$ 2,028	$ 915	$ 3,367
December 31, 2024	21,294	$ 424	$ 1,982	$ 865	$ 3,271
Net income				161	161
Capital contributions from parent			101		101
Return of capital to parent			(55)		(55)
Dividends declared				(111)	(111)
June 30, 2025	21,294	$ 424	$ 2,028	$ 915	$ 3,367
March 31, 2024	21,294	$ 424	$ 1,942	$ 811	$ 3,177
Net income				62	62
Capital contributions from parent			37		37
Dividends declared				(60)	(60)
June 30, 2024	21,294	$ 424	$ 1,979	$ 813	$ 3,216
December 31, 2023	21,294	$ 424	$ 1,993	$ 755	$ 3,172
Net income				155	155
Capital contributions from parent			37		37
Return of capital to parent			(51)		(51)
Dividends declared				(97)	(97)
June 30, 2024	21,294	$ 424	$ 1,979	$ 813	$ 3,216

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

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Operating Revenues				
Retail and wholesale	**$ 465**	$ 457	**$ 1,024**	$ 981
Electric revenue from affiliate	**7**	7	**12**	8
Total Operating Revenues	**472**	464	**1,036**	989
Operating Expenses				
Operation				
Fuel	**117**	115	**269**	238
Energy purchases	**7**	6	**14**	12
Energy purchases from affiliate	**5**	3	**10**	19
Other operation and maintenance	**102**	101	**202**	203
Depreciation	**101**	101	**203**	200
Taxes, other than income	**13**	12	**25**	24
Total Operating Expenses	**345**	338	**723**	696
Operating Income	**127**	126	**313**	293
Other Income (Expense) - net (Note 12)	**5**	4	**10**	6
Interest Expense	**35**	33	**70**	67
Interest Expense with Affiliate	**—**	1	**—**	1
Income Before Income Taxes	**97**	96	**253**	231
Income Taxes	**19**	19	**50**	46
Net Income (a)	**$ 78**	$ 77	**$ 203**	$ 185

(a) Net income equals comprehensive income.

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

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

	Six Months Ended June 30,	
	2025	2024
Cash Flows from Operating Activities		
Net income	**$ 203**	$ 185
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**203**	200
Amortization	**8**	9
Deferred income taxes and investment tax credits	**4**	(7)
Other	**(5)**	(5)
Change in current assets and current liabilities		
Accounts receivable	**3**	(19)
Accounts payable	**(5)**	(24)
Accounts payable to affiliates	**6**	23
Unbilled revenues	**(4)**	(10)
Fuel, materials and supplies	**(7)**	15
Regulatory assets and liabilities, net	**2**	13
Taxes payable	**(9)**	(6)
Accrued interest	**(1)**	(1)
Other	**(23)**	(7)
Other operating activities		
Expenditures for asset retirement obligations	**(4)**	(4)
Other assets	**(18)**	1
Other liabilities	**(2)**	(11)
Net cash provided by operating activities	**351**	352
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(391)**	(296)
Net cash used in investing activities	**(391)**	(296)
Cash Flows from Financing Activities		
Net increase (decrease) in notes payable to affiliates	**(27)**	13
Net increase in short-term debt	**135**	7
Payment of common stock dividends to parent	**(128)**	(117)
Contributions from parent	**91**	84
Return of capital to parent	**(37)**	(50)
Debt issuance costs	**(1)**	—
Net cash provided by (used in) financing activities	**33**	(63)
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	**(7)**	(7)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**29**	38
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 22**	$ 31
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at June 30,	**$ 100**	$ 62

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

CONDENSED BALANCE SHEETS
Kentucky Utilities Company
(Unaudited)
(Millions of Dollars, shares in thousands)

	June 30, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 11**	$ 13
Accounts receivable (less reserve: 2025, $2; 2024, $2)		
Customer	**153**	160
Other	**27**	22
Unbilled revenues (less reserve: 2025, $0; 2024, $0)	**106**	102
Fuel, materials and supplies	**181**	173
Prepayments	**16**	11
Other current assets	**20**	10
Total Current Assets	**514**	491
Property, Plant and Equipment		
Regulated utility plant	**10,513**	10,419
Less: accumulated depreciation - regulated utility plant	**2,798**	2,652
Regulated utility plant, net	**7,715**	7,767
Construction work in progress	**850**	567
Property, Plant and Equipment, net	**8,565**	8,334
Other Noncurrent Assets		
Regulatory assets	**462**	458
Goodwill	**607**	607
Other intangibles	**27**	28
Other noncurrent assets	**156**	155
Total Other Noncurrent Assets	**1,252**	1,248
Total Assets	**$ 10,331**	$ 10,073

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

CONDENSED BALANCE SHEETS
Kentucky Utilities Company
(Unaudited)
(Millions of Dollars, shares in thousands)

	June 30, 2025	December 31, 2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 275**	$ 140
Long-term debt due within one year	**268**	250
Notes payable to affiliates	**46**	73
Accounts payable	**117**	96
Accounts payable to affiliates	**105**	100
Customer deposits	**39**	39
Taxes	**28**	37
Regulatory liabilities	**23**	22
Interest	**23**	24
Asset retirement obligations	**7**	10
Other current liabilities	**57**	58
Total Current Liabilities	**988**	849
Long-term Debt	**2,799**	2,816
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**943**	924
Investment tax credits	**80**	81
Asset retirement obligations	**55**	54
Regulatory liabilities	**1,003**	1,009
Other deferred credits and noncurrent liabilities	**35**	41
Total Deferred Credits and Other Noncurrent Liabilities	**2,116**	2,109
Commitments and Contingent Liabilities (Notes 6 and 10)		
Stockholder's Equity		
Common stock - no par value (a)	**308**	308
Additional paid-in capital	**3,110**	3,056
Earnings reinvested	**1,010**	935
Total Equity	**4,428**	4,299
Total Liabilities and Equity	**$ 10,331**	$ 10,073

(a) 80,000 shares authorized; 37,818 shares issued and outstanding at June 30, 2025 and December 31, 2024.

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

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

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Earnings reinvested	Total
March 31, 2025	37,818	$ 308	$ 3,019	$ 1,014	$ 4,341
Net income				78	78
Capital contributions from parent			91		91
Dividends declared				(82)	(82)
June 30, 2025	37,818	$ 308	$ 3,110	$ 1,010	$ 4,428
December 31, 2024	37,818	$ 308	$ 3,056	$ 935	$ 4,299
Net income				203	203
Capital contributions from parent			91		91
Return of capital to parent			(37)		(37)
Dividends declared				(128)	(128)
June 30, 2025	37,818	$ 308	$ 3,110	$ 1,010	$ 4,428
March 31, 2024	37,818	$ 308	$ 2,983	$ 872	$ 4,163
Net income				77	77
Capital contributions from parent			84		84
Dividends declared				(70)	(70)
June 30, 2024	37,818	$ 308	$ 3,067	$ 879	$ 4,254
December 31, 2023	37,818	$ 308	$ 3,033	$ 811	$ 4,152
Net income				185	185
Capital contributions from parent			84		84
Return of capital to parent			(50)		(50)
Dividends declared				(117)	(117)
June 30, 2024	37,818	$ 308	$ 3,067	$ 879	$ 4,254

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

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

Combined Notes to Condensed Financial Statements (Unaudited)

Index to Combined Notes to Condensed Financial Statements

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

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

1. Interim Financial Statements

(All Registrants)

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

The accompanying unaudited condensed financial statements have been prepared in accordance with GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X and, therefore, do not include all of the information and footnote disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation in accordance with GAAP are reflected in the condensed financial statements. All adjustments are of a normal recurring nature, except as otherwise disclosed. Each Registrant's Balance Sheet at December 31, 2024 is derived from that Registrant's 2024 audited Balance Sheet. The financial statements and notes thereto should be read in conjunction with the financial statements and notes contained in each Registrant's 2024 Form 10-K. The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of the results to be expected for the full year ending December 31, 2025 or other future periods, because results for interim periods can be disproportionately influenced by various factors, developments and seasonal variations.

2. Segment and Related Information

(PPL)

PPL is organized into three segments, broken down by geographic location: Kentucky Regulated, Pennsylvania Regulated and Rhode Island Regulated.

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

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

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

"Corporate and Other" primarily consists of corporate level financing costs, certain unallocated costs and certain non-recoverable costs incurred in conjunction with the acquisition of RIE. "Corporate and Other" is presented to reconcile segment information to PPL's consolidated results and is not a reportable segment.

The table below provides information about PPL's segments and includes the reconciliation to consolidated net income for the three months ended June 30, 2025:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 837	$ 693	$ 494	$ 2,024
Reconciliation of revenue				
Corporate and Other revenues				1
Total consolidated revenues				$ 2,025
Less:				
Fuel	192	—	—	192
Energy Purchases	30	169	190	389
Other operation and maintenance	200	159	214	573
Depreciation	179	100	44	323
Taxes, other than income	26	32	42	100
Other (income) expense - net	(10)	(11)	4	(17)
Interest (income) from affiliate	—	—	(1)	(1)
Interest expense	62	62	27	151
Income taxes	32	43	(9)	66
Segment net income	$ 126	$ 139	$ (17)	$ 248
Reconciliation of segment profit or loss to consolidated net income				
Corporate and Other net loss				(65)
Net Income				$ 183

(a) See Note 3 for additional information on Operating Revenues.

The table below provides information about PPL's segments and includes the reconciliation to consolidated net income for the six months ended June 30, 2025:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 1,896	$ 1,512	$ 1,120	$ 4,528
Reconciliation of revenue				
Corporate and Other revenues				1
Total consolidated revenues				$ 4,529
Less:				
Fuel	426	—	—	426
Energy Purchases	126	398	425	949
Other operation and maintenance	400	321	414	1,135
Depreciation	355	202	86	643
Taxes, other than income	51	73	89	213
Other (income) expense - net	(18)	(22)	(3)	(43)
Interest (income) from affiliate	—	(2)	(3)	(5)
Interest expense	122	122	50	294
Income taxes	85	97	9	191
Segment net income	$ 349	$ 323	$ 53	$ 725
Reconciliation of segment profit or loss to consolidated net income				
Corporate and Other net loss				(128)
Net Income				$ 597

(a) See Note 3 for additional information on Operating Revenues.

Other information for the segments and reconciliation to PPL's Consolidated results for the six months ended June 30, 2025 are as follows:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total Segments	Corporate and Other	Consolidated Total
Other Segment Disclosures						
Amortization (a)	$ 22	$ 21	$ —	$ 43	$ 6	$ 49
Deferred income taxes and investment tax credits (b)	11	48	18	77	27	104
Expenditures for long lived assets	689	697	336	1,722	1	1,723

(a) Represents non-cash expense items that include amortization of operating lease right-of-use assets, regulatory assets and liabilities, debt discounts and premiums and debt issuance costs.
(b) Represents a non-cash expense item that is also included in "Income Taxes."

The table below provides information about PPL's segments and includes the reconciliation to consolidated net income for the three months ended June 30, 2024:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 819	$ 673	$ 389	$ 1,881
Reconciliation of revenue				
Corporate and Other revenues				—
Total consolidated revenues				$ 1,881
Less:				
Fuel	181	—	—	181
Energy Purchases	22	153	100	275
Other operation and maintenance	195	154	180	529
Depreciation	177	100	40	317
Taxes, other than income	24	30	39	93
Other (income) expense - net	(9)	(11)	(6)	(26)
Interest (income) from affiliate	—	(10)	—	(10)
Interest expense	61	61	23	145
Income taxes	34	46	1	81
Segment net income	$ 134	$ 150	$ 12	$ 296
Reconciliation of segment profit or loss to consolidated net income				
Corporate and Other net loss				(106)
Net Income				$ 190

(a) See Note 3 for additional information on Operating Revenues.

The table below provides information about PPL's segments and includes the reconciliation to consolidated net income for the six months ended June 30, 2024:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 1,803	$ 1,443	$ 938	$ 4,184
Reconciliation of revenue				
Corporate and Other revenues				1
Total consolidated revenues				$ 4,185
Less:				
Fuel	390	—	—	390
Energy Purchases	99	367	329	795
Other operation and maintenance	397	335	336	1,068
Depreciation	353	199	81	633
Taxes, other than income	49	66	66	181
Other (income) expense - net	(12)	(20)	(13)	(45)
Interest (income) from affiliate	—	(20)	—	(20)
Interest expense	121	123	47	291
Income taxes	82	94	16	192
Segment net income	$ 324	$ 299	$ 76	$ 699
Reconciliation of segment profit or loss to consolidated net income				
Corporate and Other net loss				(202)
Net Income				$ 497

(a) See Note 3 for additional information on Operating Revenues.

Other information for the segments and reconciliation to PPL's Consolidated results for the six months ended June 30, 2024 are as follows:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total Segments	Corporate and Other	Consolidated Total
Other Segment Disclosures						
Amortization (a)	$ 18	$ 25	$ —	$ 43	$ 4	$ 47
Deferred income taxes and investment tax credits (b)	1	60	36	97	17	114
Expenditures for long lived assets	506	519	241	1,266	—	1,266

(a) Represents non-cash expense items that include amortization of operating lease right-of-use assets, regulatory assets and liabilities, debt discounts and premiums and debt issuance costs.
(b) Represents a non-cash expense item that is also included in "Income Taxes."

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

	June 30, 2025	December 31, 2024
Total Assets		
Kentucky Regulated	$ 18,076	$ 17,626
Pennsylvania Regulated	15,892	15,475
Rhode Island Regulated	7,125	7,055
Corporate and Other (a)	1,270	913
Total	$ 42,363	$ 41,069

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

(PPL Electric)

PPL Electric has two operating segments, distribution and transmission, which are aggregated into a single reportable segment.

The measure of segment assets is reported on PPL Electric's Balance Sheets as total consolidated assets. The measures of significant segment expenses are reported on PPL Electric's Statements of Income. The measures of significant non-cash segment expenses as well as expenditures for long lived assets are reported on PPL Electric's Statements of Cash Flows.

(LG&E and KU)

Each of LG&E and KU operates as a single operating and reportable segment.

The measures of segment assets are reported on the Balance Sheets of LG&E and KU as total assets. The measures of significant segment expenses are reported on the Statements of Income of LG&E and KU. The measures of significant non-cash segment expenses as well as expenditures for long lived assets are reported on the Statements of Cash Flows of LG&E and KU.

3. Revenue from Contracts with Customers

(All Registrants)

See Note 3 in the Registrants' 2024 Form 10-K for a discussion of the principal activities from which PPL Electric, LG&E and KU and PPL's Pennsylvania Regulated, Rhode Island Regulated, and Kentucky Regulated segments generate their revenues. The following tables reconcile "Operating Revenues" included in each Registrant's Statement of Income with revenues generated from contracts with customers for the periods ended June 30.

	2025 Three Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)(b)	$ 2,025	$ 693	$ 378	$ 472
Revenues derived from:				
Alternative revenue programs (c)	20	11	(1)	(3)
Other (d)	(5)	(4)	(1)	—
Revenues from Contracts with Customers	$ 2,040	$ 700	$ 376	$ 469

	2024 Three Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)(b)	$ 1,881	$ 673	$ 366	$ 464
Revenues derived from:				
Alternative revenue programs (c)	(3)	(8)	2	1
Other (d)	(4)	(3)	(1)	(1)
Revenues from Contracts with Customers	$ 1,874	$ 662	$ 367	$ 464

	2025 Six Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)(b)	$ 4,529	$ 1,512	$ 883	$ 1,036
Revenues derived from:				
Alternative revenue programs (c)	70	9	1	1
Other (d)	(13)	(9)	(2)	(2)
Revenues from Contracts with Customers	$ 4,586	$ 1,512	$ 882	$ 1,035

	2024 Six Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)(b)	$ 4,185	$ 1,443	$ 842	$ 989
Revenues derived from:				
Alternative revenue programs (c)	5	(11)	4	6
Other (d)	(12)	(8)	(2)	(2)
Revenues from Contracts with Customers	$ 4,178	$ 1,424	$ 844	$ 993

(a) PPL includes $494 million and $1,120 million for the three and six months ended June 30, 2025 and $389 million and $938 million for the three and six months ended June 30, 2024 of revenues from external customers reported by the Rhode Island Regulated segment. PPL Electric represents revenues from external customers reported by the Pennsylvania Regulated segment and LG&E and KU, net of intercompany power sales and transmission revenues, represent revenues from external customers reported by the Kentucky Regulated segment. See Note 2 for additional information.

(b) PPL's transition services agreement associated with the RIE acquisition ended in the third quarter of 2024. In conjunction with the completion of the agreement, PPL conformed the presentation of RIE's and the Rhode Island Regulated segment's net metering charges with the presentation of the other segments, resulting in an increase in Operating Revenues and a corresponding increase in Energy purchases beginning in the fourth quarter of 2024. For the three and six months ended June 30, 2025, net metering of $55 million and $96 million was included in Energy purchases on PPL's Statement of Income. For the three and six months ended June 30, 2024, $53 million and $85 million of net metering was presented as a reduction of Operating Revenues on PPL's Statement of Income.

(c) This line item shows the over/under collection of rate mechanisms deemed alternative revenue programs with over-collections of revenue shown as positive amounts in the table above and under-collections shown as negative amounts.

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

The following tables show revenues from contracts with customers disaggregated by customer class for the periods ended June 30.

	Three Months							
	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
2025								
PA Regulated	$ 345	$ 106	$ 13	$ 13	$ —	$ —	$ 223	$ 700
KY Regulated	328	247	158	71	5	24	—	833
RI Regulated (c)	214	160	20	62	—	—	51	507
Total PPL	$ 887	$ 513	$ 191	$ 146	$ 5	$ 24	$ 274	$ 2,040
2024								
PA Regulated	$ 332	$ 101	$ 10	$ 15	$ —	$ —	$ 204	$ 662
KY Regulated	326	245	157	75	5	13	—	821
RI Regulated (c)	139	42	3	162	—	—	45	391
Total PPL	$ 797	$ 388	$ 170	$ 252	$ 5	$ 13	$ 249	$ 1,874
PPL Electric								
2025	$ 345	$ 106	$ 13	$ 13	$ —	$ —	$ 223	$ 700
2024	$ 332	$ 101	$ 10	$ 15	$ —	$ —	$ 204	$ 662
LG&E								
2025	$ 167	$ 122	$ 48	$ 28	$ —	$ 11	$ —	$ 376
2024	$ 163	$ 121	$ 46	$ 31	$ —	$ 6	$ —	$ 367
KU								
2025	$ 161	$ 125	$ 110	$ 43	$ 5	$ 25	$ —	$ 469
2024	$ 163	$ 124	$ 111	$ 43	$ 5	$ 18	$ —	$ 464

	Six Months							
	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
2025								
PA Regulated	$ 802	$ 212	$ 26	$ 26	$ —	$ —	$ 446	$ 1,512
KY Regulated	815	527	312	167	12	62	—	1,895
RI Regulated (c)	655	357	38	28	—	—	101	1,179
Total PPL	$ 2,272	$ 1,096	$ 376	$ 221	$ 12	$ 62	$ 547	$ 4,586
2024								
PA Regulated	$ 758	$ 207	$ 22	$ 28	$ —	$ —	$ 409	$ 1,424
KY Regulated	769	512	318	172	11	28	—	1,810
RI Regulated (c)	400	120	8	324	—	—	92	944
Total PPL	$ 1,927	$ 839	$ 348	$ 524	$ 11	$ 28	$ 501	$ 4,178
PPL Electric								
2025	$ 802	$ 212	$ 26	$ 26	$ —	$ —	$ 446	$ 1,512
2024	$ 758	$ 207	$ 22	$ 28	$ —	$ —	$ 409	$ 1,424
LG&E								
2025	$ 406	$ 269	$ 94	$ 82	$ —	$ 31	$ —	$ 882
2024	$ 381	$ 259	$ 93	$ 83	$ —	$ 28	$ —	$ 844
KU								
2025	$ 409	$ 258	$ 218	$ 85	$ 12	$ 53	$ —	$ 1,035
2024	$ 388	$ 253	$ 225	$ 89	$ 11	$ 27	$ —	$ 993

(a) Primarily includes revenues from pole attachments, street lighting, other public authorities and other non-core businesses, and for the Rhode Island Regulated Segment certain regulatory deferral mechanisms which could result in a reduction in revenues from over collections. For the periods ended June 30, 2024, the Rhode Island Regulated segment primarily includes open access tariff revenues, which are calculated on combined customer classes.

(b) Includes wholesale power and transmission revenues. LG&E and KU amounts include intercompany power sales and transmission revenues, which are eliminated upon consolidation at the Kentucky Regulated segment.

(c) PPL's transition services agreement associated with the RIE acquisition ended in the third quarter of 2024. In conjunction with the completion of the agreement, PPL disaggregated the 2024 revenues of the Rhode Island Regulated segment in a manner consistent with that of its other segments. This resulted in certain customer revenues for the Rhode Island Regulated segment, which were previously presented in the "Other" category, being presented in the "Residential", "Commercial" or "Industrial" customer classes beginning in the fourth quarter of 2024. Applying the previous methodology to 2025 revenues would result in $113 million of Residential, $104 million of Commercial and $20 million of Industrial for the three months ended June 30, 2025 and $268 million of Residential, $193 million of Commercial and $38 million of Industrial for the six months ended June 30, 2025 for the Rhode Island Regulated segment being presented as "Other".

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

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

The following table shows the accounts receivable and unbilled revenues balances that were impaired for the periods ended June 30.

	Three Months		Six Months	
	2025	2024	2025	2024
PPL (a)	$ 14	$ 2	$ 42	$ 43
PPL Electric (a)	2	(4)	9	24
LG&E	—	—	2	1
KU	1	—	2	1

(a) 2024 includes amounts impaired related to PPL Electric's billing issues. See Note 6 in PPL's 2024 Form 10-K for additional information.

Contract liabilities result from recording contractual billings in advance for customer attachments to the Registrants' infrastructure and payments received in excess of revenues earned to date. Advanced billings for customer attachments are generally recognized as revenue ratably over the quarterly billing period. Payments received in excess of revenues earned to date are recognized as revenue as services are delivered in subsequent periods. The Registrants' contract liabilities are not material at June 30, 2025 and 2024.

4. Earnings Per Share

(PPL)

Basic EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding during the applicable period. Diluted EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding, increased by the number of incremental shares that would be outstanding if potentially dilutive share-based payment awards were converted to common shares as calculated using the Two-Class Method or Treasury Stock Method. The If-Converted Method is applied to the Exchangeable Senior Notes due 2028 (Exchangeable Notes) issued in February 2023.

Incremental non-participating securities that have a dilutive impact are detailed in the table below. In 2025, these securities include forward sales of PPL common stock issued through an ATM Program and the number of shares needed to settle the conversion premium on the Exchangeable Notes. The forward sale agreements are dilutive under the Treasury Stock Method to the extent the average stock price of PPL's common shares exceeds the forward sale price prescribed in the agreements. See Note 7 for additional information on the ATM Program and Note 8 in PPL's 2023 Form 10-K for additional information on the Exchangeable Notes.

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

	Three Months		Six Months	
	2025	2024	2025	2024
Income (Numerator)				
Net income attributable to PPL	$ 183	$ 190	$ 597	$ 497
Less amounts allocated to participating securities	—	1	1	1
Net income available to PPL common shareowners - Basic and Diluted	$ 183	$ 189	$ 596	$ 496
Shares of Common Stock (Denominator)				
Weighted-average shares - Basic EPS	739,276	737,748	738,986	737,630
Add: Dilutive share-based payment awards (a)	2,504	1,815	2,606	1,561
Add: Forward sale agreements	23	—	11	—
Add: Exchangeable Notes	738	—	369	—
Weighted-average shares - Diluted EPS	742,541	739,563	741,972	739,191
Basic EPS				
Net Income available to PPL common shareowners	$ 0.25	$ 0.26	$ 0.81	$ 0.67
Diluted EPS				
Net Income available to PPL common shareowners	$ 0.25	$ 0.26	$ 0.80	$ 0.67

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

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

	Three Months		Six Months	
	2025	2024	2025	2024
DRIP	186	—	386	—

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

	Three Months		Six Months	
	2025	2024	2025	2024
Stock-based compensation awards	196	—	186	—
Forward sale agreements	5,648	—	3,841	—

5. Income Taxes

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

(PPL)

	Three Months		Six Months	
	2025	2024	2025	2024
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 48	$ 50	$ 157	$ 132
Increase (decrease) due to:				
State income taxes, net of federal income tax benefit	8	11	28	28
Valuation allowance adjustments	2	2	6	5
Amortization of investment tax credit including deferred taxes on basis adjustment	(1)	—	(4)	(2)
Utility rate-making tax adjustments (a)	(5)	(5)	(14)	(10)
Amortization of excess deferred federal and state income taxes	(6)	(7)	(21)	(20)
Other	1	(1)	(3)	(2)
Total increase (decrease)	(1)	—	(8)	(1)
Total income tax expense (benefit)	$ 47	$ 50	$ 149	$ 131

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

(PPL Electric)

	Three Months		Six Months	
	2025	2024	2025	2024
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 38	$ 41	$ 88	$ 83
Increase (decrease) due to:				
State income taxes, net of federal income tax benefit	11	13	27	26
Utility rate-making tax adjustments (a)	(6)	(6)	(12)	(10)
Amortization of excess deferred federal and state income taxes	(2)	(3)	(5)	(5)
Other	2	1	(1)	—
Total increase (decrease)	5	5	9	11
Total income tax expense (benefit)	$ 43	$ 46	$ 97	$ 94

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

(LG&E)

	Three Months		Six Months	
	2025	2024	2025	2024
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 15	$ 17	$ 42	$ 41
Increase (decrease) due to:				
State income taxes, net of federal income tax benefit	3	3	8	7
Amortization of excess deferred federal and state income taxes	(3)	(3)	(7)	(6)
Other	(1)	—	(3)	(1)
Total increase (decrease)	(1)	—	(2)	—
Total income tax expense (benefit)	$ 14	$ 17	$ 40	$ 41

(KU)

	Three Months		Six Months	
	2025	2024	2025	2024
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 20	$ 20	$ 53	$ 48
Increase (decrease) due to:				
State income taxes, net of federal income tax benefit	4	4	10	9
Amortization of excess deferred federal and state income taxes	(4)	(4)	(9)	(9)
Other	(1)	(1)	(4)	(2)
Total increase (decrease)	(1)	(1)	(3)	(2)
Total income tax expense (benefit)	$ 19	$ 19	$ 50	$ 46

Other

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

On April 14, 2023, the IRS issued Revenue Procedure 2023-15, which provides a safe harbor method of accounting that taxpayers may use to determine whether expenses to repair, maintain, replace, or improve natural gas transmission and distribution property must be capitalized for tax purposes. PPL and LG&E reviewed the revenue procedure and determined that there are no material impacts to their financial statements.

One Big Beautiful Bill Act (All Registrants)

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act. The Registrants are currently reviewing the law to assess any material impacts to the financial statements.

Additionally, on July 7, 2025, President Trump issued an Executive Order directing the Treasury to take action to strictly enforce the termination of clean electricity tax credits under IRC Sections 45Y and 48E for wind and solar. This may include stricter regulations or other measures concerning what qualifies as having "commenced construction". The date that a wind or solar project commences construction is critical in the determination of whether such project will be eligible for the currently available tax credits. PPL is actively monitoring Treasury guidance and expects to take all commercially reasonable measures to preserve the eligibility of the Kentucky projects for the existing tax credits provided for under the IRA.

6. Utility Rate Regulation

(All Registrants)

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

	PPL		PPL Electric		LG&E		KU	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Current Regulatory Assets:								
Rate adjustment mechanisms	$ 99	$ 95	$ —	$ —	$ —	$ —	$ —	$ —
Renewable energy certificates	21	14	—	—	—	—	—	—
Storm damage expense rider	45	68	45	68	—	—	—	—
Gas supply clause	20	3	—	—	20	3	—	—
Transmission service charge	52	44	—	27	—	—	—	—
DSIC	9	8	9	8	—	—	—	—
TCJA customer refund and recovery	30	21	30	21	—	—	—	—
ISR deferral	6	22	—	—	—	—	—	—
Other	21	45	8	9	6	5	—	1
Total current regulatory assets	$ 303	$ 320	$ 92	$ 133	$ 26	$ 8	$ —	$ 1
Noncurrent Regulatory Assets:								
Defined benefit plans	$ 959	$ 967	$ 471	$ 473	$ 219	$ 226	$ 150	$ 149
Plant outage costs	27	30	—	—	6	7	21	23
Net metering	159	147	—	—	—	—	—	—
Environmental cost recovery	96	96	—	—	—	—	—	—
Storm costs	114	113	42	22	24	20	37	29
Unamortized loss on debt	19	20	3	3	9	9	6	6
Terminated interest rate swaps	49	53	—	—	29	31	20	22
Accumulated cost of removal of utility plant	168	173	168	173	—	—	—	—
AROs	275	280	—	—	76	75	199	205
RAR	80	83	—	—	80	83	—	—
Gas line inspections	24	24	—	—	22	22	2	2
Advanced metering infrastructure	35	28	—	—	18	14	17	14
Other	50	46	8	2	5	4	10	8
Total noncurrent regulatory assets	$ 2,055	$ 2,060	$ 692	$ 673	$ 488	$ 491	$ 462	$ 458

	PPL		PPL Electric		LG&E		KU	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Current Regulatory Liabilities:								
Generation supply charge	$ 44	$ 52	$ 44	$ 52	$ —	$ —	$ —	$ —
ECR	6	12	—	—	4	6	2	6
Transmission formula rate	19	1	10	—	—	—	—	—
Rate adjustment mechanisms	64	71	—	—	—	—	—	—
Energy efficiency	27	25	—	—	—	—	—	—
DSM	24	17	—	—	10	7	14	10
Revenue decoupling mechanism	42	10	—	—	—	—	—	—
Gas cost recovery	21	—	—	—	—	—	—	—
Other	26	35	8	5	1	1	7	6
Total current regulatory liabilities	$ 273	$ 223	$ 62	$ 57	$ 15	$ 14	$ 23	$ 22
Noncurrent Regulatory Liabilities:								
Accumulated cost of removal of utility plant	$ 1,038	$ 1,022	$ —	$ —	$ 324	$ 314	$ 410	$ 408
Net deferred taxes	1,851	1,899	721	739	428	439	484	498
Defined benefit plans	307	294	110	100	24	24	66	65
Terminated interest rate swaps	52	54	—	—	26	27	26	27
Energy efficiency	30	16	—	—	—	—	—	—
Other	57	50	—	—	11	11	17	11
Total noncurrent regulatory liabilities	$ 3,335	$ 3,335	$ 831	$ 839	$ 813	$ 815	$ 1,003	$ 1,009

Regulatory Matters

Rhode Island Activities *(PPL)*

FY 2026 Gas ISR Plan

On December 31, 2024, RIE filed its FY 2026 Gas ISR Plan with the RIPUC with a budget that included $187 million of capital investment spend and up to $15 million of additional contingency plan spend in connection with the PHMSA's potential enactment of regulations during FY 2026 that, if enacted, would significantly alter RIE's leak detection and repair obligations under federal regulations. The plan also included proposed spending on curb-to-curb paving of $22 million. On March 28, 2025, the RIPUC approved a FY 2026 Gas ISR Plan of $165 million of which $147 million is for capital investment spend and $18 million is spend for paving costs as operations and maintenance (O&M), plus a potential additional $15 million is available if the above-mentioned regulations are implemented by the PHMSA. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

FY 2026 Electric ISR Plan

On December 23, 2024, RIE filed its FY 2026 Electric ISR Plan with the RIPUC with a budget that included $248 million of capital investment spend (including $88 million for Advanced Metering Functionality (AMF)), $14 million of vegetation operation and maintenance (O&M) spend and $1 million of Other O&M spend. On March 28, 2025, the RIPUC approved a FY 2026 Electric ISR Plan of $219 million for capital investment spend (including $88 million for AMF), $14 million for vegetation management O&M spend, and $1 million for Other O&M spend. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

Hold Harmless Implementation Agreement

As a condition to the Acquisition (as defined in Note 8) of RIE in May 2022, PPL made a commitment to the Rhode Island Division of Public Utilities and Carriers to hold harmless Rhode Island customers from the impact of future rate increases resulting from changes in Accumulated Deferred Income Taxes as a result of the Acquisition (the Hold Harmless Commitment). On June 13, 2025, an agreement was entered into by and among RIE, PPL, PPL Rhode Island Holdings and the Rhode Island Division of Public Utilities and Carriers Advocacy Section to satisfy RIE's obligations under the Hold Harmless Commitment, approximately $155 million, and proposes to resolve that amount through bill credits issued to customers, with approximately $74 million to be issued throughout the first quarter of 2026 and approximately $81 million to be issued throughout the first quarter of 2027. The bill credits would be recorded as a reduction to revenue in the periods in which the credits are applied to customers' bills. An evidentiary hearing was held on July 18, 2025. The Hearing Officer granted the Attorney General of Rhode Island's request for a continuance of the hearing until August 8, 2025 to allow for review and consideration of the calculations of the net present value of the obligation and bill credits. PPL cannot predict the outcome of these proceedings.

Kentucky Activities

(PPL, LG&E and KU)

Rate Case Proceedings

On May 30, 2025, LG&E and KU filed requests with the KPSC for an increase in annual electricity and gas revenues of approximately $391 million ($105 million and $226 million in electricity revenues at LG&E and KU and $60 million in gas revenues at LG&E) and approval of certain regulatory and accounting treatments. The revenue increases would be an increase of 8.3% and 11.5% in electricity revenues at LG&E and KU, and an increase of 14.0% in gas revenues at LG&E.

The applications are based on a forecasted test year of January 1, 2026 through December 31, 2026 and request an authorized return on equity of 10.95%. Subject to KPSC approval, the requested rates are expected to become effective on January 1, 2026. Certain counterparties have intervened in the proceedings. Data discovery and the filing of written testimony will continue through the third quarter of 2025 and a hearing in the matter has been scheduled for November 3, 2025. A ruling from the KPSC is expected during the fourth quarter of 2025. PPL, LG&E and KU cannot predict the outcome of these proceedings.

2025 CPCN

On February 28, 2025, LG&E and KU filed an application with the KPSC regarding certain future plans for new generation and generation-related construction matters. The proposals included in the application are intended to serve anticipated load growth, including from potential data center demand in LG&E's or KU’s service territory. The proposals do not include retirements of coal or other fossil-fueled plants, which would require additional KPSC approval procedures under Kentucky legislation enacted in 2023 and 2024.

LG&E and KU submitted a joint application to the KPSC for approval of certain certificates of public convenience and necessity, site compatibility certificates, and accounting treatment, where applicable, relating to a number of generation-related plans or projects that generally are expected to become operational or established within the next six years. The aggregate projected capital expenditures associated with these proposals are currently expected to be $3.7 billion over the 2025 to 2031 period. The application includes proposals:

- to build a 645 MW natural gas combined cycle (NGCC) generation unit at KU's E.W. Brown station,
- to build a 645 MW NGCC generation unit at LG&E's Mill Creek station,
- to build a four-hour 400 MW (1,600 MWh total) battery energy storage system (BESS) at LG&E's Cane Run station, and
- to build a selective catalytic reduction (SCR) environmental facility at KU’s Ghent station Unit 2.

The new NGCC units are anticipated to be wholly owned by LG&E and the BESS unit jointly owned by LG&E (32%) and KU (68%), with actual project costs allocated consistent with LG&E's and KU's ultimate ownership shares and existing shared dispatch, cost allocation, tariff or other frameworks. The proposed Mill Creek NGCC unit is in addition to a new NGCC unit currently under construction at that location.

The filing also notes projected in service dates for the projects, including the E.W. Brown NGCC unit in 2030, the Mill Creek NGCC unit in 2031, the Cane Run BESS in 2028 and the Ghent SCR facility in 2028.

On July 29, 2025, LG&E and KU filed with the KPSC a stipulation and recommendation regarding a proposed resolution of issues with several of the intervenors in the CPCN proceeding. The stipulation recommends to the KPSC the approval of the large majority of LG&E's and KU's requested generation-related projects and associated accounting matters, subject to certain changes. Under the stipulation, the parties agree the KPSC should issue an order granting a CPCN for: (a) a 645 MW NGCC generation unit at KU's E.W. Brown station; (b) a 645 MW NGCC at LG&E's Mill Creek station; and (c) a SCR environmental facility at KU's Ghent station Unit 2. In addition, the proposal to build the $775 million Cane Run BESS would be withdrawn without prejudice, the relevant costs regarding the proposed $1.4 billion Mill Creek NGCC would be recovered through a new rate tracker mechanism, and the retirement date for the existing Mill Creek Unit 2 would be extended from 2027 to the operational date of the proposed Mill Creek NGCC or afterwards, subject to relevant future economic analysis, regulatory or environmental authorizations. The stipulation also contains provisions relating to regulatory asset accounting, proposed data center tariffs, future renewable power requests-for-proposals and other matters. LG&E and KU would retain the right to seek approval of the potentially withdrawn Cane Run BESS or similar substitute project in future regulatory proceedings.

A hearing in the matter has been scheduled to begin on August 4, 2025. LG&E and KU anticipate a ruling from the KPSC during the fourth quarter of 2025. PPL, LG&E and KU cannot predict the outcome of the proceedings.

Kentucky January 2025 Storm

In January 2025, LG&E and KU experienced snow, ice, sleet and freezing rain in their service territories, resulting in substantial damage to certain of LG&E's and KU's assets. On January 31, 2025, LG&E and KU submitted a filing with the KPSC requesting regulatory asset treatment of the extraordinary operations and maintenance (O&M) expenses portion of the costs incurred related to the storm. On March 19, 2025, the KPSC issued an order authorizing LG&E and KU to establish, for accounting purposes only, regulatory assets based on the jurisdictional incremental costs of extraordinary O&M expense incurred by LG&E and KU as a result of the 2025 winter storm, with recovery amounts and amortization thereof to be determined in subsequent base rate proceedings. LG&E and KU cannot predict the outcome of these matters. As of June 30, 2025, LG&E and KU recorded regulatory assets related to the storm of $2 million and $7 million.

Mill Creek Unit 1 and Unit 2 RAR Application (PPL and LG&E)

In 2023, the KPSC issued an order approving, among other items, the requested retirement of Mill Creek Units 1 and 2.

On October 4, 2024, LG&E submitted an application related to the retirement of Mill Creek Unit 1, which occurred on December 31, 2024, requesting recovery of associated costs under the RAR. LG&E expects these costs to be approximately $125 million and proposed to begin application of the RAR with bills issued in May 2025. On February 24, 2025, the KPSC issued an order approving LG&E's cost recovery for Mill Creek Unit 1 under the RAR and related amounts were included in bills beginning in May 2025.

Mill Creek Unit 2 is currently expected to be retired in 2027. LG&E anticipates the recovery of associated costs, including the remaining net book value, for Mill Creek Unit 2 through the RAR. The remaining net book value of Mill Creek Unit 2 was approximately $208 million at June 30, 2025 and LG&E is continuing to depreciate using the current approved rates through its anticipated retirement date in 2027. LG&E expects to reclassify the net book value remaining at retirement, which is expected to total approximately $161 million, to a regulatory asset to be amortized over a period of ten years in accordance with the RAR. There can be no assurance that these costs will be recovered in the amounts or over the time periods that LG&E expects. See the "2025 CPCN" discussion above for information regarding potential changes in the retirement date of Mill Creek Unit 2.

Pennsylvania Activities *(PPL and PPL Electric)*

DSIC Petition

On April 26, 2024, PPL Electric filed a Petition with the PAPUC requesting that the PAPUC waive PPL Electric's DSIC cap of 5% of billed revenues and increase the maximum allowable DSIC to 9% for bills rendered on or after January 1, 2025. On February 28, 2025, the PAPUC issued its written order permitting PPL Electric to increase its DSIC cap from 5% to 7.5% for bills rendered on or after March 13, 2025 until the effective date of rates established in PPL Electric's next base rate case or the end of the PPL Electric's 2023-2027 Long-term Infrastructure Improvement Plan, whichever occurs first, at which time it will return to 5%.

Federal Matters

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

In 2018, LG&E and KU applied to the FERC requesting elimination of certain on-going waivers and credits to a sub-set of transmission customers relating to the 1998 merger of LG&E's and KU's parent entities and the 2006 withdrawal of LG&E and KU from the Midcontinent Independent System Operator, Inc. (MISO), a regional transmission operator and energy market. The application sought termination of LG&E's and KU's commitment to provide certain Kentucky municipalities mitigation for certain horizontal market power concerns arising out of the 1998 LG&E and KU merger and 2006 MISO withdrawal. The amounts at issue are generally waivers or credits granted to a limited number of Kentucky municipalities for either certain LG&E and KU or MISO transmission charges incurred for transmission service received. In 2019, the FERC granted LG&E's and KU's request to remove the ongoing credits, conditioned upon the implementation by LG&E and KU of a transition mechanism for certain existing power supply arrangements, which was subsequently filed, modified, and approved by the FERC in 2020 and 2021. In 2020, LG&E and KU and other parties filed appeals with the U.S. Court of Appeals - D.C. Circuit (D.C. Circuit Court of Appeals) regarding the FERC's orders on the elimination of the mitigation and required transition mechanism. In August 2022, the D.C. Circuit Court of Appeals issued an order remanding the proceedings back to the FERC. On May 18, 2023, the FERC issued an order on remand reversing its 2019 decision and requiring LG&E and KU to refund credits previously withheld, including under such transition mechanism. LG&E and KU filed a petition for review of the FERC's May 18, 2023 order with the D.C. Circuit Court of Appeals and provided refunds in accordance with the FERC order on December 1, 2023. The FERC issued an order on LG&E's and KU's compliance filing on November 16, 2023, and LG&E and KU filed a petition for review of this November 16, 2023 order on February 14, 2024. The FERC issued the substantive order on rehearing on March 21, 2024, reaffirming its prior decision. Oral argument before the D.C. Circuit Court of Appeals occurred on January 21, 2025. LG&E and KU cannot predict the ultimate outcome of the proceedings or any other post decision process but do not expect the annual impact to have a material effect on their operations or financial condition. LG&E and KU currently receive recovery of certain waivers and credits primarily through base rates increases, provided, however, that increases associated with the FERC's May 18, 2023 order are expected to be subject to future rate proceedings.

Recovery of Transmission Costs (PPL)

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

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

Other

Purchase of Receivables Program

(PPL and PPL Electric)

In accordance with RIPUC-approved and PAPUC-approved purchase of accounts receivable programs, RIE and PPL Electric purchase certain accounts receivable from alternative electricity suppliers at a discount, which reflects a provision for uncollectible accounts. The alternative electricity suppliers have no continuing involvement or interest in the purchased accounts receivable. Accounts receivable that are acquired are initially recorded at fair value on the date of acquisition.

During the three and six months ended June 30, 2025, RIE purchased $68 million and $155 million of accounts receivable from alternative suppliers. During the three and six months ended June 30, 2024, RIE purchased $44 million and $95 million of accounts receivable from alternative suppliers.

During the three and six months ended June 30, 2025, PPL Electric purchased $345 million and $811 million of accounts receivable from alternative suppliers. During the three and six months ended June 30, 2024, PPL Electric purchased $348 million and $767 million of accounts receivable from alternative suppliers.

7. Financing Activities

Credit Arrangements and Short-term Debt

(All Registrants)

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

		June 30, 2025				December 31, 2024	
	Expiration Date	Capacity	Borrowed	Letters of Credit and Commercial Paper Issued (c)	Unused Capacity	Borrowed	Letters of Credit and Commercial Paper Issued (c)
PPL							
PPL Capital Funding (a)							
Syndicated Credit Facility (b)	Dec. 2029	$ 1,500	$ —	$ 470	$ 1,030	$ —	$ 138
Bilateral Credit Facility	Feb. 2026	100	—	—	100	—	—
Bilateral Credit Facility	Feb. 2026	100	—	20	80	—	15
Total PPL Capital Funding Credit Facilities		$ 1,700	$ —	$ 490	$ 1,210	$ —	$ 153
PPL Electric							
Syndicated Credit Facility	Dec. 2029	$ 750	$ —	$ 386	$ 364	$ —	$ 1
Total PPL Electric Credit Facilities		$ 750	$ —	$ 386	$ 364	$ —	$ 1
LG&E							
Syndicated Credit Facility	Dec. 2029	$ 600	$ —	$ 158	$ 442	$ —	$ 25
Total LG&E Credit Facilities		$ 600	$ —	$ 158	$ 442	$ —	$ 25
KU							
Syndicated Credit Facility	Dec. 2029	$ 600	$ —	$ 275	$ 325	$ —	$ 140
Total KU Credit Facilities		$ 600	$ —	$ 275	$ 325	$ —	$ 140

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

(b) In January 2025, PPL Capital Funding increased the borrowing capacity of this facility from $1.25 billion to $1.50 billion. At June 30, 2025, the facility included a $250 million borrowing sublimit for RIE and a $1.25 billion sublimit for PPL Capital Funding. At December 31, 2024, the facility included a $250 million borrowing sublimit for RIE and a $1 billion borrowing sublimit for PPL Capital Funding. RIE's borrowing sublimit is adjustable, at the borrowers' option, from $0 to $600 million, with the remaining balance available under the facility allocated to PPL Capital Funding. At June 30, 2025, PPL Capital Funding had $470 million of commercial paper outstanding and RIE had no commercial paper outstanding. At December 31, 2024, PPL Capital Funding had $138 million of commercial paper outstanding and RIE had no commercial paper outstanding. RIE's obligations under the facility are not guaranteed by PPL.
(c) Commercial paper issued reflects the undiscounted face value of the issuance.

(PPL)

In January 2025, PPL Capital Funding amended its existing $1.25 billion syndicated credit facility to extend the termination date from December 6, 2028 to December 6, 2029 and to increase the borrowing capacity under the facility to $1.50 billion.

(PPL and PPL Electric)

In January 2025, PPL Electric amended its existing $650 million syndicated credit facility to extend the termination date from December 6, 2028 to December 6, 2029 and to increase the borrowing capacity under the facility to $750 million.

(PPL and LG&E)

In January 2025, LG&E amended its existing $500 million syndicated credit facility to extend the termination date from December 6, 2028 to December 6, 2029 and to increase the borrowing capacity under the facility to $600 million.

(PPL and KU)

In January 2025, KU amended its existing $400 million syndicated credit facility to extend the termination date from December 6, 2028 to December 6, 2029 and to increase the borrowing capacity under the facility to $600 million.

(All Registrants)

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

	June 30, 2025				December 31, 2024	
	Weighted - Average Interest Rate	Capacity (c)	Commercial Paper Issuances (d)	Unused Capacity	Weighted - Average Interest Rate	Commercial Paper Issuances (d)
PPL Capital Funding (a)(b)	4.66%	$ 1,350	$ 470	$ 880	4.76%	$ 138
RIE (b)		250	—	250		—
PPL Electric	4.63%	650	385	265		—
LG&E	4.66%	500	158	342	4.72%	25
KU	4.66%	400	275	125	4.71%	140
Total		$ 3,150	$ 1,288	$ 1,862		$ 303

(a) PPL Capital Funding's obligations are fully and unconditionally guaranteed by PPL.
(b) Issuances under the PPL Capital Funding and RIE commercial paper programs are supported by the PPL Capital Funding syndicated credit facility. At June 30, 2025, the borrowing sublimits were $250 million for RIE and $1.25 billion for PPL Capital Funding. At December 31, 2024, the borrowing sublimits were $250 million for RIE and $1 billion for PPL Capital Funding. PPL Capital Funding's commercial paper program is also backed by a separate bilateral credit facility for $100 million.
(c) On July 14, 2025, the capacity of the commercial paper programs were increased to $1,600 million for PPL Capital Funding, $750 million for PPL Electric, $600 million for LG&E and $600 million for KU, bringing the capacity of each program into alignment with the increased capacity of the supporting syndicated credit facilities for each entity, as amended in January 2025.
(d) Commercial paper issued reflects the undiscounted face value of the issuance.

(PPL Electric, LG&E, and KU)

See Note 11 for discussion of intercompany borrowings.

(PPL)

Equity Securities

ATM Program

In February 2025, PPL entered into an equity distribution agreement, pursuant to which PPL may sell, from time to time, up to an aggregate of $2 billion of its common stock through an ATM Program, which may utilize an optional forward sales component. Each forward contract under the agreement must be settled within 24 months. The compensation paid to the selling agents by PPL may be up to 2% of the gross offering proceeds of the shares. During the six months ended June 30, 2025, PPL entered into forwards contracts to sell approximately 9.9 million shares of its common stock at a blended initial forward price of approximately $34.77 per share. The forward sale price may be adjusted based on changes in daily interest rates, for certain stock loan fees as determined by a third-party agent, and will be subject to predetermined reductions based on expected dividends. Each outstanding forward contract must be settled on or before December 30, 2025. PPL may elect, at its discretion, to physically settle, net share settle or net cash settle the forward contracts. At June 30, 2025, PPL could have settled the forward sale contracts with physical delivery of approximately 9.9 million shares of common stock for proceeds of approximately $344 million. The forward contracts under the ATM program are classified as equity transactions.

Dividends

In May 2025, PPL declared a quarterly cash dividend on its common stock, payable July 1, 2025, of 27.25 cents per share (equivalent to $1.09 per annum).

8. Acquisitions, Developments and Divestitures

Acquisitions *(PPL)*

Acquisition of Narragansett Electric

On May 25, 2022, PPL Rhode Island Holdings acquired 100% of the outstanding shares of common stock of Narragansett Electric from National Grid USA, a subsidiary of National Grid plc (the Acquisition). Following the closing of the Acquisition, Narragansett Electric provides services doing business under the name Rhode Island Energy (RIE). Please see Note 9 in PPL's 2024 Form 10-K for additional information concerning the Acquisition.

In connection with the Acquisition, National Grid USA Service Company, Inc., National Grid USA and Narragansett Electric entered into a transition services agreement (TSA), pursuant to which the National Grid entities agreed to provide certain transition services to Narragansett Electric to facilitate the transition of the operation of Narragansett Electric to PPL following the Acquisition, as agreed upon in the Narragansett share purchase agreement. The TSA was for an initial two-year term and was completed in the third quarter of 2024. TSA costs were $49 million and $97 million during the three and six months ended June 30, 2024.

As a condition to the Acquisition, PPL made certain commitments to the Rhode Island Division of Public Utilities and Carriers and the Attorney General of the State of Rhode Island. See Note 9 in PPL's 2024 Form 10-K for a complete listing of those commitments. The following represents an update to the remaining commitments:

- RIE will hold harmless Rhode Island customers from any changes to Accumulated Deferred Income Taxes (ADIT) as a result of the Acquisition. RIE reserves the right to seek rate adjustments based on future changes to ADIT that are not related to the Acquisition. See Note 6 for additional details on RIE's obligation to hold harmless Rhode Island customers.
- RIE will forgo potential recovery of any and all transition costs, which includes (1) the installation of certain information technology systems; (2) modification and enhancements to physical facilities in Rhode Island; and (3) costs related to severance payments, communications and branding changes, and other transition related costs. These costs, which are being expensed as incurred, were $17 million and $34 million for the three and six months ended June 30, 2025 and $83 million and $165 million for the three and six months ended June 30, 2024.

9. Defined Benefits

(PPL)

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

	Pension Benefits			
	Three Months		Six Months	
	2025	2024	2025	2024
PPL				
Service cost	$ 8	$ 8	$ 15	$ 17
Interest cost	47	46	92	92
Expected return on plan assets	(72)	(75)	(143)	(150)
Amortization of:				
Prior service cost	—	—	—	1
Actuarial loss	4	3	9	5
Net periodic defined benefit costs (credits)	$ (13)	$ (18)	$ (27)	$ (35)

	Other Postretirement Benefits			
	Three Months		Six Months	
	2025	2024	2025	2024
PPL				
Service cost	$ 2	$ 2	$ 3	$ 3
Interest cost	8	7	15	14
Expected return on plan assets	(8)	(8)	(15)	(15)
Amortization of:				
Prior service cost	—	1	—	1
Actuarial loss	(1)	(2)	(2)	(3)
Net periodic defined benefit costs (credits)	$ 1	$ —	$ 1	$ —

(All Registrants)

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

10. Commitments and Contingencies

Legal Matters

(All Registrants)

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

Narragansett Electric Litigation *(PPL)*

Energy Efficiency Programs Investigation

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

On February 21, 2025, the Division filed testimony confirming its initial testimony that $12 million is the appropriate amount to be refunded to the energy efficiency program. On March 4, 2025, a Settlement Agreement between RIE, the Division, and the Rhode Island Attorney General was filed with the RIPUC requiring refunds of $10 million. Of this amount, $2 million has already been refunded through the energy efficiency mechanism with the remaining $8 million to reduce the storm cost regulatory asset recorded on PPL's balance sheet. The settlement also included reimbursement of minor consulting fees and various other compliance actions. On March 5, 2025, the RIPUC approved the Settlement Agreement.

E.W. Brown Environmental Assessment *(PPL and KU)*

KU is undertaking extensive remedial measures at the E.W. Brown plant including closure of the former ash pond, implementation of a groundwater remedial action plan and performance of a corrective action plan including aquatic study of adjacent surface waters and risk assessment. The aquatic study and risk assessment are being undertaken pursuant to a 2017 Agreed Order with the Kentucky Energy and Environment Cabinet (KEEC). KU conducted sampling of Herrington Lake in 2017 and 2018. In June 2019, KU submitted to the KEEC the required aquatic study and risk assessment, conducted by an independent third-party consultant, finding that discharges from the E.W. Brown plant have not had any significant impact on Herrington Lake and that the water in the lake is safe for recreational use and meets safe drinking water standards. On May 31, 2021, the KEEC approved the report and released a response to public comments. On August 6, 2021, KU submitted a *Supplemental Remedial Alternatives Analysis* report to the KEEC that outlines proposed additional fish, water, and sediment testing. On February 18, 2022, the KEEC provided approval to KU to proceed with the proposed sampling, which commenced in the spring of 2022. On November 17, 2022, KU submitted a *Supplemental Performance Monitoring Report* to the KEEC finding that there are no significant unaddressed risks to human health or the environment at the plant. KU revised the *Supplemental Performance Monitoring Report* on June 8, 2023, in response to KEEC comments from April 24, 2023. On September 1, 2023, the KEEC requested KU to propose additional monitoring or remedial measures. KU submitted a revised *Supplemental Performance Monitoring and Corrective Action Completion* on December 28, 2023. In August 2024, KU submitted a proposed environmental covenant to the KEEC specifying certain site restrictions. Discussions between KU and the KEEC are ongoing, but KU cannot predict the outcome of this matter.

(PPL, LG&E and KU)

EPA Deregulatory Initiative

On March 12, 2025, the EPA announced a plan to reconsider 31 environmental rules including the Section 111 performance standards and emissions limits for greenhouse gases, the endangerment finding for greenhouse gases, the Good Neighbor Plan, the Mercury and Air Toxics Standards, revisions to the fine particulate matter standard, the ELGs, and the CCRs Rule. Supplementing previous Executive Orders directing various regulatory changes, on April 9, 2025, President Trump issued an Executive Order and Presidential Memorandum directing review of existing rules, repeal of unlawful rules, and initiation of a zero-based budgeting process by which certain rules would automatically expire unless extended. While the administration may seek to implement some regulatory changes outside of the rulemaking process, changes to existing rules are generally expected to require formal rulemaking proceedings. Any final EPA actions repealing or revising current rules will likely result in legal challenges. PPL, LG&E, and KU are unable to predict future regulatory changes, if any, that may result from the EPA's deregulatory plan or the outcome of any associated legal challenges. PPL, LG&E, and KU will closely monitor the ongoing EPA initiative and any related litigation for the impact to our business including planned capital expenditures to comply with the EPA rules.

Water/Waste

ELGs

In 2015, the EPA finalized ELGs for wastewater discharge permits for new and existing steam electricity generating facilities. These guidelines require deployment of additional control technologies providing physical, chemical and biological treatment and mandate operational changes including "zero discharge" requirements for certain wastewaters. The implementation date for individual generating stations was to be determined by the states on a case-by-case basis according to criteria provided by the EPA. In September 2017, the EPA issued a rule to postpone the compliance date for certain requirements. In October 2020, the EPA issued revisions to its best available technology standards for certain wastewaters and potential extensions to compliance dates (the Reconsideration Rule). On May 9, 2024, the EPA issued a final rule modifying the 2020 ELG revisions. The rule increases the stringency of previous control technology and zero discharge requirements, revises certain exemptions for generating units planned for retirement, and requires case-by-case limitations for legacy wastewaters based on the best professional judgment of the state regulators. Legal challenges to the final rule have been consolidated before the U.S. Court of Appeals for the Eighth Circuit. The final rule could potentially result in significant operational changes and additional controls for LG&E and KU plants, but in March 2025 the EPA announced its plan to reconsider the rule. The ELGs are expected to be implemented by the states or applicable permitting authorities in the course of their normal permitting activities. Certain costs are included in the Registrants' capital plans and expected to be recovered from customers through rate recovery mechanisms, but additional costs and recovery will depend on further regulatory developments at the state level. On June 30, 2025, the EPA announced that it intends to extend certain regulatory compliance and submittal deadlines.

CCRs

In 2015, the EPA issued a final rule governing management of CCRs, which include fly ash, bottom ash and sulfur dioxide scrubber wastes (2015 CCR Rule). The 2015 CCR Rule imposed extensive new requirements for certain CCR impoundments and landfills, including public notifications, location restrictions, design and operating standards, groundwater monitoring and corrective action requirements, and closure and post-closure care requirements, and specifies restrictions relating to the beneficial use of CCRs. In January 2022, the EPA issued several proposed regulatory determinations, facility notifications, and public announcements which indicate increased scrutiny by the EPA to determine the adequacy of measures taken by facility owners and operators to achieve closure of CCR surface impoundments and landfills. In particular, the agency indicated that it will focus on certain practices which it views as posing a threat of continuing groundwater contamination. On May 8, 2024, the EPA issued a final rule (2024 CCR Rule) establishing regulatory requirements for inactive surface impoundments at inactive electricity generation facilities (legacy impoundments). The 2024 CCR Rule also establishes identification, groundwater monitoring, corrective action, closure, and post-closure care requirements for all CCR management units, as defined in the rule, at regulated CCR facilities regardless of how or when the CCR was placed. The rule also requires LG&E and KU to complete applicability determinations, implement site security measures, initiate weekly inspections and monthly monitoring of the impoundment, create a website, and complete hazard assessments and reports for its legacy impoundments. Additionally, the rule could potentially subject CCR management units that have previously completed remedial action and closure and certain beneficial use projects to additional federal regulatory requirements. Legal challenges to the rule have been filed in the D.C. Circuit Court. In March 2025, the EPA announced its plan to update the rule.

In connection with the 2015 CCR Rule, LG&E and KU recorded adjustments to existing AROs beginning in 2015. In connection with the 2024 CCR Rule, in the second quarter of 2024, LG&E and KU recognized ARO obligations related to preliminary risk assessments, facility evaluations, feasibility studies and sampling. See Note 15 for additional information. The results of those evaluations, as well as future guidance, regulatory determinations, rulemakings, implementation determinations and other developments could potentially require revisions to current LG&E and KU compliance plans including additional monitoring and remediation at surface impoundments and landfills, the cost of which could be material. PPL, LG&E and KU are unable to predict the outcome of the ongoing litigation, rulemaking, and regulatory determinations or potential impacts on current LG&E and KU compliance plans. PPL, LG&E and KU are currently finalizing or revising closure plans and schedules in accordance with applicable regulations and further material changes to AROs, current capital plans or operating costs may be required as estimates are refined based on closure developments, groundwater monitoring results, and regulatory or legal proceedings. Costs relating to this rule are expected to be subject to rate recovery.

LG&E and KU received KPSC approval for a compliance plan associated with the 2015 CCR Rule providing for the closure of impoundments at the Mill Creek, Trimble County, E.W. Brown, and Ghent stations, and construction of process water management facilities at those plants. In addition to the foregoing measures required for compliance with the federal CCR Rule, KU also received KPSC approval for its plans to close impoundments at the retired Green River, Pineville and Tyrone plants to comply with applicable state law. LG&E and KU have completed planned closure measures at most of the subject impoundments and have commenced post closure groundwater monitoring as required at those facilities. LG&E and KU generally expect to complete all impoundment closures within five years of commencement, although a longer period may be required to complete closure of some facilities. Associated costs are expected to be subject to rate recovery.

Superfund and Other Remediation

(All Registrants)

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

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

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

(PPL and PPL Electric)

PPL Electric is a potentially responsible party for a share of clean-up costs at certain sites. Cleanup actions have been or are being undertaken at these sites as requested by governmental agencies, the costs of which have not been and are not expected to be significant to PPL Electric. As of June 30, 2025 and December 31, 2024, PPL Electric had a recorded liability of $8 million, representing its best estimate of the probable loss incurred to remediate these sites.

(PPL)

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

As of June 30, 2025 and December 31, 2024, RIE had a recorded liability of $98 million, representing its best estimate of the remaining costs of RIE's environmental remediation activities. These undiscounted costs are expected to be incurred over approximately 30 years and generally to be subject to rate recovery. However, remediation costs for each site may be materially higher than estimated, depending on changing technologies and regulatory standards, selected end uses for each site, and actual environmental conditions encountered. RIE has recovered amounts from certain insurers and potentially responsible parties, and, where appropriate, may seek additional recovery from other insurers and potentially responsible parties, but it is uncertain whether, and to what extent, such efforts will be successful.

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

Regulatory Issues

(*All Registrants)*

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

Electricity - Reliability Standards

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

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

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

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

Gas - Security Directives *(PPL and LG&E)*

In May and July of 2021, the Department of Homeland Security's (DHS) Transportation Security Administration released two security directives applicable to certain notified owners and operators of natural gas pipeline facilities (including local distribution companies) that the Transportation Security Administration has determined to be critical. The Transportation Security Administration has determined that LG&E is within the scope of the directive, while RIE has not been notified of this distinction. The first security directive required notified owners/operators to implement cybersecurity incident reporting to the DHS, designate a cybersecurity coordinator, and perform a gap assessment of current entity cybersecurity practices against certain voluntary Transportation Security Administration security guidelines and report relevant results and proposed mitigation to applicable DHS agencies. The second security directive, revised in July of 2024, requires refinement of the cybersecurity implementation plan and the cybersecurity assessment plan. LG&E does not believe the security directives have had or will have a significant impact on LG&E's operations or financial condition.

Other

Guarantees and Other Assurances

(All Registrants)

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

(PPL)

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

(All Registrants)

The table below details guarantees provided as of June 30, 2025. "Exposure" represents the estimated maximum potential amount of future payments that could be required to be made under the guarantee. The Registrants believe the probability of expected payment/performance under each of these guarantees is remote, except for the guarantees and indemnifications related to the sale of Safari Holdings, which PPL believes are reasonably possible but not probable of occurring. For reporting purposes, on a consolidated basis, the guarantees of PPL include the guarantees of its subsidiary Registrants.

	Exposure at June 30, 2025		Expiration Date
PPL			
Indemnifications related to certain tax liabilities related to the sale of the U.K. utility business	£ 50	(a)	2028
PPL guarantee of Safari payment obligations under certain sale/leaseback financing transactions related to the sale of Safari Holdings	$ 88	(b)	2028
Indemnifications for losses suffered related to items not covered by Aspen Power's representation and warranty insurance associated with the sale of Safari Holdings	140	(c)	2028
LG&E and KU			
LG&E and KU obligation of shortfall related to OVEC		(d)	

(a) PPL WPD Limited entered into a Tax Deed dated June 9, 2021, in which it agreed to a tax indemnity regarding certain potential tax liabilities of the entities sold with respect to periods prior to the completion of the sale, subject to customary exclusions and limitations. Because National Grid Holdings One plc, the buyer, agreed to purchase indemnity insurance, the amount of the cap on the indemnity for these liabilities is £1, except with respect to certain surrenders of tax losses, for which the amount of the cap on the indemnity is £50 million. In June 2025, the indemnifications were novated to PPL Energy Holdings.

(b) PPL guaranteed the payment obligations of Safari under certain sale/leaseback financing transactions executed by Safari. These guarantees will remain in place until Safari exercises its option to buy-out the projects under the sale/leaseback financings by the year 2028. Safari will indemnify PPL for any payments made by PPL or claims against PPL under the sale/leaseback transaction guarantees up to $25 million.

(c) Aspen Power has obtained representation and warranty insurance, therefore, PPL generally has no liability for its representations and warranties under the agreement except for losses suffered related to items not covered. Expiration of these indemnifications range from 18 months to 6 years from the date of the closing of the transaction, and PPL's aggregate liability for these claims will not exceed $140 million, subject to certain adjustments.

(d) Pursuant to the OVEC power purchase contract, LG&E and KU are obligated to pay for their share of OVEC's excess debt service, post-retirement, and decommissioning costs, as well as any shortfall from amounts included within a demand charge designed and expected to cover these costs over the term of the contract. PPL's proportionate share of OVEC's outstanding debt was $73 million at June 30, 2025, consisting of LG&E's share of $51 million and KU's share of $22 million. The maximum exposure and the expiration date of these potential obligations are not presently determinable. See "Energy Purchase Commitments" in Note 12 in PPL's, LG&E's and KU's 2024 Form 10-K for additional information on the OVEC power purchase contract.

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

PPL, on behalf of itself and certain of its subsidiaries, maintains insurance that covers liability assumed under contract for bodily injury and property damage. The insurance provides maximum aggregate coverage of $231 million for non-wildfire liability losses and maximum aggregate coverage of $181 million for wildfire liability losses. This insurance may be applicable to obligations under certain of these contractual arrangements.

11. Related Party Transactions

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

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

	Three Months		Six Months	
	2025	2024	2025	2024
PPL Electric from PPL Services	$ 67	$ 53	$ 131	$ 109
LG&E from LKS	18	28	48	57
LG&E from PPL Services	42	20	62	31
KU from LKS	22	30	60	68
KU from PPL Services	42	19	61	30

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

Intercompany Borrowings

(PPL Electric)

CEP Reserves maintains a $800 million revolving line of credit with a PPL Electric subsidiary. At June 30, 2025, CEP Reserves had no borrowings outstanding. At December 31, 2024, CEP Reserves had borrowings outstanding of $222 million. The interest rates on borrowings are equal to an adjusted one-month SOFR plus a spread. Interest income is reflected in "Interest Income from Affiliate" on the PPL Electric Income Statements.

(LG&E and KU)

LG&E participates in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E funds up to the difference between LG&E's FERC borrowing limit and LG&E's commercial paper issued at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR. At June 30, 2025, LG&E's money pool unused capacity was $592 million. At June 30, 2025, LG&E had no borrowings outstanding from KU and/or LKE. At December 31, 2024, LG&E had borrowings outstanding of $43 million from KU and/or LKE. These balances are reflected in "Notes payable to affiliates" on the LG&E Balance Sheets.

KU participates in an intercompany money pool agreement whereby LKE and/or LG&E make available to KU funds up to the difference between KU's FERC borrowing limit and KU's commercial paper issued at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR. At June 30, 2025, KU's money pool unused capacity was $329 million. At June 30, 2025, KU had borrowings outstanding from LG&E and/or LKE of $46 million. At December 31, 2024, KU had borrowings outstanding of $73 million from LG&E and/or LKE. These balances are reflected in "Notes payable to affiliates" on the KU Balance Sheets.

VEBA Funds Receivable *(PPL Electric)*

In 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to a new subaccount within the VEBA, to be used to pay medical claims of active bargaining unit employees. In 2024, additional excess funds were removed from the PPL Bargaining Unit Retiree Health Plan VEBA and deposited into the existing subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. Based on PPL Electric's participation in PPL's Other Postretirement Benefit plan, PPL Electric was allocated a portion of the excess funds from PPL Services. These funds have been recorded as an intercompany receivable on PPL Electric's Balance Sheets. The receivable balance decreases as PPL Electric pays incurred medical claims and is reimbursed by PPL Services. The intercompany receivable balance associated with these funds was $1 million at June 30, 2025, which was reflected in "Accounts receivable from affiliates" on PPL Electric's Balance Sheets. The intercompany receivable balance associated with these funds was $7 million at December 31, 2024, of which $4 million was reflected in "Accounts receivable from affiliates" and $3 million was reflected in "Other noncurrent assets" on PPL Electric's Balance Sheets.

12. Other Income (Expense) - net

(PPL)

The details of "Other Income (Expense) - net" for the periods ended June 30, were:

	Three Months		Six Months	
	2025	2024	2025	2024
Defined benefit plans - non-service credits (Note 9)	$ 7	$ 15	$ 15	$ 23
Interest income	2	6	8	15
AFUDC - equity component	20	12	35	21
Miscellaneous	(6)	(1)	(7)	(5)
Other Income (Expense) - net	$ 23	$ 32	$ 51	$ 54

(PPL Electric)

The details of "Other Income (Expense) - net" for the periods ended June 30, were:

	Three Months		Six Months	
	2025	2024	2025	2024
Defined benefit plans - non-service credits (Note 9)	$ 4	$ 4	$ 7	$ 9
AFUDC - equity component	8	7	15	11
Miscellaneous	(1)	—	—	—
Other Income (Expense) - net	$ 11	$ 11	$ 22	$ 20

(LG&E)

The details of "Other Income (Expense) - net" for the periods ended June 30, were:

	Three Months		Six Months	
	2025	2024	2025	2024
Defined benefit plans - non-service credits (Note 9)	$ 1	$ 2	$ 1	$ 2
AFUDC - equity component	4	2	7	3
Miscellaneous	—	—	—	1
Other Income (Expense) - net	$ 5	$ 4	$ 8	$ 6

(KU)

The details of "Other Income (Expense) - net" for the periods ended June 30, were:

	Three Months		Six Months	
	2025	2024	2025	2024
Defined benefit plans - non-service credits (Note 9)	$ 2	$ 3	$ 3	$ 4
AFUDC - equity component	5	2	8	3
Miscellaneous	(2)	(1)	(1)	(1)
Other Income (Expense) - net	$ 5	$ 4	$ 10	$ 6

13. Fair Value Measurements

(All Registrants)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). A market approach (generally, data from market transactions), an income approach (generally, present value techniques and option pricing models) and/or a cost approach (generally, replacement cost) are used to measure the fair value of an asset or liability, as appropriate. These valuation approaches incorporate inputs such as observable, independent market data and/or unobservable data that management believes are predicated on the assumptions market participants would use to price an asset or liability. These inputs may incorporate, as applicable, certain risks such as nonperformance risk, which includes credit risk. The fair value of a group of financial assets and liabilities is measured on a net basis. See Note 1 in each Registrant's 2024 Form 10-K for information on the levels in the fair value hierarchy.

Recurring Fair Value Measurements

The assets and liabilities measured at fair value were:

	June 30, 2025				December 31, 2024			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
PPL								
Assets								
Cash and cash equivalents	$ 294	$ 294	$ —	$ —	$ 306	$ 306	$ —	$ —
Restricted cash and cash equivalents (a)	24	24	—	—	33	33	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	318	318	—	—	339	339	—	—
Special use funds (a):								
Money market fund	1	1	—	—	1	1	—	—
Commingled debt fund measured at NAV (c)	7	—	—	—	10	—	—	—
Commingled equity fund measured at NAV (c)	6	—	—	—	8	—	—	—
Total special use funds	14	1	—	—	19	1	—	—
Price risk management assets (d):								
Interest rate derivatives	2	—	2	—	—	—	—	—
Gas contracts	10	—	10	—	9	—	4	5
Total assets	$ 344	$ 319	$ 12	$ —	$ 367	$ 340	$ 4	$ 5
Liabilities								
Price risk management liabilities (d):								
Interest rate derivatives	$ 5	$ —	$ 5	$ —	$ 3	$ —	$ 3	$ —
Gas contracts	8	—	3	5	13	—	10	3
Total price risk management liabilities	$ 13	$ —	$ 8	$ 5	$ 16	$ —	$ 13	$ 3
PPL Electric								
Assets								
Cash and cash equivalents	$ 15	$ 15	$ —	$ —	$ 24	$ 24	$ —	$ —
Total assets	$ 15	$ 15	$ —	$ —	$ 24	$ 24	$ —	$ —
LG&E								
Assets								
Cash and cash equivalents	$ 10	$ 10	$ —	$ —	$ 8	$ 8	$ —	$ —
Restricted cash and cash equivalents (a)	11	11	—	—	16	16	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	21	21	—	—	24	24	—	—
Total assets	$ 21	$ 21	$ —	$ —	$ 24	$ 24	$ —	$ —
Liabilities								
Price risk management liabilities:								
Interest rate derivatives	$ 5	$ —	$ 5	$ —	$ 3	$ —	$ 3	$ —
Total price risk management liabilities	$ 5	$ —	$ 5	$ —	$ 3	$ —	$ 3	$ —
KU								
Assets								
Cash and cash equivalents	$ 11	$ 11	$ —	$ —	$ 13	$ 13	$ —	$ —
Restricted cash and cash equivalents (a)	11	11	—	—	16	16	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	22	22	—	—	29	29	—	—
Total assets	$ 22	$ 22	$ —	$ —	$ 29	$ 29	$ —	$ —

(a) Current portion is included in "Other current assets" and noncurrent portion is included in "Other noncurrent assets" on the Balance Sheets.
(b) Total Cash, Cash Equivalents and Restricted Cash provides a reconciliation of these items reported within the Balance Sheets to the sum shown on the Statements of Cash Flows.

(c) In accordance with accounting guidance, certain investments that are measured at fair value using net asset value per share (NAV), or its equivalent, have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Balance Sheets.
(d) Current portion is included in "Other current assets" and "Other current liabilities" and noncurrent portion is included in "Other noncurrent assets" and "Other deferred credits and noncurrent liabilities" on the Balance Sheets.

A reconciliation of net assets (liabilities) classified as Level 3 for the six months ended June 30 is as follows:

	Gas Contracts
2025	
Balance at beginning of period	$ 2
Total unrealized gains (losses) recognized as Regulatory Assets/Regulatory Liabilities:	(7)
Balance at end of period	$ (5)

Special Use Funds *(PPL)*

The special use funds are investments restricted for paying active union employee medical costs. In 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to a new subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. In 2024, additional excess funds were removed from the PPL Bargaining Unit Retiree Health Plan VEBA and deposited in the existing subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. The funds are invested primarily in commingled debt and equity funds measured at NAV and are classified as investments in equity securities. Changes in the fair value of the funds are recorded to the Statements of Income.

Price Risk Management Assets/Liabilities

Interest Rate Derivatives (PPL, LG&E and KU)

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

Gas Contracts (PPL)

To manage gas commodity price risk associated with natural gas purchases, RIE utilizes over-the-counter (OTC) gas swaps contracts with pricing inputs obtained from the New York Mercantile Exchange (NYMEX) and the Intercontinental Exchange (ICE), except in cases where the ICE publishes seasonal averages or where there were no transactions within the last seven days. RIE may utilize discounting based on quoted interest rate curves, including consideration of non-performance risk, and may include a liquidity reserve calculated based on bid/ask spread. Substantially all of these price curves are observable in the marketplace throughout at least 95% of the remaining contractual quantity, or they could be constructed from market observable curves with correlation coefficients of 95% or higher. These contracts are classified as Level 2.

RIE also utilizes gas option and purchase and capacity transactions, which are valued based on internally developed models. Industry-standard valuation techniques, such as the Black-Scholes pricing model, are used for valuing such instruments. For valuations that include both observable and unobservable inputs, if the unobservable input is determined to be significant to the overall inputs, the entire valuation is classified as Level 3. This includes derivative instruments valued using indicative price quotations whose contract tenure extends into unobservable periods. In instances where observable data is unavailable, consideration is given to the assumptions that market participants would use in valuing the asset or liability. This includes assumptions about market risks such as liquidity, volatility, and contract duration. Such instruments are classified as Level 3 as the model inputs generally are not observable. RIE considers non-performance risk and liquidity risk in the valuation of derivative instruments classified as Level 2 and Level 3.

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

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

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

	June 30, 2025		December 31, 2024	
	Carrying Amount (a)	Fair Value	Carrying Amount (a)	Fair Value
PPL	$ 16,511	$ 15,750	$ 16,503	$ 15,562
PPL Electric	5,215	4,901	5,214	4,862
LG&E	2,472	2,316	2,471	2,295
KU	3,067	2,771	3,066	2,750

(a) Amounts are net of debt issuance costs.

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

14. Derivative Instruments and Hedging Activities

(All Registrants)

Risk Management Objectives

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

Market Risk

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

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

Interest Rate Risk

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

Commodity Price Risk

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

- PPL Electric is required to purchase electricity to fulfill its obligation as a PLR. Potential commodity price risk is mitigated through its PAPUC-approved cost recovery mechanism and full-requirement supply agreements to serve its PLR customers which transfer the risk to energy suppliers.
- LG&E's and KU's rates include certain mechanisms for fuel, fuel-related expenses and energy purchases. In addition, LG&E's rates include a mechanism for natural gas supply costs. These mechanisms generally provide for timely recovery of market price fluctuations associated with these costs.
- RIE utilizes derivative instruments pursuant to its RIPUC-approved plan to manage commodity price risk associated with its natural gas purchases. RIE's commodity price risk management strategy is to reduce fluctuations in firm gas sales prices to its customers. RIE's costs associated with derivatives instruments are recoverable through its RIPUC-approved cost recovery mechanisms. RIE is also required to purchase electricity to fulfill its obligation to provide Last Resort Service (LRS). Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms and full requirements service agreements to serve LRS customers, which transfer the risk to energy suppliers. Additionally, RIE is required to contract through long-term agreements for clean energy supply under the Rhode Island Renewable Energy Growth program and Long-term Clean Energy Standard. Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms, which true-up cost differences between contract prices and market prices.

Volumetric Risk

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

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

Equity Securities Price Risk

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

Credit Risk

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

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

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

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

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

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

PPL, LG&E and KU had no obligation to return or post cash collateral under master netting arrangements at June 30, 2025 and December 31, 2024.

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

Interest Rate Risk

(All Registrants)

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

Cash Flow Hedges *(PPL)*

Interest rate risks include exposure to adverse interest rate movements for outstanding variable rate debt and for future anticipated financings. Financial interest rate derivatives that qualify as cash flow hedges may be entered into to hedge floating interest rate risk associated with both existing and anticipated debt issuances. At June 30, 2025, PPL held an aggregate notional value in interest rate derivatives of $85 million that mature on January 2, 2026.

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

For the three and six months ended June 30, 2025 and 2024, PPL had no cash flow hedges reclassified into earnings associated with discontinued cash flow hedges.

At June 30, 2025, the amount of accumulated net unrecognized after-tax gains (losses) on qualifying derivatives expected to be reclassified into earnings during the next 12 months is insignificant. Amounts are reclassified as the hedged interest expense is recorded.

Economic Activity *(PPL and LG&E)*

LG&E enters into interest rate swap contracts that economically hedge interest payments. Because realized gains and losses from the swaps, including terminated swap contracts, are recoverable through regulated rates, any subsequent changes in fair value of these derivatives are included in regulatory assets or liabilities until they are realized as interest expense. Realized gains and losses are recognized in "Interest Expense" on the Statements of Income at the time the underlying hedged interest expense is recorded. At June 30, 2025, LG&E held contracts with a notional amount of $64 million that mature in 2033.

Commodity Price Risk *(PPL)*

Economic Activity

RIE enters into derivative contracts that economically hedge natural gas purchases. Realized gains and losses from the derivatives are recoverable through regulated rates, therefore subsequent changes in fair value are included in regulatory assets or liabilities until they are realized as purchased gas. Realized gains and losses are recognized in "Energy Purchases" on the Statements of Income upon settlement of the contracts. At June 30, 2025, RIE held contracts with notional volumes of 45 Bcf that range in maturity from 2025 through 2029.

Accounting and Reporting

(All Registrants)

All derivative instruments are recorded at fair value on the Balance Sheet as an asset or liability unless the NPNS is elected. NPNS contracts include certain full requirement purchase contracts and other physical purchase contracts. Changes in the fair value of derivatives not designated as NPNS are recognized in earnings unless specific hedge accounting criteria are met and designated as such, except for the changes in fair values of LG&E's interest rate swaps that are recognized as regulatory assets or

regulatory liabilities. See Note 6 for amounts recorded in regulatory assets and regulatory liabilities at June 30, 2025 and December 31, 2024.

See Note 1 in each Registrant's 2024 Form 10-K for additional information on accounting policies related to derivative instruments.

(PPL)

The following table presents the fair value and the location of derivative instruments on the Balance Sheets:

	June 30, 2025				December 31, 2024			
	Derivatives designated as hedging instruments		Derivatives not designated as hedging instruments		Derivatives designated as hedging instruments		Derivatives not designated as hedging instruments	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Current:								
Price Risk Management Assets/Liabilities (a):								
Interest rate derivatives (b)	$ 2	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Gas contracts	—	—	6	3	—	—	7	10
Total current	2	—	6	3	—	—	7	10
Noncurrent:								
Price Risk Management Assets/Liabilities (a):								
Interest rate derivatives (b)	—	—	—	5	—	—	—	3
Gas contracts	—	—	4	5	—	—	2	3
Total noncurrent	—	—	4	10	—	—	2	6
Total derivatives	$ 2	$ —	$ 10	$ 13	$ —	$ —	$ 9	$ 16

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

The following tables present the pre-tax effect of derivative instruments recognized in income, OCI or regulatory assets and regulatory liabilities for the period ended June 30, 2025.

Derivative Relationships	Three Months Derivative Gain (Loss) Recognized in OCI	Six Months Derivative Gain (Loss) Recognized in OCI	Location of Gain (Loss) Recognized in Income on Derivative	Three Months Gain (Loss) Reclassified from AOCI into Income	Six Months Gain (Loss) Reclassified from AOCI into Income
Cash Flow Hedges:					
Interest rate derivatives	$ 2	$ 2	Interest expense	$ (1)	$ (2)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Three Months	Six Months
Gas contracts	Energy purchases	$ —	$ (5)
	Total	$ —	$ (5)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized as Regulatory Liabilities/Assets	Three Months	Six Months
Interest rate derivatives	Regulatory assets - noncurrent	$ (1)	$ (2)
Gas contracts	Regulatory liabilities - current	(12)	6
	Regulatory assets - noncurrent	(1)	—
	Total	$ (14)	$ 4

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

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

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Three Months	Six Months
Gas contracts	Energy purchases	$ (9)	$ (25)
	Total	$ (9)	$ (25)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized as Regulatory Liabilities/Assets	Three Months	Six Months
Interest rate derivatives	Regulatory assets - noncurrent	$ 1	$ 2
Gas contracts	Regulatory assets - current	11	33
	Regulatory assets - noncurrent	2	6
	Total	$ 14	$ 41

The following table presents the effect of cash flow hedge activity on the Statement of Income for the period ended June 30, 2025.

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships	
	Three Months	Six Months
	Interest Expense	Interest Expense
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 199	$ 389
The effects of cash flow hedges:		
Gain (Loss) on cash flow hedging relationships:		
Interest rate derivatives:		
Amount of gain (loss) reclassified from AOCI to income	(1)	(2)

The following table presents the effect of cash flow hedge activity on the Statement of Income for the period ended June 30, 2024.

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships	
	Three Months	Six Months
	Interest Expense	Interest Expense
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 182	$ 361
The effects of cash flow hedges:		
Gain (Loss) on cash flow hedging relationships:		
Interest rate derivatives:		
Amount of gain (loss) reclassified from AOCI to income	(1)	(2)

(LG&E)

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

	June 30, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Noncurrent:				
Price Risk Management Assets/Liabilities:				
Interest rate derivatives	$ —	$ 5	$ —	$ 3
Total noncurrent	—	5	—	3
Total derivatives	$ —	$ 5	$ —	$ 3

The following tables present the pre-tax effect of derivatives not designated as cash flow hedges that are recognized in income or regulatory assets for the period ended June 30, 2025.

Derivative Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Three Months	Six Months
Interest rate derivatives	Interest expense	$ —	$ —

Derivative Instruments	Location of Gain (Loss) Recognized in Regulatory Assets	Three Months	Six Months
Interest rate derivatives	Regulatory assets - noncurrent	$ (1)	$ (2)

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

Derivative Instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Three Months	Six Months
Interest rate derivatives	Interest expense	$ —	$ —

Derivative Instruments	Location of Gain (Loss) Recognized in Regulatory Assets	Three Months	Six Months
Interest rate derivatives	Regulatory assets - noncurrent	$ 1	$ 2

(PPL, LG&E and KU)

Offsetting Derivative Instruments

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

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

	Assets				Liabilities			
		Eligible for Offset				Eligible for Offset		
	Gross	Derivative Instruments	Cash Collateral Received	Net	Gross	Derivative Instruments	Cash Collateral Pledged	Net
June 30, 2025								
Derivatives								
PPL	$ 12	$ 3	$ —	$ 9	$ 13	$ 3	$ —	$ 10
LG&E	—	—	—	—	5	—	—	5

	Assets				Liabilities			
		Eligible for Offset				Eligible for Offset		
	Gross	Derivative Instruments	Cash Collateral Received	Net	Gross	Derivative Instruments	Cash Collateral Pledged	Net
December 31, 2024								
Derivatives								
PPL	$ 9	$ 5	$ —	$ 4	$ 16	$ 5	$ —	$ 11
LG&E	—	—	—	—	3	—	—	3

Credit Risk-Related Contingent Features

Certain derivative contracts contain credit risk-related contingent features which, when in a net liability position, would permit the counterparties to require the transfer of additional collateral upon a decrease in the credit ratings of PPL, LG&E and KU or certain of their subsidiaries. Most of these features would require the transfer of additional collateral or permit the counterparty to terminate the contract if the applicable credit rating were to fall below investment grade. Some of these features also would allow the counterparty to require additional collateral upon each downgrade in credit rating at levels that remain above investment grade. In either case, if the applicable credit rating were to fall below investment grade, and assuming no assignment to an investment grade affiliate were allowed, most of these credit contingent features require either immediate payment of the net liability as a termination payment or immediate and ongoing full collateralization on derivative instruments in net liability positions.

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

(PPL)

At June 30, 2025, there were no derivative contracts in a net liability position that contain credit risk-related contingent features. At June 30, 2025, there were no additional collateral requirements in the event of a credit downgrade below investment grade.

15. Asset Retirement Obligations

(PPL, LG&E and KU)

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

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

	PPL	LG&E	KU
Balance at December 31, 2024	$ 157	$ 84	$ 64
Accretion	4	2	2
Obligations settled	(8)	(4)	(4)
Balance at June 30, 2025	$ 153	$ 82	$ 62

16. Accumulated Other Comprehensive Income (Loss)

(PPL)

The after-tax changes in AOCI by component for the periods ended June 30 were as follows.

	Unrealized gains (losses) on qualifying derivatives	Equity investees' AOCI	Defined benefit plans		Total
			Prior service costs	Actuarial gain (loss)	
PPL					
March 31, 2025	$ 10	$ 4	$ (3)	$ (195)	$ (184)
Amounts arising during the period	1	—	—	(8)	(7)
Reclassifications from AOCI	—	—	—	1	1
Net OCI during the period	1	—	—	(7)	(6)

	Unrealized gains (losses) on qualifying derivatives	Equity investees' AOCI	Defined benefit plans: Prior service costs	Defined benefit plans: Actuarial gain (loss)	Total
June 30, 2025	$ 11	$ 4	$ (3)	$ (202)	$ (190)
December 31, 2024	$ 9	$ 4	$ (3)	$ (194)	$ (184)
Amounts arising during the period	1	—	—	(8)	(7)
Reclassifications from AOCI	1	—	—	—	1
Net OCI during the period	2	—	—	(8)	(6)
June 30, 2025	$ 11	$ 4	$ (3)	$ (202)	$ (190)
March 31, 2024	$ 7	$ 4	$ (4)	$ (168)	$ (161)
Amounts arising during the period	—	—	—	2	2
Reclassifications from AOCI	—	—	—	(1)	(1)
Net OCI during the period	—	—	—	1	1
June 30, 2024	$ 7	$ 4	$ (4)	$ (167)	$ (160)
December 31, 2023	$ 6	$ 3	$ (4)	$ (168)	$ (163)
Amounts arising during the period	—	1	—	2	3
Reclassifications from AOCI	1	—	—	(1)	—
Net OCI during the period	1	1	—	1	3
June 30, 2024	$ 7	$ 4	$ (4)	$ (167)	$ (160)

The following table presents PPL's gains (losses) and related income taxes for reclassifications from AOCI for the periods ended June 30.

Details about AOCI	Three Months 2025	Three Months 2024	Six Months 2025	Six Months 2024	Affected Line Item on the Statements of Income
Qualifying derivatives					
Interest rate derivatives	$ (1)	$ (1)	$ (2)	$ (2)	Interest Expense
Total Pre-tax	(1)	(1)	(2)	(2)	
Income Taxes	1	1	1	1	
Total After-tax	—	—	(1)	(1)	
Defined benefit plans					
Net actuarial loss (a)	(1)	2	—	2	
Total Pre-tax	(1)	2	—	2	
Income Taxes	—	(1)	—	(1)	
Total After-tax	(1)	1	—	1	
Total reclassifications during the period	$ (1)	$ 1	$ (1)	$ —	

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

17. New Accounting Guidance Pending Adoption

(All Registrants)

Improvements to Income Tax Disclosures

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

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

Adoption of this guidance will result in including additional required disclosures. The Registrants plan to adopt the standard retrospectively effective for the year ending December 31, 2025.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued guidance which requires public business entities to provide in the notes to financial statements specified information about certain costs and expenses. This includes the disclosure of amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities included in each relevant income statement expense caption. A relevant expense caption is an expense caption included on the face of the income statement within continuing operations that contains any of the specified expense categories (a)-(e). A qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated must also be disclosed. Additionally, public business entities must disclose the total amount of selling expenses and, in annual reporting periods, the entity’s definition of selling expenses.

For public business entities, this guidance will be applied on a prospective basis. Retrospective application is permitted. This guidance will be effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted.

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

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

(All Registrants)

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

The following should be read in conjunction with the Registrants' Condensed Consolidated Financial Statements and the accompanying Notes and with the Registrants' 2024 Form 10-K. Capitalized terms and abbreviations are defined in the glossary. Dollars are in millions, except per share data, unless otherwise noted.

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

- "Overview" provides a description of each Registrant's business strategy and a discussion of important financial and operational developments.
- "Results of Operations" for all Registrants includes a "Statement of Income Analysis," which discusses significant changes in principal line items on the Statements of Income, comparing the three and six months ended June 30, 2025 with the same periods in 2024. The PPL "Results of Operations" also includes "Segment Earnings," which provides a detailed analysis of earnings by reportable segment. These discussions include the non-GAAP financial measure "Earnings from Ongoing Operations" and provide an explanation of the non-GAAP financial measure and a reconciliation of the measure to the most comparable GAAP measure.
- "Financial Condition - Liquidity and Capital Resources" provides an analysis of the Registrants' liquidity positions and credit profiles. This section also includes a discussion of rating agency actions.
- "Financial Condition - Risk Management" provides an explanation of the Registrants' risk management programs relating to market and credit risk.

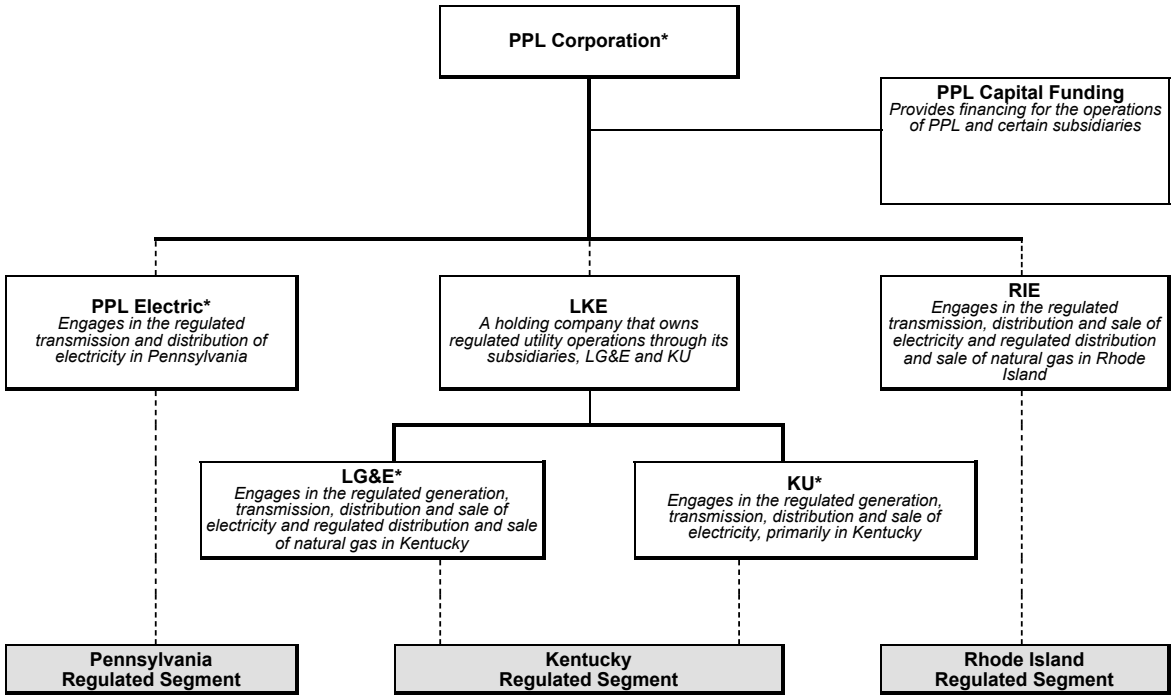
Overview

Introduction

(PPL)

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

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



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

(PPL Electric)

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

(LG&E)

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

(KU)

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

Segment Information *(PPL)*

PPL is organized into three reportable segments as depicted in the chart above: Kentucky Regulated, which primarily represents the results of LG&E and KU, Pennsylvania Regulated, which primarily represents the results of PPL Electric, and Rhode Island Regulated, which primarily represents the results of RIE. "Corporate and Other" primarily consists of corporate level financing costs, certain unallocated costs and certain non-recoverable costs incurred in conjunction with the acquisition of RIE.

Business Strategy

(All Registrants)

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

PPL's strategy, which is supported by the other Registrants and subsidiaries, is focused on creating the utilities of the future to drive greater value for our customers and shareowners. Key objectives in support of this strategy include:

- Strengthening the reliability and resilience of our electric and gas networks to improve service and protect against current and future weather and storms.
- Advancing a cleaner energy future affordably and reliably. This includes expanding and modernizing our generation with natural gas, renewables and battery storage, while supporting research and development of low-carbon solutions.
- Driving operational efficiencies to improve customer service and help keep energy affordable.
- Utilizing artificial intelligence and other advanced technologies to inform decision making, optimize asset planning and maintenance and better manage supply and demand on the grid.
- Empowering customers through expanded digital options and improved service.
- Engaging with key stakeholders to strengthen resource adequacy, power economic development, and support the growth and success of the regions we serve.

This strategy supports our mission to provide safe, affordable, reliable and sustainable energy to our customers and competitive, long-term returns to shareowners.

Financial and Operational Developments

Joint Venture Agreement with Blackstone Infrastructure (PPL)

On July 15, 2025, at the Pennsylvania Energy and Innovation Summit, PPL and Blackstone Infrastructure announced the creation of a joint venture to build, own and operate new electricity generation stations to power data centers in Pennsylvania under long-term energy services agreements (ESAs) to address underlying resource adequacy concerns in the PJM Interconnection. Construction of new generation stations will require the successful execution of ESAs with hyperscalers. PPL will own 51% of the joint venture interest and Blackstone Infrastructure will own 49%. The joint venture is actively engaged with hyperscalers, landowners, natural gas pipeline companies and turbine manufacturers, and has secured multiple land parcels to enable this new generation buildout; however, no ESAs with hyperscalers have been signed as of July 31, 2025.

Regulatory Requirements

(All Registrants)

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

(PPL, LG&E and KU)

Environmental Considerations for Coal-Fired Generation

The businesses of LG&E and KU are subject to extensive federal, state and local environmental laws, rules and regulations, including those pertaining to CCRs, GHG, and ELGs. See Notes 6, 10 and 15 to the Financial Statements for a discussion of these significant environmental matters. These and other environmental requirements led PPL, LG&E and KU to retire approximately 1,500 MW of coal-fired generating plants in Kentucky since 2010. As part of the long-term generation planning process, LG&E and KU evaluate a range of factors including the impact of potential stricter environmental regulations, fuel price scenarios, the cost of replacement generation, continued operations and major maintenance costs and the risk of major equipment failures in determining when to retire generation assets.

As a result of environmental requirements and aging infrastructure, LG&E has sought and obtained approval to retire two older coal-fired units at the Mill Creek Plant. Mill Creek Unit 1, with 300 MW of capacity, was retired in 2024. Mill Creek Unit 2, with 297 MW of capacity, is expected to be retired in 2027, subject to certain conditions.

On October 4, 2024, LG&E submitted an application related to the retirement of Mill Creek Unit 1, which occurred on December 31, 2024, requesting recovery of associated costs under the RAR. On February 24, 2025, the KPSC issued an order approving LG&E's cost recovery for Mill Creek Unit 1 under the RAR and related amounts were included in bills beginning in May 2025. See Note 6 to the Financial Statements for additional information on the Mill Creek Unit 1 RAR.

2025 CPCN

On February 28, 2025, LG&E and KU filed an application with the KPSC regarding certain future plans for new generation and generation-related construction matters. The proposals included in the application are intended to serve anticipated load growth, including from potential data center demand in LG&E's or KU's service territory. The proposals do not include retirements of coal or other fossil-fueled plants, which would require additional KPSC approval procedures under Kentucky legislation enacted in 2023 and 2024.

LG&E and KU submitted a joint application to the KPSC for approval of certain certificates of public convenience and necessity, site compatibility certificates, and accounting treatment, where applicable, relating to a number of generation-related plans or projects that generally are expected to become operational or established within the next six years. The aggregate projected capital expenditures associated with these proposals are currently expected to be $3.7 billion over the 2025 to 2031 period. Projected capital expenditures related to these proposals for the years 2025 through 2027 were included in PPL's, LG&E's and KU's projections in "Management Discussion and Analysis – Financial Condition - Liquidity and Capital Resources - Forecasted Uses of Cash – Capital Expenditures" in the 2024 Form 10-K. The application includes proposals:

- to build a 645 MW natural gas combined cycle (NGCC) generation unit at KU's E.W. Brown station,
- to build a 645 MW NGCC generation unit at LG&E's Mill Creek station,
- to build a four-hour 400 MW (1,600 MWh total) battery energy storage system (BESS) at LG&E's Cane Run station, and
- to build a selective catalytic reduction (SCR) environmental facility at KU's Ghent station Unit 2.

The new NGCC units are anticipated to be wholly owned by LG&E and the BESS unit jointly owned by LG&E (32%) and KU (68%), with actual project costs allocated consistent with LG&E's and KU's ultimate ownership shares and existing shared dispatch, cost allocation, tariff or other frameworks. The proposed Mill Creek NGCC unit is in addition to a new NGCC unit currently under construction at that location.

The filing also notes projected in service dates for the projects, including the E.W. Brown NGCC unit in 2030, the Mill Creek NGCC unit in 2031, the Cane Run BESS in 2028 and the Ghent SCR facility in 2028.

On July 29, 2025, LG&E and KU filed with the KPSC a stipulation and recommendation regarding a proposed resolution of issues with several of the intervenors in the CPCN proceeding. The stipulation recommends to the KPSC the approval of the large majority of LG&E's and KU's requested generation-related projects and associated accounting matters, subject to certain changes. Under the stipulation, the parties agree the KPSC should issue an order granting a CPCN for: (a) a 645 MW NGCC generation unit at KU's E.W. Brown station; (b) a 645 MW NGCC at LG&E's Mill Creek station; and (c) a SCR environmental facility at KU's Ghent station Unit 2. In addition, the proposal to build the $775 million Cane Run BESS would be withdrawn without prejudice, the relevant costs regarding the proposed $1.4 billion Mill Creek NGCC would be recovered through a new rate tracker mechanism, and the retirement date for the existing Mill Creek Unit 2 would be extended from 2027 to the operational date of the proposed Mill Creek NGCC or afterwards, subject to relevant future economic analysis, regulatory or environmental authorizations. The stipulation also contains provisions relating to regulatory asset accounting, proposed data center tariffs, future renewable power requests-for-proposals and other matters. LG&E and KU would retain the right to seek approval of the potentially withdrawn Cane Run BESS or similar substitute project in future regulatory proceedings.

A hearing in the matter has been scheduled to begin on August 4, 2025. LG&E and KU anticipate a ruling from the KPSC during the fourth quarter of 2025. PPL, LG&E and KU cannot predict the outcome of the proceedings.

2025 Kentucky Rate Case Proceedings

On May 30, 2025, LG&E and KU filed requests with the KPSC for an increase in annual electricity and gas revenues of approximately $391 million ($105 million and $226 million in electricity revenues at LG&E and KU and $60 million in gas revenues at LG&E) and approval of certain regulatory and accounting treatments. The revenue increases would be an increase of 8.3% and 11.5% in electricity revenues at LG&E and KU, and an increase of 14.0% in gas revenues at LG&E.

The applications are based on a forecasted test year of January 1, 2026 through December 31, 2026 and request an authorized return on equity of 10.95%. Subject to KPSC approval, the requested rates are expected to become effective on January 1, 2026. Certain counterparties have intervened in the proceedings. Data discovery and the filing of written testimony will continue through the third quarter of 2025 and a hearing in the matter has been scheduled for November 3, 2025. A ruling from the KPSC is expected during the fourth quarter of 2025. PPL, LG&E and KU cannot predict the outcome of these proceedings.

In addition, pursuant to prior orders of the KPSC, LG&E and KU included an assessment of a potential legal merger of LG&E and KU and concluded a legal merger may be appropriate. LG&E and KU have requested the KPSC to determine whether LG&E and KU have requested a reasonable plan for merger. If the KPSC determines that a legal merger is appropriate, approval for a merger would be required from the KPSC, VSCC and FERC. There is no assurance that LG&E and KU would receive regulatory approval for a potential merger.

FERC Transmission Rate Filing

In 2018, LG&E and KU applied to the FERC requesting elimination of certain on-going waivers and credits to a sub-set of transmission customers relating to the 1998 merger of LG&E's and KU's parent entities and the 2006 withdrawal of LG&E and KU from the Midcontinent Independent System Operator, Inc. (MISO), a regional transmission operator and energy market. The application sought termination of LG&E's and KU's commitment to provide certain Kentucky municipalities mitigation for certain horizontal market power concerns arising out of the 1998 LG&E and KU merger and 2006 MISO withdrawal. The amounts at issue are generally waivers or credits granted to a limited number of Kentucky municipalities for either certain LG&E and KU or MISO transmission charges incurred for transmission service received. In 2019, the FERC granted LG&E's and KU's request to remove the ongoing credits, conditioned upon the implementation by LG&E and KU of a transition mechanism for certain existing power supply arrangements, which was subsequently filed, modified, and approved by the FERC in 2020 and 2021. In 2020, LG&E and KU and other parties filed appeals with the U.S. Court of Appeals - D.C. Circuit (D.C. Circuit Court of Appeals) regarding the FERC's orders on the elimination of the mitigation and required transition mechanism. In August 2022, the D.C. Circuit Court of Appeals issued an order remanding the proceedings back to the FERC. On May 18, 2023, the FERC issued an order on remand reversing its 2019 decision and requiring LG&E and KU to refund credits previously withheld, including under such transition mechanism. LG&E and KU filed a petition for review of the FERC's May 18, 2023 order with the D.C. Circuit Court of Appeals and provided refunds in accordance with the FERC order on December 1, 2023. The FERC issued an order on LG&E's and KU's compliance filing on November 16, 2023, and LG&E and KU filed a petition for review of this November 16, 2023 order on February 14, 2024. The FERC issued the substantive order on rehearing on March 21, 2024, reaffirming its prior decision. Oral argument before the D.C. Circuit Court of Appeals occurred on January 21, 2025. LG&E and KU cannot predict the ultimate outcome of the proceedings or any other post decision process but do not expect the annual impact to have a material effect on their operations or financial condition. LG&E and KU currently receive recovery of certain waivers and credits primarily through base rates increases, provided, however, that increases associated with the FERC's May 18, 2023 order are expected to be subject to future rate proceedings.

(PPL)

FY 2026 Gas ISR Plan

On December 31, 2024, RIE filed its FY 2026 Gas ISR Plan with the RIPUC with a budget that included $187 million of capital investment spend and up to $15 million of additional contingency plan spend in connection with the PHMSA's potential enactment of regulations during FY 2026 that, if enacted, would significantly alter RIE's leak detection and repair obligations under federal regulations. The plan also included proposed spending on curb-to-curb paving of $22 million. On March 28, 2025, the RIPUC approved a FY 2026 Gas ISR Plan of $165 million of which $147 million is for capital investment spend and $18 million is spend for paving costs as operations and maintenance (O&M), plus a potential additional $15 million is available if the above-mentioned regulations are implemented by the PHMSA. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

FY 2026 Electric ISR Plan

On December 23, 2024, RIE filed its FY 2026 Electric ISR Plan with the RIPUC with a budget that included $248 million of capital investment spend (including $88 million for Advanced Metering Functionality (AMF)), $14 million of vegetation operation and maintenance (O&M) spend and $1 million of Other O&M spend. On March 28, 2025, the RIPUC approved a FY 2026 Electric ISR Plan of $219 million for capital investment spend (including $88 million for AMF), $14 million for vegetation management O&M spend, and $1 million for Other O&M spend. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

DSIC Petition (PPL and PPL Electric)

On April 26, 2024, PPL Electric filed a Petition with the PAPUC requesting that the PAPUC waive PPL Electric's DSIC cap of 5% of billed revenues and increase the maximum allowable DSIC to 9% for bills rendered on or after January 1, 2025. On February 28, 2025, the PAPUC issued its written order permitting PPL Electric to increase its DSIC cap from 5% to 7.5% for bills rendered on or after March 13, 2025 until the effective date of rates established in PPL Electric's next base rate case or the end of the PPL Electric's 2023-2027 Long-term Infrastructure Improvement Plan, whichever occurs first, at which time it will return to 5%.

Results of Operations

(PPL)

The "Statement of Income Analysis" discussion below describes significant changes in principal line items on the Statements of Income, comparing the three and six months ended June 30, 2025 with the same periods in 2024. The "Segment Earnings" discussion provides a review of results by reportable segment. These discussions include the non-GAAP financial measure "Earnings from Ongoing Operations" and provide an explanation of the non-GAAP financial measure and a reconciliation of the measure to the most comparable GAAP measure.

(PPL Electric, LG&E and KU)

A "Statement of Income Analysis" is presented separately for PPL Electric, LG&E and KU. The "Statement of Income Analysis" discussion below describes significant changes in principal line items on the Statements of Income, comparing the three and six months ended June 30, 2025 with the same periods in 2024.

(All Registrants)

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

PPL: Statement of Income Analysis and Segment Earnings

Statement of Income Analysis

Net income for the periods ended June 30 includes the following results:

	Three Months			Six Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues	$ 2,025	$ 1,881	$ 144	$ 4,529	$ 4,185	$ 344
Operating Expenses						
Operation						
Fuel	192	181	11	426	390	36
Energy purchases	388	275	113	947	795	152
Other operation and maintenance	614	623	(9)	1,212	1,249	(37)
Depreciation	324	319	5	646	635	11
Taxes, other than income	101	93	8	214	181	33
Total Operating Expenses	1,619	1,491	128	3,445	3,250	195
Operating Income	406	390	16	1,084	935	149
Other Income (Expense) - net	23	32	(9)	51	54	(3)
Interest Expense	199	182	17	389	361	28
Income Before Income Taxes	230	240	(10)	746	628	118
Income Taxes	47	50	(3)	149	131	18
Net Income	$ 183	$ 190	$ (7)	$ 597	$ 497	$ 100

Operating Revenues

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

	Three Months	Six Months
PPL Electric distribution volumes (a)	$ (4)	$ 18
PPL Electric PLR (b)	18	36
PPL Electric transmission formula rate (c)	2	17
LG&E volumes (a)	(3)	7
LG&E fuel and other energy purchases (d)	12	24
LG&E off-system sales (e)	3	11
KU volumes (a)	(1)	17
KU fuel and other energy purchases (f)	1	13
KU off-system sales (e)	5	14
RIE energy purchases and other recoveries (g)	59	93
RIE net metering presentation (h)	53	85
RIE net metering	1	11
RIE capital investments	6	15
Other	(8)	(17)
Total	$ 144	$ 344

(a) The increases for the six months ended June 30, 2025 were primarily due to weather, along with other higher usage at PPL Electric.
(b) The increase for the three months ended June 30, 2025 was primarily the result of more PLR customers and higher prices, partially offset by lower customer volumes, due to unfavorable weather and other lower usage. The increase for the six months ended June 30, 2025 was primarily due to higher customer volumes, due to favorable weather and other higher usage, and more PLR customers, partially offset by lower prices.
(c) The increase for the six months ended June 30, 2025 was primarily due to returns on additional transmission capital investments.
(d) The increase for the three months ended June 30, 2025 was primarily due to higher recoveries of energy purchases. The increase for the six months ended June 30, 2025 was primarily due to higher recoveries of energy purchases, partially offset by lower revenues from affiliates due to timing of plant outages and retirements.
(e) The increases were primarily due to higher volumes.
(f) The increase for the six months ended June 30, 2025 was primarily due to higher recoveries of fuel expenses.
(g) The increases were primarily due to higher recoveries of energy purchases, transmission costs, gas maintenance expenses and gross earnings taxes.
(h) In conjunction with the completion of the transition services agreement associated with the RIE acquisition, PPL conformed the presentation of RIE's net metering charges beginning in the fourth quarter of 2024 with the presentation of the other operating companies, resulting in an increase in Operating Revenues and a corresponding increase in Energy purchases. See Note 3 to the Financial Statements for additional information.

Fuel

Fuel increased $11 million for the three months ended June 30, 2025 compared with 2024, primarily due to an increase in commodity costs.

Fuel increased $36 million for the six months ended June 30, 2025 compared with 2024, primarily due to a $27 million increase in volumes due to weather and an $18 million increase in commodity costs, partially offset by a $9 million decrease in generation volumes related to the retirement of Mill Creek Unit 1.

Energy Purchases

The increase (decrease) in energy purchases was due to:

	Three Months	Six Months
PPL Electric PLR volumes	$ 2	$ 27
PPL Electric PLR prices	6	(9)
PPL Electric alternative energy credit volumes	2	10
LG&E volumes	—	15
LG&E commodity costs	8	10
RIE commodity costs	29	(6)
RIE net metering presentation (a)	53	85
RIE net metering	1	11
RIE borderline sales	7	7
Other	5	2
Total	$ 113	$ 152

(a) In conjunction with the completion of the transition services agreement associated with the RIE acquisition, PPL conformed the presentation of RIE's net metering charges beginning in the fourth quarter of 2024 with the presentation of the other operating companies, resulting in an increase in Operating Revenues and a corresponding increase in Energy purchases. See Note 3 to the Financial Statements for additional information.

Other Operation and Maintenance

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

	Three Months	Six Months
RIE gas maintenance expenses	$ 6	$ 21
RIE transmission expenses	18	42
IT costs (a)	30	52
Transition costs associated with RIE (b)	(66)	(131)
Other	3	(21)
Total	$ (9)	$ (37)

(a) Primarily costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(b) See Note 8 to the Financial Statements for additional information.

Taxes, Other Than Income

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

	Three Months	Six Months
State gross earnings and gross receipts tax (a)	$ 8	$ 34
Property tax expense	—	(1)
Total	$ 8	$ 33

(a) The increase for the six months ended June 30, 2025 was primarily due to the RIE Gross Earnings Tax Holiday Credit that took place in 2024.

Other Income (Expense) - net

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

	Three Months	Six Months
Defined benefit plans - non-service credits (Note 9)	$ (8)	$ (8)
Interest income	(4)	(7)
AFUDC - equity component	8	14
Other	(5)	(2)
Total	$ (9)	$ (3)

Interest Expense

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

	Three Months	Six Months
Long-term debt (a)	$ 8	$ 24
Short-term debt	4	1
Other	5	3
Total	$ 17	$ 28

(a) The increases were primarily due to increased borrowings.

Income Taxes

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

	Three Months	Six Months
Change in pre-tax income	$ (5)	$ 25
Utility rate-making tax adjustments (a)	—	(4)
Other	2	(3)
Total	$ (3)	$ 18

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

See Note 5 to the Financial Statements for additional information on income taxes.

Segment Earnings

PPL's Net Income (Loss) by reportable segment for the periods ended June 30 were as follows:

	Three Months			Six Months		
	2025	2024	$ Change	2025	2024	$ Change
Kentucky Regulated	$ 126	$ 134	$ (8)	$ 349	$ 324	$ 25
Pennsylvania Regulated	139	150	(11)	323	299	24
Rhode Island Regulated	(17)	12	(29)	53	76	(23)
Corporate and Other (a)	(65)	(106)	41	(128)	(202)	74
Net Income (Loss)	$ 183	$ 190	$ (7)	$ 597	$ 497	$ 100

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

Earnings from Ongoing Operations

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

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

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

PPL's Earnings from Ongoing Operations by reportable segment for the periods ended June 30 were as follows:

	Three Months			Six Months		
	2025	2024	$ Change	2025	2024	$ Change
Kentucky Regulated	$ 132	$ 134	$ (2)	$ 357	$ 325	$ 32
Pennsylvania Regulated	140	155	(15)	325	316	9
Rhode Island Regulated	8	28	(20)	80	106	(26)
Corporate and Other	(40)	(35)	(5)	(78)	(63)	(15)
Earnings from Ongoing Operations	$ 240	$ 282	$ (42)	$ 684	$ 684	$ —

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

Kentucky Regulated Segment

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

Net Income and Earnings from Ongoing Operations for the periods ended June 30 include the following results:

	Three Months			Six Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues	$ 837	$ 819	$ 18	$ 1,896	$ 1,803	$ 93
Fuel	192	181	11	426	390	36
Energy purchases	30	22	8	126	99	27
Other operation and maintenance	200	195	5	400	397	3
Depreciation	179	177	2	355	353	2
Taxes, other than income	26	24	2	51	49	2
Total Operating Expenses	627	599	28	1,358	1,288	70
Other Income (Expense) - net	10	9	1	18	12	6
Interest Expense	62	61	1	122	121	1
Income Taxes	32	34	(2)	85	82	3
Net Income	126	134	(8)	349	324	25
Less: Special Items	(6)	—	(6)	(8)	(1)	(7)
Earnings from Ongoing Operations	$ 132	$ 134	$ (2)	$ 357	$ 325	$ 32

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

		Three Months		Six Months	
	Income Statement Line Item	2025	2024	2025	2024
Strategic corporate initiatives, net of tax of $0 (a)	Other operation and maintenance	$ —	$ —	$ —	$ (1)
IT transformation, net of tax of $2, $2 (b)	Other operation and maintenance	(5)	—	(6)	—
Office relocation and related costs, net of tax of $0, $0 (c)	Other operation and maintenance	(1)	—	(2)	—
Total Special Items		$ (6)	$ —	$ (8)	$ (1)

(a) Costs incurred related to PPL's corporate centralization efforts.
(b) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(c) Certain costs related to the relocation of corporate offices.

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

	Three Months	Six Months
Operating Revenues	$ 18	$ 93
Fuel	(11)	(36)
Energy purchases	(8)	(27)
Other operation and maintenance	2	6
Depreciation	(2)	(2)
Taxes, other than income	(2)	(2)
Other Income (Expense) - net	1	6
Interest Expense	(1)	(1)
Income Taxes	1	(5)
Earnings from Ongoing Operations	(2)	32
Special Items, after-tax	(6)	(7)
Net Income	$ (8)	$ 25

- Higher operating revenues for the three month period primarily due to an increase in recoveries of fuel and energy purchases.
- Higher operating revenues for the six month period primarily due to a $47 million increase in recoveries of fuel and energy purchases, a $24 million increase in sales volumes due to weather, and a $20 million increase in off-system sales.
- Higher fuel expense for the three month period primarily due to an increase in commodity costs.
- Higher fuel expense for the six month period primarily due to a $27 million increase in volumes due to weather and higher off-system sales and an $18 million increase in commodity costs, partially offset by a $9 million decrease in generation volumes related to the retirement of Mill Creek Unit 1.
- Higher energy purchases for the three month period primarily due to an increase in commodity costs.

- Higher energy purchases for the six month period primarily due to a $15 million increase in volumes primarily due to weather and a $12 million increase in commodity costs.

Pennsylvania Regulated Segment

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

Net Income and Earnings from Ongoing Operations for the periods ended June 30 include the following results:

	Three Months			Six Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues	$ 693	$ 673	$ 20	$ 1,512	$ 1,443	$ 69
Energy purchases	169	153	16	398	367	31
Other operation and maintenance	159	154	5	321	335	(14)
Depreciation	100	100	—	202	199	3
Taxes, other than income	32	30	2	73	66	7
Total Operating Expenses	460	437	23	994	967	27
Other Income (Expense) - net	11	11	—	22	20	2
Interest Income from Affiliate	—	10	(10)	2	20	(18)
Interest Expense	62	61	1	122	123	(1)
Income Taxes	43	46	(3)	97	94	3
Net Income	139	150	(11)	323	299	24
Less: Special Items	(1)	(5)	4	(2)	(17)	15
Earnings from Ongoing Operations	$ 140	$ 155	$ (15)	$ 325	$ 316	$ 9

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

		Three Months		Six Months	
	Income Statement Line Item	2025	2024	2025	2024
PPL Electric billing issue, net of tax of $1, $5 (a)	Other operation and maintenance	$ —	$ (2)	$ —	$ (13)
Strategic corporate initiatives, net of tax of $1, $1 (b)	Other operation and maintenance	—	(3)	—	(4)
Office relocation and related costs, net of tax of $0, $0 (c)	Other operation and maintenance	(1)	—	(2)	—
Total Special Items		$ (1)	$ (5)	$ (2)	$ (17)

(a) Certain expenses related to billing issues.
(b) Costs incurred related to PPL's corporate centralization and other strategic efforts.
(c) Certain costs related to the relocation of corporate offices.

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

	Three Months	Six Months
Operating Revenues	$ 20	$ 69
Energy purchases	(16)	(31)
Other operation and maintenance	(11)	(7)
Depreciation	—	(3)
Taxes, other than income	(3)	(8)
Other Income (Expense) - net	—	2
Interest Income from Affiliate	(10)	(18)
Interest Expense	—	2
Income Taxes	5	3
Earnings from Ongoing Operations	(15)	9
Special Items, after-tax	4	15
Net Income	$ (11)	$ 24

- Higher operating revenues for the three month period primarily due to an increase in PLR.

- Higher operating revenues for the six month period primarily due to an $18 million increase in distribution volumes primarily due to weather, a $36 million increase in PLR and a $17 million increase in transmission formula rate returns.

- Higher energy purchases for the three month period primarily due to higher PLR prices of $6 million, higher PLR volumes of $2 million and higher alternative energy credit volumes of $2 million.

- Higher energy purchases for the six month period primarily due to higher PLR volumes of $27 million and higher alternative energy credit volumes of $10 million, partially offset by lower PLR prices of $9 million.

- Higher other operation and maintenance for the three month period primarily due to an increase in bad debt expenses.

- Lower interest income from affiliate for the three and six month periods primarily due to repayment on a short-term note receivable with an affiliated company.

Rhode Island Regulated Segment

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

Net Income and Earnings from Ongoing Operations for the periods ended June 30 include the following results:

	Three Months			Six Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues	$ 494	$ 389	$ 105	$ 1,120	$ 938	$ 182
Energy purchases	190	100	90	425	329	96
Other operation and maintenance	214	180	34	414	336	78
Depreciation	44	40	4	86	81	5
Taxes, other than income	42	39	3	89	66	23
Total Operating Expenses	490	359	131	1,014	812	202
Other Income (Expense) - net	(4)	6	(10)	3	13	(10)
Interest Income from Affiliate	1	—	1	3	—	3
Interest Expense	27	23	4	50	47	3
Income Taxes	(9)	1	(10)	9	16	(7)
Net Income	(17)	12	(29)	53	76	(23)
Less: Special Items	(25)	(16)	(9)	(27)	(30)	3
Earnings from Ongoing Operations	$ 8	$ 28	$ (20)	$ 80	$ 106	$ (26)

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

		Three Months		Six Months	
	Income Statement Line Item	2025	2024	2025	2024
Acquisition integration, net of tax of $0, $4, ($2), $8 (a)	Other operation and maintenance	$ —	$ (16)	$ 7	$ (30)
IT transformation, net of tax of $1, $1 (b)	Other operation and maintenance	(3)	—	(4)	—
Energy efficiency programs settlement, net of tax of $2 (c)	Other Income (Expense) - net	—	—	(6)	—
Energy efficiency programs settlement (c)	Income Taxes	2	—	—	—
Post TSA adjustments, net of tax of $4, $4 (d)	Operating Revenues	(16)	—	(16)	—
Post TSA adjustments, net of tax of $1, $1 (d)	Other operation and maintenance	(3)	—	(3)	—
Post TSA adjustments, net of tax of $2, $2 (d)	Other Income (Expense) - net	(5)	—	(5)	—
Total Special Items		$ (25)	$ (16)	$ (27)	$ (30)

(a) 2025 costs are related to distributed generation projects that PPL will not seek regulatory recovery of. 2024 primarily includes certain transition services agreement costs for IT systems that will not be part of PPL's ongoing operations.
(b) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(c) See Note 10 to the Financial Statements for additional information.
(d) Adjustments related to account reconciliations and process alignment subsequent to the end of the transition services agreement associated with the acquisition of RIE.

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

	Three Months	Six Months
Operating Revenues	$ 125	$ 202
Energy purchases	(90)	(96)
Other operation and maintenance	(48)	(109)
Depreciation	(4)	(5)
Taxes, other than income	(3)	(23)
Other Income (Expense) - net	(3)	(4)
Interest Income from Affiliate	1	3
Interest Expense	(4)	(3)
Income Taxes	6	9
Earnings from Ongoing Operations	(20)	(26)
Special Items, after-tax	(9)	3
Net Income	$ (29)	$ (23)

- Higher operating revenues for the three month period primarily due to a $53 million increase related to the effects of conforming the presentation of RIE's net metering charges to that of PPL's other operating utilities beginning in the fourth quarter of 2024, a $59 million increase in recovery of energy purchases, transmission expenses, gross earnings taxes and gas maintenance expenses, and a $6 million increase related to capital investments.

- Higher operating revenues for the six month period primarily due to an $85 million increase related to the effects of conforming the presentation of RIE's net metering charges to that of PPL's other operating utilities beginning in the fourth quarter of 2024, a $93 million increase in recovery of energy purchases, transmission expenses, gross earnings taxes and gas maintenance expenses, a $15 million increase related to capital investments and an $11 million increase in net metering.

- Higher energy purchases for the three month period primarily due to a $53 million increase due to the effects of conforming the presentation of RIE's net metering charges to that of PPL's other operating utilities beginning in the fourth quarter of 2024, a $29 million increase in commodity costs and a $7 million increase related to borderline sales.

- Higher energy purchases for the six month period primarily due to an $85 million increase due to the effects of conforming the presentation of RIE's net metering charges to that of PPL's other operating utilities beginning in the fourth quarter of 2024, an $11 million increase in net metering and a $7 million increase related to borderline sales, partially offset by a $6 million decrease in commodity costs.

- Higher operation and maintenance expense for the three month period primarily due to an $18 million increase in transmission expenses, an $8 million increase in IT costs, a $6 million increase in gas maintenance expenses, a $6 million increase in bad debt expenses and a $10 million increase of other items that were not individually significant.

- Higher operation and maintenance expense for the six month period primarily due to a $42 million increase in transmission expenses, a $21 million increase in gas maintenance expenses, a $12 million increase in bad debt expenses, a $16 million increase in IT costs and an $18 million increase of other items that were not individually significant.

- Higher depreciation for the three and six month periods primarily due to an increase in PP&E additions, net of retirements.

- Higher taxes, other than income for the three and six month periods primarily due to an increase in gross earnings taxes.

- Lower other income (expense) - net for the three month period primarily due to lower interest income.

- Higher interest expense for the three month period primarily due to increased borrowings.

- Lower income taxes for the three and six month periods primarily due to lower pre-tax income.

Reconciliation of Earnings from Ongoing Operations

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

	2025 Three Months				
	KY Regulated	PA Regulated	RI Regulated	Corporate and Other	Total
Net Income (Loss)	$ 126	$ 139	$ (17)	$ (65)	$ 183
Less: Special Items (expense) benefit:					
Talen litigation costs, net of tax of ($1) (a)	—	—	—	4	4
Acquisition integration, net of tax of $4 (b)	—	—	—	(13)	(13)
IT transformation, net of tax of $2, $1, $4 (c)	(5)	—	(3)	(16)	(24)
Energy efficiency programs settlement (d)	—	—	2	—	2
Office relocation and related costs, net of tax of $0, $0 (e)	(1)	(1)	—	—	(2)
Post TSA adjustments, net of tax of $7 (f)	—	—	(24)	—	(24)
Total Special Items	(6)	(1)	(25)	(25)	(57)
Earnings from Ongoing Operations	$ 132	$ 140	$ 8	$ (40)	$ 240

(a) PPL incurred legal expenses and received insurance reimbursement related to litigation associated with its former affiliate, Talen Montana, LLC and certain affiliated entities.
(b) Primarily includes integration and related costs associated with the acquisition of RIE.
(c) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(d) See Note 10 to the Financial Statements for additional information.
(e) Certain costs related to the relocation of corporate offices.
(f) Adjustments related to account reconciliations and process alignment subsequent to the end of the transition services agreement associated with the acquisition of RIE.

	2024 Three Months				
	KY Regulated	PA Regulated	RI Regulated	Corporate and Other	Total
Net Income (Loss)	$ 134	$ 150	$ 12	$ (106)	$ 190
Less: Special Items (expense) benefit:					
Strategic corporate initiatives, net of tax of $1, $1 (a)	—	(3)	—	(2)	(5)
Acquisition integration, net of tax of $4, $19 (b)	—	—	(16)	(69)	(85)
PPL Electric billing issue, net of tax of $1 (c)	—	(2)	—	—	(2)
Total Special Items	—	(5)	(16)	(71)	(92)
Earnings from Ongoing Operations	$ 134	$ 155	$ 28	$ (35)	$ 282

(a) Represents costs primarily related to PPL's centralization efforts and other strategic efforts.
(b) Rhode Island Regulated primarily includes certain transition services agreement costs for IT systems that will not be part of PPL's ongoing operations. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE. See Note 8 to the Financial Statements for additional information.
(c) Certain expenses related to billing issues.

	2025 Six Months				
	KY Regulated	PA Regulated	RI Regulated	Corporate and Other	Total
Net Income (Loss)	$ 349	$ 323	$ 53	$ (128)	$ 597
Less: Special Items (expense) benefit:					
Talen litigation costs, net of tax of $1 (a)	—	—	—	3	3
Acquisition integration, net of tax of ($2), $7 (b)	—	—	7	(27)	(20)
IT transformation, net of tax of $2, $1, $7 (c)	(6)	—	(4)	(26)	(36)
Energy efficiency programs settlement, net of tax of $2 (d)	—	—	(6)	—	(6)
Office relocation and related costs, net of tax of $0, $0 (e)	(2)	(2)	—	—	(4)
Post TSA adjustments, net of tax of $7 (f)	—	—	(24)	—	(24)
Total Special Items	(8)	(2)	(27)	(50)	(87)
Earnings from Ongoing Operations	$ 357	$ 325	$ 80	$ (78)	$ 684

(a) PPL incurred legal expenses and received insurance reimbursement related to litigation associated with its former affiliate, Talen Montana, LLC and certain affiliated entities.
(b) Rhode Island Regulated primarily includes a final transition services agreement settlement. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE.
(c) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(d) See Note 10 to the Financial Statements for additional information.
(e) Certain costs related to the relocation of corporate offices.
(f) Adjustments related to account reconciliations and process alignment subsequent to the end of the transition services agreement associated with the acquisition of RIE.

	2024 Six Months				
	KY Regulated	PA Regulated	RI Regulated	Corporate and Other	Total
Net Income (Loss)	$ 324	$ 299	$ 76	$ (202)	$ 497
Less: Special Items (expense) benefit:					
Strategic corporate initiatives, net of tax of $0, $1, $1 (a)	(1)	(4)	—	(4)	(9)
Acquisition integration, net of tax of $8, $36 (b)	—	—	(30)	(135)	(165)
PPL Electric billing issue, net of tax of $5 (c)	—	(13)	—	—	(13)
Total Special Items	(1)	(17)	(30)	(139)	(187)
Earnings from Ongoing Operations	$ 325	$ 316	$ 106	$ (63)	$ 684

(a) Represents costs primarily related to PPL's centralization efforts and other strategic efforts.
(b) Rhode Island Regulated primarily includes certain transition services agreement costs for IT systems that will not be part of PPL's ongoing operations. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE. See Note 8 to the Financial Statements for additional information.
(c) Certain expenses related to billing issues.

PPL Electric: Statement of Income Analysis

Net income for the periods ended June 30 includes the following results:

	Three Months			Six Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues	$ 693	$ 673	$ 20	$ 1,512	$ 1,443	$ 69
Operating Expenses						
Operation						
Energy purchases	169	153	16	398	367	31
Other operation and maintenance	159	154	5	321	335	(14)
Depreciation	100	100	—	202	199	3
Taxes, other than income	32	30	2	73	66	7
Total Operating Expenses	460	437	23	994	967	27
Operating Income	233	236	(3)	518	476	42
Other Income (Expense) - net	11	11	—	22	20	2
Interest Income from Affiliate	—	10	(10)	2	20	(18)
Interest Expense	62	61	1	122	123	(1)
Income Before Income Taxes	182	196	(14)	420	393	27
Income Taxes	43	46	(3)	97	94	3
Net Income	$ 139	$ 150	$ (11)	$ 323	$ 299	$ 24

Operating Revenues

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

	Three Months	Six Months
Distribution price	$ 4	$ (2)
Distribution volume (a)	(4)	18
PLR (b)	18	36
Transmission formula rate (c)	2	17
Total	$ 20	$ 69

(a) The increase for the six months ended June 30, 2025 was primarily due to weather, along with other higher usage.
(b) The increase for the three months ended June 30, 2025 was primarily the result of more PLR customers and higher prices, partially offset by lower customer volumes, due to unfavorable weather and other lower usage. The increase for the six months ended June 30, 2025 was primarily due to higher customer volumes, due to favorable weather and other higher usage, and more PLR customers, partially offset by lower prices.
(c) The increase for the six months ended June 30, 2025 was primarily due to returns on additional transmission capital investments.

Energy Purchases

Energy purchases increased $16 million for the three months ended June 30, 2025 compared with 2024, primarily due to higher PLR prices of $6 million, higher PLR volumes of $2 million and higher alternative energy credit volumes of $2 million.

Energy purchases increased $31 million for the six months ended June 30, 2025 compared with 2024, primarily due to higher PLR volumes of $27 million and higher alternative energy credit volumes of $10 million, partially offset by lower PLR prices of $9 million.

Interest Income from Affiliate

Interest Income from Affiliate decreased $10 million and $18 million for the three and six months ended June 30, 2025 compared with 2024, primarily due to repayment on a short-term note receivable with an affiliated company.

LG&E: Statement of Income Analysis

Net income for the periods ended June 30 includes the following results:

	Three Months			Six Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues						
Retail and wholesale	$ 373	$ 363	$ 10	$ 873	$ 823	$ 50
Electric revenue from affiliate	5	3	2	10	19	(9)
Total Operating Revenues	378	366	12	883	842	41
Operating Expenses						
Operation						
Fuel	75	67	8	157	153	4
Energy purchases	23	15	8	111	86	25
Energy purchases from affiliate	7	7	—	12	8	4
Other operation and maintenance	91	87	4	180	175	5
Depreciation	77	77	—	151	153	(2)
Taxes, other than income	13	12	1	26	25	1
Total Operating Expenses	286	265	21	637	600	37
Operating Income	92	101	(9)	246	242	4
Other Income (Expense) - net	5	4	1	8	6	2
Interest Expense	27	26	1	53	52	1
Income Before Income Taxes	70	79	(9)	201	196	5
Income Taxes	14	17	(3)	40	41	(1)
Net Income	$ 56	$ 62	$ (6)	$ 161	$ 155	$ 6

Operating Revenues

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

	Three Months	Six Months
Fuel and other energy purchases (a)	$ 12	$ 24
Volumes (b)	(3)	7
Off-system sales (c)	3	11
Other	—	(1)
Total	$ 12	$ 41

(a) The increase for the three months ended June 30, 2025 was primarily due to higher recoveries of energy purchases. The increase for the six months ended June 30, 2025 was primarily due to higher recoveries of energy purchases, partially offset by lower revenues from affiliates due to timing of plant outages and retirements.
(b) The increase for the six months ended June 30, 2025 was primarily due to weather.
(c) The increases were primarily due to higher volumes.

Fuel

Fuel expense increased $8 million for the three months ended June 30, 2025 compared with 2024, primarily due to an increase in commodity costs.

Fuel expense increased $4 million for the six months ended June 30, 2025 compared with 2024, primarily due to a $13 million increase in commodity costs, partially offset by a $9 million decrease in generation volumes related to the retirement of Mill Creek Unit 1.

Energy Purchases

Energy purchases increased $8 million for the three months ended June 30, 2025 compared with 2024, primarily due to an increase in commodity costs.

Energy purchases increased $25 million for the six months ended June 30, 2025 compared with 2024, primarily due to a $15 million increase in volumes due to weather and a $10 million increase in commodity costs.

Other Operation and Maintenance

Other operation and maintenance increased $4 million for the three months ended June 30, 2025 compared with 2024, primarily due to higher IT costs.

Income Taxes

Income taxes decreased $3 million for the three months ended June 30, 2025 compared with 2024, primarily due to a decrease in pre-tax income.

KU: Statement of Income Analysis

Net income for the periods ended June 30 includes the following results:

	Three Months			Six Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues						
Retail and wholesale	$ 465	$ 457	$ 8	$ 1,024	$ 981	$ 43
Electric revenue from affiliate	7	7	—	12	8	4
Total Operating Revenues	472	464	8	1,036	989	47
Operating Expenses						
Operation						
Fuel	117	115	2	269	238	31
Energy purchases	7	6	1	14	12	2
Energy purchases from affiliate	5	3	2	10	19	(9)
Other operation and maintenance	102	101	1	202	203	(1)
Depreciation	101	101	—	203	200	3
Taxes, other than income	13	12	1	25	24	1
Total Operating Expenses	345	338	7	723	696	27
Operating Income	127	126	1	313	293	20
Other Income (Expense) - net	5	4	1	10	6	4
Interest Expense	35	33	2	70	67	3
Interest Expense with Affiliate	—	1	(1)	—	1	(1)
Income Before Income Taxes	97	96	1	253	231	22
Income Taxes	19	19	—	50	46	4
Net Income	$ 78	$ 77	$ 1	$ 203	$ 185	$ 18

Operating Revenues

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

	Three Months	Six Months
Fuel and other energy purchases (a)	$ 1	$ 13
Volumes (b)	(1)	17
Off-system sales (c)	5	14
Other	3	3
Total	$ 8	$ 47

(a) The increase for the six months ended June 30, 2025 was primarily due to higher recoveries of fuel expenses.
(b) The increase for the six months ended June 30, 2025 was primarily due to weather.
(c) The increases were primarily due to higher volumes.

Fuel

Fuel expense increased $2 million for the three months ended June 30, 2025 compared with 2024, primarily due to a $4 million increase in commodity costs.

Fuel expense increased $31 million for the six months ended June 30, 2025 compared with 2024, primarily due to an increase in volumes due to weather and higher off-system sales.

Financial Condition

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

Liquidity and Capital Resources

(All Registrants)

The Registrants had the following at:

	PPL	PPL Electric	LG&E	KU
June 30, 2025				
Cash and cash equivalents	$ 294	$ 15	$ 10	$ 11
Short-term debt	1,286	384	158	275
Long-term debt due within one year	1,219	—	300	268
Notes payable to affiliates		—	—	46
December 31, 2024				
Cash and cash equivalents	$ 306	$ 24	$ 8	$ 13
Short-term debt	303	—	25	140
Long-term debt due within one year	551	—	300	250
Notes payable to affiliates		—	43	73

(All Registrants)

Net cash provided by (used in) operating, investing and financing activities for the six month periods ended June 30, and the changes between periods, were as follows.

	PPL	PPL Electric	LG&E	KU
2025				
Operating activities	$ 1,115	$ 382	$ 279	$ 351
Investing activities	(1,713)	(467)	(306)	(391)
Financing activities	577	76	24	33
2024				
Operating activities	$ 1,048	$ 353	$ 273	$ 352
Investing activities	(1,261)	(1,020)	(207)	(296)
Financing activities	155	629	(82)	(63)
Change - Cash Provided (Used)				
Operating activities	$ 67	$ 29	$ 6	$ (1)
Investing activities	(452)	553	(99)	(95)
Financing activities	422	(553)	106	96

Operating Activities

The components of the change in cash provided by (used in) operating activities for the six months ended June 30, 2025 compared with 2024 were as follows.

	PPL	PPL Electric	LG&E	KU
Change - Cash Provided (Used)				
Net income	$ 100	$ 24	$ 6	$ 18
Non-cash components	1	(13)	(1)	13
Working capital	(26)	26	34	(22)
Other operating activities	(8)	(8)	(33)	(10)
Total	$ 67	$ 29	$ 6	$ (1)

(PPL)

PPL's cash provided by operating activities in 2025 increased $67 million compared with 2024.

- Net income increased $100 million between the periods and included an increase in non-cash components of $1 million.

- The $26 million decrease in cash from changes in working capital was primarily due to an increase in accounts receivable (primarily due to timing of payments) and a decrease in accrued interest (primarily due to timing of payments), partially offset by increases in taxes payable (primarily due to timing of payments), a decrease in net regulatory assets (primarily due to the timing of rate recovery mechanisms) and a decrease in prepayments (primarily due to the timing of payments).

- The $8 million decrease in cash provided by other operating activities was driven primarily by an increase in other assets (primarily related to preliminary survey costs for new generation projects).

(PPL Electric)

PPL Electric's cash provided by operating activities in 2025 increased $29 million compared with 2024.

- Net income increased $24 million between the periods and included a decrease in non-cash components of $13 million. The decrease in non-cash components was primarily due to a decrease in deferred income taxes and investment tax credits.

- The $26 million increase in cash from changes in working capital was primarily due to increases in taxes payable (primarily due to timing of payments), a decrease in net regulatory assets (primarily due to the timing of rate recovery mechanisms) and a decrease in prepayments (primarily due to the timing of payments), partially offset by an increase in accounts receivable and a decrease in accounts payable (primarily due to the timing of payments).

- The $8 million decrease in cash provided by other operating activities was driven primarily by an increase in noncurrent regulatory assets (primarily related to an increase in storm costs).

(LG&E)

LG&E's cash provided by operating activities in 2025 increased $6 million compared with 2024.

- Net income increased $6 million between the periods and included a decrease in non-cash components of $1 million.
- The $34 million increase in cash from changes in working capital was primarily due to a decrease in accounts receivable (primarily due to weather) and a decrease in accounts receivable from affiliates (primarily due to timing of payments), partially offset by a decrease in accounts payable (primarily due to timing of payments).
- The $33 million decrease in cash provided by other operating activities was driven by an increase in noncurrent assets (primarily related to preliminary survey costs for new generation projects).

(KU)

KU's cash provided by operating activities in 2025 decreased $1 million compared with 2024.

- Net income increased $18 million between the periods and included an increase in non-cash components of $13 million, primarily due to an increase in deferred income taxes and investment tax credits (primarily due to book versus plant timing differences).
- The $22 million decrease in cash from changes in working capital was primarily due to a decrease in accounts payable to affiliates (primarily due to timing of payments), an increase in fuel, materials and supplies (primarily due to an increase in coal volume) and a decrease in current regulatory liabilities (primarily due to changes in fuel costs), partially offset by a decrease in accounts receivable (primarily due to weather) and an increase in accounts payable (primarily due to timing of payments).
- The $10 million decrease in cash provided by other operating activities was driven by an increase in noncurrent assets (primarily related to higher deferred storm costs recorded as noncurrent regulatory assets).

Investing Activities

(All Registrants)

The components of the change in cash provided by (used in) investing activities for the six months ended June 30, 2025 compared with 2024 were as follows.

Change - Cash Provided (Used)	PPL	PPL Electric	LG&E	KU
Expenditures for PP&E	$ (457)	$ (178)	$ (89)	$ (95)
Notes receivable from affiliate	—	724	(10)	—
Other investing activities	5	7	—	—
Total	$ (452)	$ 553	$ (99)	$ (95)

For PPL, the increase in expenditures for PP&E was due to an increase in project expenditures at PPL Electric, RIE, LG&E and KU. The increase in expenditures at PPL Electric was primarily due to increases in transmission and distribution projects. The increase in expenditures at LG&E and KU was primarily due to Mill Creek Unit 5 and the E.W. Brown battery storage project.

For PPL Electric, the change in "Notes receivable from affiliate" activity resulted from payments received of $724 million from an affiliate. See Note 11 to the Financial Statements for further discussion of intercompany borrowings.

Financing Activities

(All Registrants)

The components of the change in cash provided by (used in) financing activities for the six months ended June 30, 2025 compared with 2024 were as follows.

	PPL	PPL Electric	LG&E	KU
Change - Cash Provided (Used)				
Debt issuance/retirement, net	$ (1,148)	$ (649)	$ —	$ —
Dividends	(25)	(23)	(14)	(11)
Capital contributions/distributions, net	—	(780)	60	20
Change in short-term debt, net	1,586	893	123	128
Net increase (decrease) in notes payable with affiliate	—	—	(62)	(40)
Other financing activities	9	6	(1)	(1)
Total	$ 422	$ (553)	$ 106	$ 96

See Note 7 to the Financial Statements in this Form 10-Q for information on 2025 short-term and long-term debt activity, equity transactions and PPL dividends. See Note 8 to the Financial Statements in the Registrants' 2024 Form 10-K for information on 2024 activity.

Credit Facilities

The Registrants maintain credit facilities to enhance liquidity, provide credit support and provide a backstop to commercial paper programs. Amounts borrowed under these credit facilities are reflected in "Short-term debt" on the Balance Sheets. At June 30, 2025, the total committed borrowing capacity under credit facilities and the borrowings under these facilities were:

External

	Committed Capacity	Borrowed	Letters of Credit and Commercial Paper Issued (c)	Unused Capacity
PPL Capital Funding Credit Facilities (a)	$ 1,600	$ —	$ 470	$ 1,130
PPL Electric Credit Facility	750	—	386	364
LG&E Credit Facility	600	—	158	442
KU Credit Facility	600	—	275	325
Total Credit Facilities (b)	$ 3,550	$ —	$ 1,289	$ 2,261

(a) Includes a $1.5 billion syndicated credit facility with a $250 million borrowing sublimit for RIE and a $1.25 billion sublimit for PPL Capital Funding. RIE's borrowing sublimit is adjustable, at the borrowers' option, from $0 to $600 million, with the remaining balance of the $1.5 billion available under the facility allocated to PPL Capital Funding. At June 30, 2025, PPL Capital Funding had $470 million of commercial paper outstanding and RIE had no commercial paper outstanding. RIE's obligations under the facility are not guaranteed by PPL.
(b) The commitments under the credit facilities are provided by a diverse bank group, with no one bank and its affiliates providing an aggregate commitment of more than the following percentages of the total committed capacity: PPL - 8%, PPL Electric - 7%, LG&E - 7% and KU - 7%.
(c) Commercial paper issued reflects the undiscounted face value of the issuance.

See Note 7 to the Financial Statements for further discussion of the Registrants' credit facilities.

Intercompany (LG&E and KU)

	Committed Capacity	Borrowed	Commercial Paper Issued	Unused Capacity
LG&E Money Pool (a)	$ 750	$ —	$ 158	$ 592
KU Money Pool (a)	650	46	275	329

(a) LG&E and KU participate in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E, and LKE and/or LG&E make available to KU funds up to the difference between LG&E's and KU's FERC borrowing limit and LG&E's and KU's commercial paper issued, at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR.

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

Commercial Paper *(All Registrants)*

The Registrants, and PPL Capital Funding and RIE, maintain commercial paper programs to provide an additional financing source to fund short-term liquidity needs, as necessary. Commercial paper issuances, included in "Short-term debt" on the

Balance Sheets, are supported by the respective Registrant's credit facility, with PPL Capital Funding and RIE's issuances supported by PPL Capital Funding's syndicated credit facility. The following commercial paper programs were in place at June 30, 2025:

	Capacity (b)	Commercial Paper Issuances (c)	Unused Capacity
PPL Capital Funding (a)	$ 1,350	$ 470	$ 880
RIE (a)	250	—	250
PPL Electric	650	385	265
LG&E	500	158	342
KU	400	275	125
Total PPL	$ 3,150	$ 1,288	$ 1,862

(a) Issuances under the PPL Capital Funding and RIE commercial paper programs are supported by the PPL Capital Funding syndicated credit facility, which has a total capacity of $1.5 billion, currently with a $250 million borrowing sublimit for RIE and a $1.25 billion sublimit for PPL Capital Funding. PPL Capital Funding's Commercial paper program is also backed by a separate bilateral credit facility for $100 million.

(b) On July 14, 2025, the capacity of the commercial paper programs were increased to $1,600 million for PPL Capital Funding, $750 million for PPL Electric, $600 million for LG&E and $600 million for KU, bringing the capacity of each program into alignment with the increased capacity of the supporting syndicated credit facilities for each entity, as amended January 2025.

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

Long-term Debt *(All Registrants)*

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

(PPL)

Equity Security Activities

ATM Program

In February 2025, PPL entered into an equity distribution agreement, pursuant to which PPL may sell, from time to time, up to an aggregate of $2 billion of its common stock through an ATM Program, which may utilize an optional forward sales component. Each forward contract under the agreement must be settled within 24 months. The compensation paid to the selling agents by PPL may be up to 2% of the gross offering proceeds of the shares. During the six months ended June 30, 2025, PPL entered into forwards contracts to sell approximately 9.9 million shares of its common stock at a blended initial forward price of approximately $34.77 per share. The forward sale price may be adjusted based on changes in daily interest rates, for certain stock loan fees as determined by a third-party agent, and will be subject to predetermined reductions based on expected dividends. Each outstanding forward contract must be settled on or before December 30, 2025. PPL may elect, at its discretion, to physically settle, net share settle or net cash settle the forward contracts. At June 30, 2025, PPL could have settled the forward sale contracts with physical delivery of approximately 9.9 million shares of common stock for proceeds of approximately $344 million. The forward contracts under the ATM program are classified as equity transactions.

Common Stock Dividends

In May 2025, PPL declared a quarterly common stock dividend, payable July 1, 2025, of 27.25 cents per share. Future dividends, declared at the discretion of the Board of Directors, will depend upon future earnings, cash flows, financial and legal requirements and other factors.

Rating Agency Actions

(All Registrants)

Moody's and S&P periodically review the credit ratings of the debt of the Registrants and their subsidiaries. Based on their respective independent reviews, the rating agencies may make certain ratings revisions or ratings affirmations.

A credit rating reflects an assessment by the rating agency of the creditworthiness associated with an issuer and particular securities that it issues. The credit ratings of the Registrants and their subsidiaries are based on information provided by the Registrants and other sources. The ratings of Moody's and S&P are not a recommendation to buy, sell or hold any securities of the

Registrants or their subsidiaries. Such ratings may be subject to revisions or withdrawal by the agencies at any time and should be evaluated independently of each other and any other rating that may be assigned to the securities.

The credit ratings of the Registrants and their subsidiaries affect their liquidity, access to capital markets and cost of borrowing under their credit facilities. A downgrade in the Registrants' or their subsidiaries' credit ratings could result in higher borrowing costs and reduced access to capital markets. The Registrants and their subsidiaries have no credit rating triggers that would result in the reduction of access to capital markets or the acceleration of maturity dates of outstanding debt.

Since June 2023, the rating agencies have taken no ratings actions related to the Registrants and their subsidiaries.

Ratings Triggers

(PPL, LG&E and KU)

Various derivative and non-derivative contracts, including contracts for the sale and purchase of electricity and fuel, commodity transportation and storage, and interest rate instruments, contain provisions that require the posting of additional collateral or permit the counterparty to terminate the contract, if PPL's, LG&E's or KU's or their subsidiaries' credit rating, as applicable, were to fall below investment grade. See Note 14 to the Financial Statements for a discussion of "Credit Risk-Related Contingent Features," including a discussion of the potential additional collateral requirements for PPL for derivative contracts in a net liability position at June 30, 2025.

(All Registrants)

For additional information on the Registrants' liquidity and capital resources, see "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Registrants' 2024 Form 10-K.

Risk Management *(All Registrants)*

Market Risk

See Notes 13 and 14 to the Financial Statements for information about the Registrants' risk management objectives, valuation techniques and accounting designations.

The forward-looking information presented below provides estimates of what may occur in the future, assuming certain adverse market conditions and model assumptions. Actual future results may differ materially from those presented. These are not precise indicators of expected future losses, but are rather only indicators of possible losses under normal market conditions at a given confidence level.

Interest Rate Risk

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

The following interest rate hedges were outstanding at June 30, 2025.

	Exposure Hedged	Fair Value, Net - Asset (Liability) (a)	Effect of a 10% Adverse Movement in Rates (b)	Maturities Ranging Through
PPL and LG&E				
Cash flow hedges				
Interest rate derivatives	$ 85	$ 2	$ (3)	2026
Economic hedges				
Interest rate derivatives (c)	$ 64	$ (5)	$ (1)	2033

(a) Includes accrued interest, if applicable.
(b) Effects of adverse movements decrease assets or increase liabilities, as applicable, which could result in an asset becoming a liability. Sensitivities represent a 10% adverse movement in interest rates.
(c) Realized changes in the fair value of such economic hedges are recoverable through regulated rates and any subsequent changes in the fair value of these derivatives are included in regulatory assets or regulatory liabilities.

The Registrants are exposed to a potential increase in interest expense and to changes in the fair value of their debt portfolios. The estimated impact of a 10% adverse movement in interest rates on the fair value of debt at June 30, 2025 is shown below.

	10% Adverse Movement in Rates on Fair Value of Debt
PPL	$ 587
PPL Electric	253
LG&E	85
KU	126

Commodity Price Risk

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

- PPL Electric is required to purchase electricity to fulfill its obligation as a PLR. Potential commodity price risk is mitigated through its PAPUC-approved cost recovery mechanism and full-requirement supply agreements to serve its PLR customers which transfer the risk to energy suppliers.
- LG&E's and KU's rates include certain mechanisms for fuel, fuel-related expenses and energy purchases. In addition, LG&E's rates include a mechanism for natural gas supply costs. These mechanisms generally provide for timely recovery of market price fluctuations associated with these costs.
- RIE utilizes derivative instruments pursuant to its RIPUC-approved plan to manage commodity price risk associated with its natural gas purchases. RIE's commodity price risk management strategy is to reduce fluctuations in firm gas sales prices to its customers. RIE's costs associated with derivatives instruments are recoverable through its RIPUC-approved cost recovery mechanisms. RIE is also required to purchase electricity to fulfill its obligation to provide Last Resort Service (LRS). Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms and full requirements service agreements to serve LRS customers, which transfer the risk to energy suppliers. Additionally, RIE is required to contract through long-term agreements for clean energy supply under the Rhode Island Renewable Energy Growth program and Long-term Clean Energy Standard. Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms, which true-up cost differences between contract prices and market prices.

Volumetric Risk

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

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

Inflation and Supply Chain Related Risk

PPL and its subsidiaries continue to monitor the impact of inflation and supply chain disruptions. PPL and its subsidiaries monitor the cost of fuel, construction, regulatory and environmental compliance costs and other costs, including as a result of tariffs. Mechanisms are in place to mitigate the risk of inflationary effects and supply chain disruptions, to the extent possible, but increased costs and supply chain disruptions may directly or indirectly affect our ongoing operations. These mechanisms include pricing strategies, productivity improvements and cost reductions in order to ensure that the Registrants are able to procure the necessary materials and other resources needed to maintain services in a safe and reliable manner, and to invest in infrastructure consistent with the capital expenditure plan. For additional information see "Forward-looking Information" at the beginning of this report and “Item 1A. Risk Factors" of the Registrants' 2024 Form 10-K.

Credit Risk

See Notes 13 and 14 to the Financial Statements in this Form 10-Q and "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition - Risk Management - Credit Risk" in the Registrants' 2024 Form 10-K for additional information.

Related Party Transactions *(All Registrants)*

The Registrants are not aware of any material ownership interests or operating responsibility by senior management in outside partnerships, including leasing transactions with variable interest entities, or other entities doing business with the Registrants. See Note 11 to the Financial Statements for additional information on related party transactions for PPL Electric, LG&E and KU.

Acquisitions, Development and Divestitures *(All Registrants)*

The Registrants from time to time evaluate opportunities for potential acquisitions, divestitures and development projects. Development projects are reexamined based on market conditions and other factors to determine whether to proceed with, modify or terminate the projects. Any resulting transactions may impact future financial results. See Note 8 to the Financial Statements for additional information on acquisition, development, and divestiture activity.

Environmental Matters *(All Registrants)*

Extensive federal, state and local environmental laws and regulations are applicable to the Registrants' air emissions, water discharges and the management of hazardous and solid waste, as well as other aspects of the Registrants' businesses. The costs of compliance or alleged non-compliance cannot be predicted with certainty but could be significant. In addition, costs may increase significantly if the requirements or scope of environmental laws or regulations, or similar rules, are expanded or changed. Costs may take the form of increased capital expenditures or operating and maintenance expenses, monetary fines, penalties or other restrictions. Many of these environmental law considerations are also applicable to the operations of key suppliers, or customers, such as coal producers and industrial power users, and may impact the costs for their products or their demand for the Registrants' services. Increased capital and operating costs are expected to be subject to rate recovery. The Registrants can provide no assurances as to the ultimate outcome of future environmental or rate proceedings before regulatory authorities.

See "Environmental Matters" in Item 1. "Business" in the Registrants' 2024 Form 10-K for information about environmental laws and regulations affecting the Registrants' business. See "Financial Condition - Liquidity and Capital Resources - Forecasted Uses of Cash - Capital Expenditures" in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Registrants' 2024 Form 10-K for information on projected environmental capital expenditures for 2025 through 2027. See "Legal Matters" in Note 10 to the Financial Statements for a discussion of the more significant environmental claims. See Note 15 to the Financial Statements for information related to the impacts of CCRs on AROs.

The information below represents an update to “Item 1. Business – Environmental Matters” in the Registrants' 2024 Form 10-K.

(PPL, LG&E and KU)

EPA Deregulatory Initiative

On March 12, 2025, the EPA announced a plan to reconsider 31 environmental rules including the Section 111 performance standards and emissions limits for greenhouse gases, the endangerment finding for greenhouse gases, the Good Neighbor Plan, the Mercury and Air Toxics Standards, revisions to the fine particulate matter standard, the ELGs, and the CCRs Rule. Supplementing previous Executive Orders directing various regulatory changes, on April 9, 2025, President Trump issued an Executive Order and Presidential Memorandum directing review of existing rules, repeal of unlawful rules, and initiation of a zero-based budgeting process by which certain rules would automatically expire unless extended. While the administration may seek to implement some regulatory changes outside of the rulemaking process, changes to existing rules are generally expected to require formal rulemaking proceedings. Any final EPA actions repealing or revising current rules will likely result in legal challenges. PPL, LG&E, and KU are unable to predict future regulatory changes, if any, that may result from the EPA’s deregulatory plan or the outcome of any associated legal challenges. PPL, LG&E, and KU will closely monitor the ongoing EPA initiative and any related litigation for the impact to our business including planned capital expenditures to comply with the EPA rules.

Air

NAAQS

The Clean Air Act has a significant impact on the operation of fossil fuel generation plants. The Clean Air Act requires the EPA periodically to establish and review NAAQS for six pollutants including ozone (contributed to by nitrogen oxide emissions) and particulate matter, which are particularly relevant for fossil fuel generation plants. On February 2, 2024, the D.C. Circuit Court granted the EPA's motion for voluntary remand, without vacatur, of the ozone rule, which was under legal challenge. The EPA will complete a new review to incorporate new studies and updated analyses to determine the adequacy of the existing ozone standard. On March 6, 2024, the EPA finalized revisions to the particulate matter standard that lowers the primary standard for fine particulates. Several states and trade groups challenged the EPA's finalized revisions to the particulate matter standard in the D.C. Circuit Court. In March 2025, the EPA announced that it would reconsider the revised fine particulate standard. Nonattainment designations for counties in which LG&E and KU generation is located, including Jefferson County, Kentucky, could potentially require additional particulate matter and nitrogen oxide reductions from sources including LG&E's Mill Creek Station, and more stringent requirements for new generation. PPL, LG&E, and KU are unable to predict future implementation actions or the outcome of future evaluations by the EPA and the states with respect to the NAAQS standards.

In March 2021, the EPA released final revisions to the Cross-State Air Pollution Rule (CSAPR), aimed at ensuring compliance with the 2008 ozone NAAQS and providing for reductions in ozone season nitrogen oxide emissions for 2021 and subsequent years. In March 2023, the EPA released a final Federal Implementation Plan under the Good Neighbor provisions of the Clean Air Act providing for significant additional nitrogen oxide emission reductions for compliance with the revised 2015 ozone NAAQS. The reductions in Kentucky state-wide nitrogen oxide budgets were scheduled to commence in 2023, with the largest reductions planned for 2026. The rules provide for reduced availability of nitrogen oxide allowances that have historically permitted operational flexibility for fossil units and could potentially result in constraints that may require implementation of additional emission controls or accelerate implementation of lower emission generation technologies. In June 2024, the U.S. Supreme Court issued a stay of the Good Neighbor Plan while the D.C. Circuit Court considers legal challenges to the rule. On December 10, 2024, EPA published in the Federal Register a supplement to the record. On December 6, 2024, the U.S. Court of Appeals for the Sixth Circuit vacated and remanded the EPA's disapproval of Kentucky's state implementation plan for the ozone NAAQS. In March 2025, the EPA announced that it would reconsider the Good Neighbor Plan. PPL, LG&E, and KU are monitoring ongoing legal and regulatory developments.

PPL, LG&E, and KU are unable to predict the ultimate outcome of pending litigation or future emission reductions that may be required by future federal rules or state implementation actions. Compliance with the NAAQS, CSAPR, Good Neighbor Plan, and related requirements may require installation of additional pollution controls or other compliance actions, inclusive of retirements, the costs of which PPL, LG&E and KU believe would be subject to rate recovery.

Modification of Mercury and Air Toxics Standards

In 2012, the EPA issued the Mercury and Air Toxics Standards (MATS) rule requiring reductions in mercury and other hazardous air pollutants from fossil fuel-fired power plants. LG&E and KU installed significant controls to achieve compliance with MATS and other rules. On May 7, 2024, the EPA issued a final rule increasing the stringency of MATS and further reducing emissions of certain hazardous air pollutants to reflect perceived developments in control technologies. Legal challenges to the rule have been filed in the D.C. Circuit Court. PPL, LG&E, and KU have reviewed the final rule and do not expect significant operational changes or additional controls to be required. On June 17, 2025, the EPA proposed in the Federal Register to repeal the 2024 MATS revisions except for the Particulate Matter Continuous Emission Monitoring System testing criteria. The EPA intends to finalize the rule revisions by the end of the 2025 calendar year.

Greenhouse Gas Standards

On May 9, 2024, the EPA issued a final rule under Section 111 of the Clean Air Act, which establishes performance standards and emissions limits aimed at reducing GHG emissions from certain new, existing, and modified fossil fuel-fired electric generating units (EGUs). In the final rule, the EPA announced it would set performance standards for existing natural gas-fired turbines in a future rule. The standards require phased implementation of carbon mitigation technologies including state-of-the-art efficiency requirements, carbon capture and sequestration, and natural gas co-firing. New natural gas EGUs would be immediately subject to the stricter efficiency standard. Legal challenges to the rule have been filed in the D.C. Circuit Court. PPL, LG&E, and KU are unable to predict the impact of new GHG reduction requirements until completion of a comprehensive review and resolution of related legal and regulatory proceedings. While the impact of new GHG reduction requirements on operations and financial results of operations could potentially be substantial, the cost of complying with such requirements is expected to be subject to rate recovery. On June 17, 2025, the EPA proposed in the Federal Register two options for repeal of the 2024 standard. In the first proposal, the EPA would determine that EGU emissions of greenhouse gases do not pose an endangerment to the health and welfare of the public and repeal the 2024 and 2015 standards for EGUs. Under an alternate proposal, the EPA would repeal the 2024 standards for existing coal, natural-gas and oil-fired steam generating units along with most standards for new combustion turbines. On July 29, 2025, the EPA proposed revocation of the 2009 endangerment finding which provides the basis for regulating GHG emissions. This proposal would leave in place efficiency standards for new combustion turbines. The EPA intends to finalize the rule changes by the end of the 2025 calendar year.

New Accounting Guidance *(All Registrants)*

There has been no new accounting guidance adopted in 2025. See Note 17 to the Financial Statements for discussion of significant accounting guidance pending adoption as of June 30, 2025.

Application of Critical Accounting Policies *(All Registrants)*

Financial condition and results of operations are impacted by the methods, assumptions and estimates used in the application of critical accounting policies. The following table summarizes the accounting policies by Registrant that are particularly important to an understanding of the reported financial condition or results of operations and require management to make estimates or other judgments of matters that are inherently uncertain. See "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Registrants' 2024 Form 10-K for a discussion of each critical accounting policy.

	PPL	PPL Electric	LG&E	KU
Defined Benefits	X	X	X	X
Income Taxes	X	X	X	X
Regulatory Assets and Liabilities	X	X	X	X
Price Risk Management	X			
Goodwill Impairment	X		X	X
AROs			X	X
Revenue Recognition - Unbilled Revenue	X		X	X

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to "Risk Management" in "Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

The Registrants' principal executive officers and principal financial officers, based on their evaluation of the Registrants' disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) have concluded that, as of June 30, 2025, the Registrants' disclosure controls and procedures are effective to ensure that material information relating to the Registrants and their consolidated subsidiaries is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, particularly during the period for which this quarterly report has been prepared. The principal officers have concluded that the disclosure controls and procedures are also effective to ensure that information required to be disclosed in reports filed under the Exchange Act is accumulated and communicated to management, including the principal executive and principal financial officers, to allow for timely decisions regarding required disclosure.

(b) Change in internal controls over financial reporting.

The Registrants' principal executive officers and principal financial officers have concluded that there were no changes in the Registrants' internal controls over financial reporting during the Registrants' second fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Registrants' internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal, tax, regulatory, environmental or other administrative proceedings that became reportable events or were pending in the second quarter of 2025 see:

- "Item 3. Legal Proceedings" in each Registrant's 2024 Form 10-K; and
- Notes 5, 6, 8 and 10 to the Financial Statements.

Item 1A. Risk Factors

There have been no material changes in the Registrants' risk factors from those disclosed in "Item 1A. Risk Factors" of the Registrants' 2024 Form 10-K.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

On May 29, 2025, Mr. John R. Crockett III, President of LG&E and KU Energy LLC, adopted a trading arrangement for the sale of shares of PPL's common stock (a Rule 10b5-1 Trading Plan) that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934. Mr. Crockett's Rule 10b5-1 Trading Plan, which terminates on the earlier of (i) December 31, 2025 and (ii) the date all trades specified under the plan have been executed or all orders under the plan have expired, provides for the sale of up to 15,791 shares of common stock of PPL, plus dividends on such shares prior to sale, pursuant to the terms of the plan.

Item 6. Exhibits

The following Exhibits indicated by an asterisk preceding the Exhibit number are filed herewith. The balance of the Exhibits has heretofore been filed with the SEC and pursuant to Rule 12(b)-23 are incorporated herein by reference. Exhibits indicated by a [_] are filed or listed pursuant to Item 601(b)(10)(iii) of Regulation S-K.

Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, for the quarterly period ended June 30, 2025, filed by the following officers for the following companies:

*31(a)	- PPL Corporation's principal executive officer
*31(b)	- PPL Corporation's principal financial officer
*31(c)	- PPL Electric Utilities Corporation's principal executive officer
*31(d)	- PPL Electric Utilities Corporation's principal financial officer
*31(e)	- Louisville Gas and Electric Company's principal executive officer
*31(f)	- Louisville Gas and Electric Company's principal financial officer
*31(g)	- Kentucky Utilities Company's principal executive officer
*31(h)	- Kentucky Utilities Company's principal financial officer

Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, for the quarterly period ended June 30, 2025, furnished by the following officers for the following companies:

*32(a)	- PPL Corporation's principal executive officer and principal financial officer
*32(b)	- PPL Electric Utilities Corporation's principal executive officer and principal financial officer
*32(c)	- Louisville Gas and Electric Company's principal executive officer and principal financial officer
*32(d)	- Kentucky Utilities Company's principal executive officer and principal financial officer
101.INS	- XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	- XBRL Taxonomy Extension Schema
101.CAL	- XBRL Taxonomy Extension Calculation Linkbase
101.DEF	- XBRL Taxonomy Extension Definition Linkbase
101.LAB	- XBRL Taxonomy Extension Label Linkbase
101.PRE	- XBRL Taxonomy Extension Presentation Linkbase
104	- The Cover Page Interactive Data File is formatted as Inline XBRL and contained in Exhibits 101.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

PPL Corporation

(Registrant)

Date: July 31, 2025

/s/ Marlene C. Beers

Marlene C. Beers
Vice President and Controller

(Principal Accounting Officer)

PPL Electric Utilities Corporation

(Registrant)

Date: July 31, 2025

/s/ Marlene C. Beers

Marlene C. Beers
Vice President and Controller

(Principal Accounting and Financial Officer)

Louisville Gas and Electric Company

(Registrant)

Kentucky Utilities Company

(Registrant)

Date: July 31, 2025

/s/ Christopher M. Garrett

Christopher M. Garrett
Vice President-Finance and Accounting

(Principal Accounting and Financial Officer)

Exhibit 31(a)

CERTIFICATION

I, VINCENT SORGI, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2025

/s/ Vincent Sorgi

Vincent Sorgi
President and Chief Executive Officer
(Principal Executive Officer)
PPL Corporation

Exhibit 31(b)

CERTIFICATION

I, JOSEPH P. BERGSTEIN, JR., certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2025

/s/ Joseph P. Bergstein, Jr.

Joseph P. Bergstein, Jr.
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
PPL Corporation

Exhibit 31(c)

CERTIFICATION

I, CHRISTINE M. MARTIN, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2025

/s/ Christine M. Martin

Christine M. Martin
President
(Principal Executive Officer)
PPL Electric Utilities Corporation

Exhibit 31(d)

CERTIFICATION

I, MARLENE C. BEERS, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2025

/s/ Marlene C. Beers

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

Exhibit 31(e)

CERTIFICATION

I, JOHN R. CROCKETT III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2025

/s/ John R. Crockett III

John R. Crockett III
President
(Principal Executive Officer)
Louisville Gas and Electric Company

Exhibit 31(f)

CERTIFICATION

I, CHRISTOPHER M. GARRETT, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2025

/s/ Christopher M. Garrett

Christopher M. Garrett
Vice President-Finance and Accounting
(Principal Financial Officer)
Louisville Gas and Electric Company

Exhibit 31(g)

CERTIFICATION

I, JOHN R. CROCKETT III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kentucky Utilities Company (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2025

/s/ John R. Crockett III

John R. Crockett III
President
(Principal Executive Officer)
Kentucky Utilities Company

Exhibit 31(h)

CERTIFICATION

I, CHRISTOPHER M. GARRETT, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kentucky Utilities Company (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2025

/s/ Christopher M. Garrett

Christopher M. Garrett
Vice President-Finance and Accounting
(Principal Financial Officer)
Kentucky Utilities Company

Exhibit 32(a)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR PPL CORPORATION'S FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2025

In connection with the quarterly report on Form 10-Q of PPL Corporation (the "Company") for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, Vincent Sorgi, the Principal Executive Officer of the Company, and Joseph P. Bergstein, Jr., the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2025

/s/ Vincent Sorgi
Vincent Sorgi
President and Chief Executive Officer
(Principal Executive Officer)
PPL Corporation

/s/ Joseph P. Bergstein, Jr.
Joseph P. Bergstein, Jr.
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
PPL Corporation

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(b)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR PPL ELECTRIC UTILITIES CORPORATION'S FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2025

In connection with the quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "Company") for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, Christine M. Martin, the Principal Executive Officer of the Company, and Marlene C. Beers, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2025

/s/ Christine M. Martin
Christine M. Martin
President
(Principal Executive Officer)
PPL Electric Utilities Corporation

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

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(c)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR LOUISVILLE GAS AND ELECTRIC COMPANY'S FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2025

In connection with the quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "Company") for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, John R. Crockett III, the Principal Executive Officer of the Company, and Christopher M. Garrett, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2025

/s/ John R. Crockett III
John R. Crockett III
President
(Principal Executive Officer)
Louisville Gas and Electric Company

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

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(d)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR KENTUCKY UTILITIES COMPANY'S FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2025

In connection with the quarterly report on Form 10-Q of Kentucky Utilities Company (the "Company") for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, John R. Crockett III, the Principal Executive Officer of the Company, and Christopher M. Garrett, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2025

/s/ John R. Crockett III
John R. Crockett III
President
(Principal Executive Officer)
Kentucky Utilities Company

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

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended September 30, 2025

OR

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

Commission File Number	Registrant; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
1-11459	**PPL Corporation** (Exact name of Registrant as specified in its charter) Pennsylvania 645 Hamilton Street Allentown, PA 18101 (610) 774-5151	23-2758192
1-905	**PPL Electric Utilities Corporation** (Exact name of Registrant as specified in its charter) Pennsylvania 827 Hausman Road Allentown, PA 18104-9392 (610) 774-5151	23-0959590
1-2893	**Louisville Gas and Electric Company** (Exact name of Registrant as specified in its charter) Kentucky 820 West Broadway Louisville, KY 40202 (502) 627-2000	61-0264150
1-3464	**Kentucky Utilities Company** (Exact name of Registrant as specified in its charter) Kentucky and Virginia One Quality Street Lexington, KY 40507-1462 (502) 627-2000	61-0247570

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

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

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

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

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

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

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

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

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

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

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

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

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

PPL Corporation	Common stock, $0.01 par value, 739,739,177 shares outstanding at October 31, 2025.
PPL Electric Utilities Corporation	Common stock, no par value, 66,368,056 shares outstanding and all held by PPL Energy Holdings LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at October 31, 2025.
Louisville Gas and Electric Company	Common stock, no par value, 21,294,223 shares outstanding and all held by LG&E and KU Energy LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at October 31, 2025.
Kentucky Utilities Company	Common stock, no par value, 37,817,878 shares outstanding and all held by LG&E and KU Energy LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at October 31, 2025.

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

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

FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2025

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

Unless otherwise specified, references in this Form 10-Q, individually, to PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company are references to such entities directly or to one or more of their subsidiaries, as the case may be, the financial results of which subsidiaries are consolidated into such Registrants' financial statements in accordance with GAAP. This presentation has been applied where identification of particular subsidiaries is not material to the matter being disclosed, and to conform narrative disclosures to the presentation of financial information on a consolidated basis.

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GLOSSARY OF TERMS AND ABBREVIATIONS

PPL Corporation and its subsidiaries

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RIE - Rhode Island Energy, the name under which Narragansett Electric provides gas and electric services to customers in Rhode Island.

Other terms and abbreviations

£ - British pound sterling.

2024 Form 10-K - Annual Report to the SEC on Form 10-K for the year ended December 31, 2024.

Act 11 - Act 11 of 2012 that became effective on April 16, 2012. The Pennsylvania legislation authorized the PAPUC to approve two specific ratemaking mechanisms: the use of a fully projected future test year in base rate proceedings and, subject to certain conditions, a DSIC.

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

AOCI - accumulated other comprehensive income or loss.

ARO - asset retirement obligation.

ATM Program - at-the-market stock offering program.

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

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

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

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

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

DRIP - PPL Amended and Restated Dividend Reinvestment and Direct Stock Purchase Plan.

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

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

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

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

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

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

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

EPS - earnings per share.

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

FY - fiscal year.

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

GHG(s) - greenhouse gas(es).

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

IRA - Inflation Reduction Act, a U.S. federal law, which aims to curb inflation by possibly reducing the federal government budget deficit, lowering prescription drug prices, and investing in domestic energy production while promoting clean energy.

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

ISO - Independent System Operator.

ISR - Infrastructure, safety and reliability.

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

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

MW - megawatt, one thousand kilowatts.

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

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

NERC - North American Electric Reliability Corporation.

NGCC - Natural gas combined cycle.

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

OCI - other comprehensive income or loss.

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

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

PHMSA - Pipeline and Hazardous Materials Safety Administration.

PJM - PJM Interconnection, L.L.C., operator of the electricity transmission network and electricity energy market in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia.

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

PP&E - property, plant and equipment.

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

Registrant(s) - refers to the Registrants named on the cover of this Form 10-Q (each a "Registrant" and collectively, the "Registrants").

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

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

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

ROE - Return on equity.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Forward-looking Information

Statements contained in this Form 10-Q concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact are "forward-looking statements" within the meaning of the federal securities laws. Although the Registrants believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially from the results discussed in forward-looking statements. In addition to the specific factors discussed in each Registrant's 2024 Form 10-K and in "Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-Q, the following are among the important factors that could cause actual results to differ materially and adversely from the forward-looking statements:

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

- the effect of changing expectations and demands of our customers, regulators, investors and stakeholders, including differing views on environmental, social and governance concerns;
- the effect of any business or industry restructuring;
- the ability to control costs and avoid cost and schedule overruns during the development, construction and operation of significant projects, including generation and battery storage facilities and IT infrastructure;
- development of new projects, markets and technologies;
- performance of new ventures;
- collective labor bargaining negotiations and labor costs;
- risks related to wildfires, including costs of potential regulatory penalties and other liabilities, and the cost and availability of insurance and damages in excess of insurance liability coverage; and
- the outcome of litigation involving the Registrants and their subsidiaries.

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

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

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating Revenues	**$ 2,239**	$ 2,066	**$ 6,768**	$ 6,251
Operating Expenses				
Operation				
Fuel	**231**	207	**657**	597
Energy purchases	**422**	338	**1,369**	1,133
Other operation and maintenance	**586**	681	**1,798**	1,930
Depreciation	**331**	322	**977**	957
Taxes, other than income	**100**	90	**314**	271
Total Operating Expenses	**1,670**	1,638	**5,115**	4,888
Operating Income	**569**	428	**1,653**	1,363
Other Income (Expense) - net (Note 12)	**39**	32	**90**	86
Interest Expense	**210**	188	**599**	549
Income Before Income Taxes	**398**	272	**1,144**	900
Income Taxes	**80**	58	**229**	189
Net Income	**$ 318**	$ 214	**$ 915**	$ 711
Earnings Per Share of Common Stock:				
Net Income Available to PPL Common Shareowners:				
Basic	**$ 0.43**	$ 0.29	**$ 1.24**	$ 0.96
Diluted	**$ 0.43**	$ 0.29	**$ 1.23**	$ 0.96
Weighted-Average Shares of Common Stock Outstanding (in thousands)				
Basic	**739,525**	737,773	**739,167**	737,678
Diluted	**744,290**	739,965	**742,747**	739,450

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income	**$ 318**	$ 214	**$ 915**	$ 711
Other comprehensive income (loss):				
Amounts arising during the period - gains (losses), net of tax (expense) benefit:				
Qualifying derivatives, net of tax of $0, $0, $0, $0	**—**	—	**1**	—
Equity investees' other comprehensive income (loss), net of tax of $0, $0, $0, $0	**—**	—	**—**	1
Defined benefit plans:				
Net actuarial gain (loss), net of tax of $1, $1, $4, $0	**(3)**	(4)	**(11)**	(2)
Reclassifications from AOCI - (gains) losses, net of tax expense (benefit):				
Qualifying derivatives, net of tax of $0, $1, $0, $0	**1**	2	**2**	3
Defined benefit plans:				
Net actuarial (gain) loss, net of tax of $0, $0, $0, $1	**(1)**	(1)	**(1)**	(2)
Total other comprehensive income (loss)	**(3)**	(3)	**(9)**	—
Comprehensive income	**$ 315**	$ 211	**$ 906**	$ 711

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
PPL Corporation and Subsidiaries
(Unaudited)
(Millions of Dollars)

	Nine Months Ended September 30,	
	2025	**2024**
Cash Flows from Operating Activities		
Net income	**$ 915**	$ 711
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**977**	957
Amortization	**73**	61
Defined benefit plans - income	**(44)**	(52)
Deferred income taxes and investment tax credits	**177**	147
Other	**(3)**	13
Change in current assets and current liabilities		
Accounts receivable	**(72)**	259
Accounts payable	**(159)**	(236)
Unbilled revenues	**130**	109
Fuel, materials and supplies	**3**	(9)
Prepayments	**(9)**	(75)
Taxes payable	**29**	(8)
Regulatory assets and liabilities, net	**73**	(54)
Accrued interest	**80**	104
Other	**(31)**	(78)
Other operating activities		
Defined benefit plans - funding	**(9)**	(10)
Other assets	**(116)**	(66)
Other liabilities	**67**	56
Net cash provided by operating activities	**2,081**	1,829
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(2,868)**	(1,945)
Other investing activities	**8**	1
Net cash used in investing activities	**(2,860)**	(1,944)
Cash Flows from Financing Activities		
Issuance of long-term debt	**1,895**	1,894
Payment of common stock dividends	**(593)**	(557)
Net increase (decrease) in short-term debt	**292**	(992)
Other financing activities	**(35)**	(29)
Net cash provided by financing activities	**1,559**	316
Net Increase in Cash, Cash Equivalents and Restricted Cash	**780**	201
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	**339**	382
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 1,119**	$ 583
Supplemental Disclosures of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at September 30,	**$ 486**	$ 281

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

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

	September 30, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 1,102**	$ 306
Accounts receivable (less reserve: 2025, $133; 2024, $147)		
Customer	**1,002**	961
Other	**101**	76
Unbilled revenues (less reserve: 2025, $3; 2024, $6)	**355**	485
Fuel, materials and supplies	**517**	511
Prepayments	**145**	136
Regulatory assets	**312**	320
Other current assets	**98**	85
Total Current Assets	**3,632**	2,880
Property, Plant and Equipment		
Regulated utility plant	**41,776**	40,391
Less: accumulated depreciation - regulated utility plant	**10,182**	9,682
Regulated utility plant, net	**31,594**	30,709
Non-regulated property, plant and equipment	**81**	79
Less: accumulated depreciation - non-regulated property, plant and equipment	**35**	29
Non-regulated property, plant and equipment, net	**46**	50
Construction work in progress	**3,513**	2,390
Property, Plant and Equipment, net	**35,153**	33,149
Other Noncurrent Assets		
Regulatory assets	**2,058**	2,060
Goodwill	**2,247**	2,247
Other intangibles	**312**	314
Other noncurrent assets (less reserve for accounts receivable: 2025, $2; 2024, $1)	**537**	419
Total Other Noncurrent Assets	**5,154**	5,040
Total Assets	**$ 43,939**	$ 41,069

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

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

	September 30, 2025	December 31, 2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 595**	$ 303
Long-term debt due within one year	**1,455**	551
Accounts payable	**1,188**	1,196
Taxes	**132**	103
Interest	**237**	157
Dividends	**197**	186
Regulatory liabilities	**291**	223
Other current liabilities	**596**	614
Total Current Liabilities	**4,691**	3,333
Long-term Debt	**16,936**	15,952
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**3,575**	3,356
Investment tax credits	**109**	111
Accrued pension obligations	**284**	317
Asset retirement obligations	**141**	136
Regulatory liabilities	**3,322**	3,335
Other deferred credits and noncurrent liabilities	**468**	452
Total Deferred Credits and Other Noncurrent Liabilities	**7,899**	7,707
Commitments and Contingent Liabilities (Notes 6 and 10)		
Equity		
Common stock - $0.01 par value (a)	**8**	8
Additional paid-in capital	**12,356**	12,346
Treasury stock	**(901)**	(928)
Earnings reinvested	**3,143**	2,835
Accumulated other comprehensive loss	**(193)**	(184)
Total Equity	**14,413**	14,077
Total Liabilities and Equity	**$ 43,939**	$ 41,069

(a) 1,560,000 shares authorized, 770,798 shares issued and 739,545 shares outstanding at September 30, 2025. 1,560,000 shares authorized, 770,215 shares issued and 738,033 shares outstanding at December 31, 2024.

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

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

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Treasury stock	Earnings reinvested	Accumulated other comprehensive loss	Total
June 30, 2025	739,306	$ 8	$ 12,343	$ (902)	$ 3,027	$ (190)	$ 14,286
Common stock issued	197						—
Treasury stock issued	42		6	1			7
Stock-based compensation			7				7
Net income					318		318
Dividends and dividend equivalents (b)					(202)		(202)
Other comprehensive income (loss)						(3)	(3)
September 30, 2025	739,545	$ 8	$ 12,356	$ (901)	$ 3,143	$ (193)	$ 14,413
December 31, 2024	738,033	$ 8	$ 12,346	$ (928)	$ 2,835	$ (184)	$ 14,077
Common stock issued	583						—
Treasury stock issued	929		13	27			40
Stock-based compensation			(3)				(3)
Net income					915		915
Dividends and dividend equivalents (b)					(607)		(607)
Other comprehensive income (loss)						(9)	(9)
September 30, 2025	739,545	$ 8	$ 12,356	$ (901)	$ 3,143	$ (193)	$ 14,413
June 30, 2024	737,762	$ 8	$ 12,321	$ (930)	$ 2,826	$ (160)	$ 14,065
Common stock issued	2						—
Treasury stock issued	14			1			1
Stock-based compensation			7				7
Net income					214		214
Dividends and dividend equivalents (b)					(192)		(192)
Other comprehensive income (loss)						(3)	(3)
September 30, 2024	737,778	$ 8	$ 12,328	$ (929)	$ 2,848	$ (163)	$ 14,092
December 31, 2023	737,130	$ 8	$ 12,326	$ (948)	$ 2,710	$ (163)	$ 13,933
Common stock issued	2						—
Treasury stock issued	646			19			19
Stock-based compensation			2				2
Net income					711		711
Dividends and dividend equivalents (b)					(573)		(573)
September 30, 2024	737,778	$ 8	$ 12,328	$ (929)	$ 2,848	$ (163)	$ 14,092

(a) Shares in thousands. Each share entitles the holder to one vote on any question presented at any shareowners' meeting.
(b) Dividends declared per share of common stock were $0.2725 and $0.8175 for the three and nine months ended September 30, 2025 and $0.2575 and $0.7725 for the three and nine months ended September 30, 2024.

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating Revenues	**$ 786**	$ 716	**$ 2,298**	$ 2,159
Operating Expenses				
Operation				
Energy purchases	**224**	177	**622**	544
Other operation and maintenance	**160**	176	**481**	511
Depreciation	**105**	101	**307**	300
Taxes, other than income	**38**	32	**111**	98
Total Operating Expenses	**527**	486	**1,521**	1,453
Operating Income	**259**	230	**777**	706
Other Income (Expense) - net (Note 12)	**14**	13	**36**	33
Interest Income from Affiliate	**2**	7	**4**	27
Interest Expense	**67**	61	**189**	184
Income Before Income Taxes	**208**	189	**628**	582
Income Taxes	**49**	47	**146**	141
Net Income (a)	**$ 159**	$ 142	**$ 482**	$ 441

(a) Net income equals comprehensive income.

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

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

	Nine Months Ended September 30,	
	2025	**2024**
Cash Flows from Operating Activities		
Net income	**$ 482**	$ 441
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**307**	300
Amortization	**34**	35
Defined benefit plans - income	**(21)**	(30)
Deferred income taxes and investment tax credits	**63**	91
Other	**(20)**	(9)
Change in current assets and current liabilities		
Accounts receivable	**(108)**	67
Accounts payable	**(71)**	(63)
Unbilled revenues	**43**	50
Materials and supplies	**(24)**	(16)
Prepayments	**5**	(64)
Regulatory assets and liabilities, net	**57**	(77)
Taxes payable	**(1)**	(36)
Accrued interest	**23**	32
Other	**(2)**	(4)
Other operating activities		
Defined benefit plans - funding	**—**	(2)
Other assets	**(51)**	(24)
Other liabilities	**3**	(2)
Net cash provided by operating activities	**719**	689
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(1,082)**	(820)
Expenditures for intangible assets	**(7)**	(6)
Notes receivable from affiliates	**(287)**	(418)
Other investing activities	**14**	4
Net cash used in investing activities	**(1,362)**	(1,240)
Cash Flows from Financing Activities		
Issuance of long-term debt	**496**	649
Contributions from parent	**540**	685
Return of capital to parent	**(100)**	—
Payment of common stock dividends to parent	**(298)**	(283)
Net increase (decrease) in short-term debt	**—**	(509)
Debt issuance costs	**(6)**	(7)
Net cash provided by financing activities	**632**	535
Net Decrease in Cash, Cash Equivalents and Restricted Cash	**(11)**	(16)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	**24**	51
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 13**	$ 35
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at September 30,	**$ 237**	$ 168

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

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

	September 30, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 13**	$ 24
Accounts receivable (less reserve: 2025, $34; 2024, $37)		
Customer	**418**	353
Other	**45**	8
Accounts receivable from affiliates	**6**	10
Notes receivable from affiliate	**509**	222
Unbilled revenues (less reserve: 2025, $2; 2024, $3)	**116**	159
Materials and supplies	**132**	104
Prepayments	**69**	74
Regulatory assets	**90**	133
Other current assets	**40**	30
Total Current Assets	**1,438**	1,117
Property, Plant and Equipment		
Regulated utility plant	**17,100**	16,469
Less: accumulated depreciation - regulated utility plant	**4,106**	4,052
Regulated utility plant, net	**12,994**	12,417
Construction work in progress	**1,184**	898
Property, Plant and Equipment, net	**14,178**	13,315
Other Noncurrent Assets		
Regulatory assets	**703**	673
Intangibles	**277**	274
Other noncurrent assets (less reserve for accounts receivable: 2025, $2; 2024, $1)	**106**	96
Total Other Noncurrent Assets	**1,086**	1,043
Total Assets	**$ 16,702**	$ 15,475

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

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

	September 30, 2025	December 31, 2024
Liabilities and Equity		
Current Liabilities		
Accounts payable	**$ 529**	$ 565
Accounts payable to affiliates	**69**	44
Interest	**78**	55
Regulatory liabilities	**71**	57
Customer deposits	**63**	25
Other current liabilities	**62**	60
Total Current Liabilities	**872**	806
Long-term Debt	**5,707**	5,214
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**1,815**	1,726
Regulatory liabilities	**827**	839
Other deferred credits and noncurrent liabilities	**127**	160
Total Deferred Credits and Other Noncurrent Liabilities	**2,769**	2,725
Commitments and Contingent Liabilities (Notes 6 and 10)		
Equity		
Common stock - no par value (a)	**364**	364
Additional paid-in capital	**5,108**	4,668
Earnings reinvested	**1,882**	1,698
Total Equity	**7,354**	6,730
Total Liabilities and Equity	**$ 16,702**	$ 15,475

(a) 170,000 shares authorized; 66,368 shares issued and outstanding at September 30, 2025 and December 31, 2024.

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

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

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Earnings reinvested	Total
June 30, 2025	66,368	$ 364	$ 4,568	$ 1,814	$ 6,746
Net income				159	159
Capital contributions from parent			540		540
Dividends declared				(91)	(91)
September 30, 2025	66,368	$ 364	$ 5,108	$ 1,882	$ 7,354
December 31, 2024	66,368	$ 364	$ 4,668	$ 1,698	$ 6,730
Net income				482	482
Capital contributions from parent			540		540
Return of capital to parent			(100)		(100)
Dividends declared				(298)	(298)
September 30, 2025	66,368	$ 364	$ 5,108	$ 1,882	$ 7,354
June 30, 2024	66,368	$ 364	$ 4,720	$ 1,614	$ 6,698
Net income				142	142
Capital contributions from parent			5		5
Dividends declared				(99)	(99)
September 30, 2024	66,368	$ 364	$ 4,725	$ 1,657	$ 6,746
December 31, 2023	66,368	$ 364	$ 4,040	$ 1,499	$ 5,903
Net income				441	441
Capital contributions from parent			685		685
Dividends declared				(283)	(283)
September 30, 2024	66,368	$ 364	$ 4,725	$ 1,657	$ 6,746

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

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating Revenues				
Retail and wholesale	**$ 420**	$ 396	**$ 1,293**	$ 1,219
Electric revenue from affiliate	**7**	1	**17**	20
Total Operating Revenues	**427**	397	**1,310**	1,239
Operating Expenses				
Operation				
Fuel	**97**	75	**254**	228
Energy purchases	**17**	19	**128**	105
Energy purchases from affiliate	**6**	11	**18**	19
Other operation and maintenance	**91**	84	**271**	259
Depreciation	**77**	76	**228**	229
Taxes, other than income	**13**	13	**39**	38
Total Operating Expenses	**301**	278	**938**	878
Operating Income	**126**	119	**372**	361
Other Income (Expense) - net (Note 12)	**8**	3	**16**	9
Interest Income from Affiliate	**—**	1	**—**	1
Interest Expense	**30**	26	**83**	78
Income Before Income Taxes	**104**	97	**305**	293
Income Taxes	**21**	20	**61**	61
Net Income (a)	**$ 83**	$ 77	**$ 244**	$ 232

(a) Net income equals comprehensive income.

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

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

	Nine Months Ended September 30,	
	2025	**2024**
Cash Flows from Operating Activities		
Net income	**$ 244**	$ 232
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**228**	229
Amortization	**17**	10
Deferred income taxes and investment tax credits	**1**	3
Other	**(5)**	(3)
Change in current assets and current liabilities		
Accounts receivable	**16**	(13)
Accounts receivable from affiliates	**9**	—
Accounts payable	**18**	—
Accounts payable to affiliates	**6**	(3)
Unbilled revenues	**17**	21
Fuel, materials and supplies	**15**	(2)
Regulatory assets and liabilities, net	**(16)**	4
Accrued interest	**28**	22
Other	**(19)**	(21)
Other operating activities		
Expenditures for asset retirement obligations	**(8)**	(8)
Other assets	**(21)**	(12)
Other liabilities	**8**	(3)
Net cash provided by operating activities	**538**	456
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(561)**	(327)
Net cash used in investing activities	**(561)**	(327)
Cash Flows from Financing Activities		
Net increase (decrease) in notes payable to affiliates	**(43)**	34
Issuance of long-term debt	**700**	—
Net increase (decrease) in short-term debt	**(25)**	—
Payment of common stock dividends to parent	**(148)**	(138)
Contributions from parent	**101**	37
Return of capital to parent	**(55)**	(76)
Debt issuance costs	**(8)**	—
Net cash provided by (used in) financing activities	**522**	(143)
Net Increase (Decrease) in Cash and Cash Equivalents	**499**	(14)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**24**	44
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 523**	$ 30
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at September 30,	**$ 68**	$ 43

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

CONDENSED BALANCE SHEETS
Louisville Gas and Electric Company
(Unaudited)
(Millions of Dollars, shares in thousands)

	September 30, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 515**	$ 8
Accounts receivable (less reserve: 2025, $6; 2024, $3)		
Customer	**124**	134
Other	**28**	23
Unbilled revenues (less reserve: 2025, $0; 2024, $0)	**70**	87
Accounts receivable from affiliates	**31**	40
Fuel, materials and supplies	**142**	157
Prepayments	**12**	9
Regulatory assets	**24**	8
Other current assets	**9**	2
Total Current Assets	**955**	468
Property, Plant and Equipment		
Regulated utility plant	**7,950**	7,748
Less: accumulated depreciation - regulated utility plant	**1,805**	1,643
Regulated utility plant, net	**6,145**	6,105
Construction work in progress	**713**	443
Property, Plant and Equipment, net	**6,858**	6,548
Other Noncurrent Assets		
Regulatory assets	**485**	491
Goodwill	**389**	389
Other intangibles	**8**	12
Other noncurrent assets	**153**	84
Total Other Noncurrent Assets	**1,035**	976
Total Assets	**$ 8,848**	$ 7,992

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

CONDENSED BALANCE SHEETS
Louisville Gas and Electric Company
(Unaudited)
(Millions of Dollars, shares in thousands)

	September 30, 2025	December 31, 2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ —**	$ 25
Long-term debt due within one year	**390**	300
Notes payable to affiliates	**—**	43
Accounts payable	**189**	158
Accounts payable to affiliates	**70**	64
Customer deposits	**36**	36
Taxes	**41**	40
Regulatory liabilities	**14**	14
Interest	**49**	21
Asset retirement obligations	**4**	11
Other current liabilities	**46**	50
Total Current Liabilities	**839**	762
Long-term Debt	**2,775**	2,171
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**822**	803
Investment tax credits	**29**	30
Price risk management liabilities	**5**	3
Asset retirement obligations	**75**	73
Regulatory liabilities	**812**	815
Other deferred credits and noncurrent liabilities	**78**	64
Total Deferred Credits and Other Noncurrent Liabilities	**1,821**	1,788
Commitments and Contingent Liabilities (Notes 6 and 10)		
Stockholder's Equity		
Common stock - no par value (a)	**424**	424
Additional paid-in capital	**2,028**	1,982
Earnings reinvested	**961**	865
Total Equity	**3,413**	3,271
Total Liabilities and Equity	**$ 8,848**	$ 7,992

(a) 75,000 shares authorized; 21,294 shares issued and outstanding at September 30, 2025 and December 31, 2024.

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

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

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Earnings reinvested	Total
June 30, 2025	21,294	$ 424	$ 2,028	$ 915	$ 3,367
Net income				83	83
Dividends declared				(37)	(37)
September 30, 2025	21,294	$ 424	$ 2,028	$ 961	$ 3,413
December 31, 2024	21,294	$ 424	$ 1,982	$ 865	$ 3,271
Net income				244	244
Capital contributions from parent			101		101
Return of capital to parent			(55)		(55)
Dividends declared				(148)	(148)
September 30, 2025	21,294	$ 424	$ 2,028	$ 961	$ 3,413
June 30, 2024	21,294	$ 424	$ 1,979	$ 813	$ 3,216
Net income				77	77
Return of capital to parent			(25)		(25)
Dividends declared				(41)	(41)
September 30, 2024	21,294	$ 424	$ 1,954	$ 849	$ 3,227
December 31, 2023	21,294	$ 424	$ 1,993	$ 755	$ 3,172
Net income				232	232
Capital contributions from parent			37		37
Return of capital to parent			(76)		(76)
Dividends declared				(138)	(138)
September 30, 2024	21,294	$ 424	$ 1,954	$ 849	$ 3,227

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

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating Revenues				
Retail and wholesale	**$ 524**	$ 498	**$ 1,548**	$ 1,479
Electric revenue from affiliate	**6**	11	**18**	19
Total Operating Revenues	**530**	509	**1,566**	1,498
Operating Expenses				
Operation				
Fuel	**135**	131	**404**	369
Energy purchases	**6**	7	**20**	19
Energy purchases from affiliate	**7**	1	**17**	20
Other operation and maintenance	**101**	103	**303**	306
Depreciation	**102**	102	**305**	302
Taxes, other than income	**13**	12	**38**	36
Total Operating Expenses	**364**	356	**1,087**	1,052
Operating Income	**166**	153	**479**	446
Other Income (Expense) - net (Note 12)	**9**	4	**19**	10
Interest Expense	**38**	35	**108**	102
Interest Expense with Affiliate	**—**	—	**—**	1
Income Before Income Taxes	**137**	122	**390**	353
Income Taxes	**28**	24	**78**	70
Net Income (a)	**$ 109**	$ 98	**$ 312**	$ 283

(a) Net income equals comprehensive income.

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

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

	Nine Months Ended September 30,	
	2025	**2024**
Cash Flows from Operating Activities		
Net income	**$ 312**	$ 283
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**305**	302
Amortization	**13**	14
Defined benefit plans - income	**(2)**	(8)
Deferred income taxes and investment tax credits	**11**	(12)
Other	**(6)**	(2)
Change in current assets and current liabilities		
Accounts receivable	**3**	(25)
Accounts payable	**(4)**	(3)
Accounts payable to affiliates	**19**	7
Unbilled revenues	**12**	9
Fuel, materials and supplies	**(3)**	19
Regulatory assets and liabilities, net	**3**	27
Taxes payable	**3**	7
Accrued interest	**37**	31
Other	**(19)**	(8)
Other operating activities		
Expenditures for asset retirement obligations	**(7)**	(7)
Other assets	**(28)**	(6)
Other liabilities	**(2)**	(16)
Net cash provided by operating activities	**647**	612
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(681)**	(463)
Net cash used in investing activities	**(681)**	(463)
Cash Flows from Financing Activities		
Net increase (decrease) in notes payable to affiliates	**(73)**	128
Issuance of long-term debt	**700**	—
Net decrease in short-term debt	**(140)**	(93)
Payment of common stock dividends to parent	**(179)**	(167)
Contributions from parent	**91**	84
Return of capital to parent	**(37)**	(103)
Debt issuance costs	**(8)**	—
Net cash provided by (used in) financing activities	**354**	(151)
Net Increase (Decrease) in Cash and Cash Equivalents	**320**	(2)
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**29**	38
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 349**	$ 36
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at September 30,	**$ 84**	$ 54

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

CONDENSED BALANCE SHEETS
Kentucky Utilities Company
(Unaudited)
(Millions of Dollars, shares in thousands)

	September 30, 2025	December 31, 2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 341**	$ 13
Accounts receivable (less reserve: 2025, $3; 2024, $2)		
Customer	**155**	160
Other	**31**	22
Unbilled revenues (less reserve: 2025, $0; 2024, $0)	**90**	102
Fuel, materials and supplies	**177**	173
Prepayments	**14**	11
Other current assets	**19**	10
Total Current Assets	**827**	491
Property, Plant and Equipment		
Regulated utility plant	**10,614**	10,419
Less: accumulated depreciation - regulated utility plant	**2,873**	2,652
Regulated utility plant, net	**7,741**	7,767
Construction work in progress	**1,004**	567
Property, Plant and Equipment, net	**8,745**	8,334
Other Noncurrent Assets		
Regulatory assets	**458**	458
Goodwill	**607**	607
Other intangibles	**26**	28
Other noncurrent assets	**170**	155
Total Other Noncurrent Assets	**1,261**	1,248
Total Assets	**$ 10,833**	$ 10,073

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

CONDENSED BALANCE SHEETS
Kentucky Utilities Company
(Unaudited)
(Millions of Dollars, shares in thousands)

	September 30, 2025	December 31, 2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ —**	$ 140
Long-term debt due within one year	**414**	250
Notes payable to affiliates	**—**	73
Accounts payable	**108**	96
Accounts payable to affiliates	**118**	100
Customer deposits	**40**	39
Taxes	**40**	37
Regulatory liabilities	**24**	22
Interest	**61**	24
Asset retirement obligations	**4**	10
Other current liabilities	**53**	58
Total Current Liabilities	**862**	849
Long-term Debt	**3,346**	2,816
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**958**	924
Investment tax credits	**80**	81
Asset retirement obligations	**58**	54
Regulatory liabilities	**999**	1,009
Other deferred credits and noncurrent liabilities	**44**	41
Total Deferred Credits and Other Noncurrent Liabilities	**2,139**	2,109
Commitments and Contingent Liabilities (Notes 6 and 10)		
Stockholder's Equity		
Common stock - no par value (a)	**308**	308
Additional paid-in capital	**3,110**	3,056
Earnings reinvested	**1,068**	935
Total Equity	**4,486**	4,299
Total Liabilities and Equity	**$ 10,833**	$ 10,073

(a) 80,000 shares authorized; 37,818 shares issued and outstanding at September 30, 2025 and December 31, 2024.

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

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

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Earnings reinvested	Total
June 30, 2025	37,818	$ 308	$ 3,110	$ 1,010	$ 4,428
Net income				109	109
Dividends declared				(51)	(51)
September 30, 2025	37,818	$ 308	$ 3,110	$ 1,068	$ 4,486
December 31, 2024	37,818	$ 308	$ 3,056	$ 935	$ 4,299
Net income				312	312
Capital contributions from parent			91		91
Return of capital to parent			(37)		(37)
Dividends declared				(179)	(179)
September 30, 2025	37,818	$ 308	$ 3,110	$ 1,068	$ 4,486
June 30, 2024	37,818	$ 308	$ 3,067	$ 879	$ 4,254
Net income				98	98
Return of capital to parent			(53)		(53)
Dividends declared				(50)	(50)
September 30, 2024	37,818	$ 308	$ 3,014	$ 927	$ 4,249
December 31, 2023	37,818	$ 308	$ 3,033	$ 811	$ 4,152
Net income				283	283
Capital contributions from parent			84		84
Return of capital to parent			(103)		(103)
Dividends declared				(167)	(167)
September 30, 2024	37,818	$ 308	$ 3,014	$ 927	$ 4,249

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

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

Combined Notes to Condensed Financial Statements (Unaudited)

Index to Combined Notes to Condensed Financial Statements

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

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

1. Interim Financial Statements

(All Registrants)

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

The accompanying unaudited condensed financial statements have been prepared in accordance with GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X and, therefore, do not include all of the information and footnote disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation in accordance with GAAP are reflected in the condensed financial statements. All adjustments are of a normal recurring nature, except as otherwise disclosed. Each Registrant's Balance Sheet at December 31, 2024 is derived from that Registrant's 2024 audited Balance Sheet. The financial statements and notes thereto should be read in conjunction with the financial statements and notes contained in each Registrant's 2024 Form 10-K. The results of operations for the three and nine months ended September 30, 2025 are not necessarily indicative of the results to be expected for the full year ending December 31, 2025 or other future periods, because results for interim periods can be disproportionately influenced by various factors, developments and seasonal variations.

2. Segment and Related Information

(PPL)

PPL is organized into three segments, broken down by geographic location: Kentucky Regulated, Pennsylvania Regulated and Rhode Island Regulated.

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

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

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

"Corporate and Other" primarily consists of corporate level financing costs, certain unallocated costs and certain non-recoverable costs incurred in conjunction with the acquisition of RIE. "Corporate and Other" is presented to reconcile segment information to PPL's consolidated results and is not a reportable segment.

The table below provides information about PPL's segments and includes the reconciliation to consolidated net income for the three months ended September 30, 2025:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 944	$ 786	$ 509	$ 2,239
Reconciliation of revenue				
Corporate and Other revenues				—
Total consolidated revenues				$ 2,239
Less:				
Fuel	231	—	—	231
Energy purchases	23	224	173	420
Other operation and maintenance	201	160	196	557
Depreciation	180	105	45	330
Taxes, other than income	26	38	38	102
Other (income) expense - net	(17)	(14)	(2)	(33)
Interest (income) from affiliate	—	(2)	—	(2)
Interest expense	68	67	28	163
Income taxes	47	49	4	100
Segment net income	$ 185	$ 159	$ 27	$ 371
Reconciliation of segment profit or loss to consolidated net income				
Corporate and Other net loss				(53)
Net Income				$ 318

(a) See Note 3 for additional information on Operating Revenues.

The table below provides information about PPL's segments and includes the reconciliation to consolidated net income for the nine months ended September 30, 2025:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 2,841	$ 2,298	$ 1,629	$ 6,768
Reconciliation of revenue				
Corporate and Other revenues				—
Total consolidated revenues				$ 6,768
Less:				
Fuel	657	—	—	657
Energy purchases	149	622	598	1,369
Other operation and maintenance	601	481	610	1,692
Depreciation	535	307	131	973
Taxes, other than income	77	111	127	315
Other (income) expense - net	(35)	(36)	(5)	(76)
Interest (income) from affiliate	—	(4)	(3)	(7)
Interest expense	191	189	78	458
Income taxes	132	146	13	291
Segment net income	$ 534	$ 482	$ 80	$ 1,096
Reconciliation of segment profit or loss to consolidated net income				
Corporate and Other net loss				(181)
Net Income				$ 915

(a) See Note 3 for additional information on Operating Revenues.

Other information for the segments and reconciliation to PPL's Consolidated results for the nine months ended September 30, 2025 are as follows:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total Segments	Corporate and Other	Consolidated Total
Other Segment Disclosures						
Amortization (a)	$ 28	$ 34	$ 1	$ 63	$ 10	$ 73
Deferred income taxes and investment tax credits (b)	21	63	38	122	55	177
Expenditures for long lived assets	1,243	1,082	539	2,864	4	2,868

(a) Represents non-cash expense items that include amortization of operating lease right-of-use assets, regulatory assets and liabilities, debt discounts and premiums and debt issuance costs.
(b) Represents a non-cash expense item that is also included in "Income Taxes."

The table below provides information about PPL's segments and includes the reconciliation to consolidated net income for the three months ended September 30, 2024:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 895	$ 716	$ 455	$ 2,066
Reconciliation of revenue				
Corporate and Other revenues				—
Total consolidated revenues				$ 2,066
Less:				
Fuel	207	—	—	207
Energy purchases	25	177	135	337
Other operation and maintenance	196	176	211	583
Depreciation	178	101	42	321
Taxes, other than income	25	32	33	90
Other (income) expense - net	(8)	(13)	(7)	(28)
Interest (income) from affiliate	—	(7)	—	(7)
Interest expense	60	61	25	146
Income taxes	43	47	2	92
Segment net income	$ 169	$ 142	$ 14	$ 325
Reconciliation of segment profit or loss to consolidated net income				
Corporate and Other net loss				(111)
Net Income				$ 214

(a) See Note 3 for additional information on Operating Revenues.

The table below provides information about PPL's segments and includes the reconciliation to consolidated net income for the nine months ended September 30, 2024:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 2,698	$ 2,159	$ 1,393	$ 6,250
Reconciliation of revenue				
Corporate and Other revenues				1
Total consolidated revenues				$ 6,251
Less:				
Fuel	597	—	—	597
Energy purchases	124	544	464	1,132
Other operation and maintenance	593	511	547	1,651
Depreciation	531	300	123	954
Taxes, other than income	74	98	99	271
Other (income) expense - net	(20)	(33)	(20)	(73)
Interest (income) from affiliate	—	(27)	—	(27)
Interest expense	181	184	72	437
Income taxes	125	141	18	284
Segment net income	$ 493	$ 441	$ 90	$ 1,024
Reconciliation of segment profit or loss to consolidated net income				
Corporate and Other net loss				(313)
Net Income				$ 711

(a) See Note 3 for additional information on Operating Revenues.

Other information for the segments and reconciliation to PPL's Consolidated results for the nine months ended September 30, 2024 are as follows:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total Segments	Corporate and Other	Consolidated Total
Other Segment Disclosures						
Amortization (a)	$ 18	$ 35	$ 1	$ 54	$ 7	$ 61
Deferred income taxes and investment tax credits (b)	(1)	91	38	128	19	147
Expenditures for long lived assets	792	820	342	1,954	(9)	1,945

(a) Represents non-cash expense items that include amortization of operating lease right-of-use assets, regulatory assets and liabilities, debt discounts and premiums and debt issuance costs.
(b) Represents a non-cash expense item that is also included in "Income Taxes."

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

	September 30, 2025	December 31, 2024
Total Assets		
Kentucky Regulated	$ 19,234	$ 17,626
Pennsylvania Regulated	16,702	15,475
Rhode Island Regulated	7,247	7,055
Corporate and Other (a)	756	913
Total	$ 43,939	$ 41,069

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

(PPL Electric)

PPL Electric has two operating segments, distribution and transmission, which are aggregated into a single reportable segment.

The measure of segment assets is reported on PPL Electric's Balance Sheets as total consolidated assets. The measures of significant segment expenses are reported on PPL Electric's Statements of Income. The measures of significant non-cash segment expenses as well as expenditures for long lived assets are reported on PPL Electric's Statements of Cash Flows.

(LG&E and KU)

Each of LG&E and KU operates as a single operating and reportable segment.

The measures of segment assets are reported on the Balance Sheets of LG&E and KU as total assets. The measures of significant segment expenses are reported on the Statements of Income of LG&E and KU. The measures of significant non-cash segment expenses as well as expenditures for long lived assets are reported on the Statements of Cash Flows of LG&E and KU.

3. Revenue from Contracts with Customers

(All Registrants)

See Note 3 in the Registrants' 2024 Form 10-K for a discussion of the principal activities from which PPL Electric, LG&E and KU and PPL's Pennsylvania Regulated, Rhode Island Regulated, and Kentucky Regulated segments generate their revenues. The following tables reconcile "Operating Revenues" included in each Registrant's Statement of Income with revenues generated from contracts with customers for the periods ended September 30.

	2025 Three Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)(b)	$ 2,239	$ 786	$ 427	$ 530
Revenues derived from:				
Alternative revenue programs (c)	6	—	(2)	2
Other (d)	(8)	(4)	(1)	(1)
Revenues from Contracts with Customers	$ 2,237	$ 782	$ 424	$ 531

	2024 Three Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)(b)	$ 2,066	$ 716	$ 397	$ 509
Revenues derived from:				
Alternative revenue programs (c)	17	(3)	11	7
Other (d)	(6)	(4)	(1)	(1)
Revenues from Contracts with Customers	$ 2,077	$ 709	$ 407	$ 515

	2025 Nine Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)(b)	$ 6,768	$ 2,298	$ 1,310	$ 1,566
Revenues derived from:				
Alternative revenue programs (c)	75	9	(1)	3
Other (d)	(20)	(13)	(3)	(3)
Revenues from Contracts with Customers	$ 6,823	$ 2,294	$ 1,306	$ 1,566

	2024 Nine Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)(b)	$ 6,251	$ 2,159	$ 1,239	$ 1,498
Revenues derived from:				
Alternative revenue programs (c)	21	(14)	15	13
Other (d)	(18)	(12)	(3)	(3)
Revenues from Contracts with Customers	$ 6,254	$ 2,133	$ 1,251	$ 1,508

(a) PPL includes $509 million and $1,629 million for the three and nine months ended September 30, 2025 and $455 million and $1,393 million for the three and nine months ended September 30, 2024 of revenues from external customers reported by the Rhode Island Regulated segment. PPL Electric represents revenues from external customers reported by the Pennsylvania Regulated segment and LG&E and KU, net of intercompany power sales and transmission revenues, represent revenues from external customers reported by the Kentucky Regulated segment. See Note 2 for additional information.

(b) PPL's transition services agreement associated with the RIE acquisition ended in the third quarter of 2024. In conjunction with the completion of the agreement, PPL conformed the presentation of RIE's and the Rhode Island Regulated segment's net metering charges with the presentation of the other segments, resulting in an increase in Operating Revenues and a corresponding increase in Energy purchases beginning in the fourth quarter of 2024. For the three and nine months ended September 30, 2025, net metering of $34 million and $130 million was included in Energy purchases on PPL's Statement of Income. For the three and nine months ended September 30, 2024, $25 million and $110 million of net metering was presented as a reduction of Operating Revenues on PPL's Statement of Income.

(c) This line item shows the over/under collection of rate mechanisms deemed alternative revenue programs with over-collections of revenue shown as positive amounts in the table above and under-collections shown as negative amounts.

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

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

	Three Months							
	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
2025								
PA Regulated	$ 403	$ 119	$ 16	$ 15	$ —	$ —	$ 229	$ 782
KY Regulated	394	278	162	74	7	26	—	941
RI Regulated (c)	258	158	23	9	—	—	66	514
Total PPL	$ 1,055	$ 555	$ 201	$ 98	$ 7	$ 26	$ 295	$ 2,237
2024								
PA Regulated	$ 367	$ 111	$ 12	$ 15	$ —	$ —	$ 204	$ 709
KY Regulated	378	268	161	76	7	20	—	910
RI Regulated (c)	112	38	5	251	—	—	52	458
Total PPL	$ 857	$ 417	$ 178	$ 342	$ 7	$ 20	$ 256	$ 2,077
PPL Electric								
2025	$ 403	$ 119	$ 16	$ 15	$ —	$ —	$ 229	$ 782
2024	$ 367	$ 111	$ 12	$ 15	$ —	$ —	$ 204	$ 709
LG&E								
2025	$ 195	$ 137	$ 49	$ 29	$ —	$ 14	$ —	$ 424
2024	$ 190	$ 132	$ 48	$ 31	$ —	$ 6	$ —	$ 407
KU								
2025	$ 199	$ 141	$ 113	$ 46	$ 7	$ 25	$ —	$ 531
2024	$ 188	$ 136	$ 113	$ 45	$ 7	$ 26	$ —	$ 515

	Nine Months							
	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
2025								
PA Regulated	$ 1,205	$ 331	$ 42	$ 41	$ —	$ —	$ 675	$ 2,294
KY Regulated	1,209	805	474	241	19	88	—	2,836
RI Regulated (c)	913	516	61	37	—	—	166	1,693
Total PPL	$ 3,327	$ 1,652	$ 577	$ 319	$ 19	$ 88	$ 841	$ 6,823
2024								
PA Regulated	$ 1,125	$ 318	$ 34	$ 43	$ —	$ —	$ 613	$ 2,133
KY Regulated	1,147	780	479	248	18	48	—	2,720
RI Regulated (c)	480	182	17	593	—	—	128	1,400
Corp and Other	—	—	—	1	—	—	—	1
Total PPL	$ 2,752	$ 1,280	$ 530	$ 885	$ 18	$ 48	$ 741	$ 6,254
PPL Electric								
2025	$ 1,205	$ 331	$ 42	$ 41	$ —	$ —	$ 675	$ 2,294
2024	$ 1,125	$ 318	$ 34	$ 43	$ —	$ —	$ 613	$ 2,133
LG&E								
2025	$ 601	$ 406	$ 143	$ 111	$ —	$ 45	$ —	$ 1,306
2024	$ 571	$ 391	$ 141	$ 114	$ —	$ 34	$ —	$ 1,251
KU								
2025	$ 608	$ 399	$ 331	$ 131	$ 19	$ 78	$ —	$ 1,566
2024	$ 576	$ 389	$ 338	$ 134	$ 18	$ 53	$ —	$ 1,508

(a) Primarily includes revenues from pole attachments, street lighting, other public authorities and other non-core businesses, and for the Rhode Island Regulated Segment certain regulatory deferral mechanisms which could result in a reduction in revenues from over collections. For the periods ended September 30, 2024, the Rhode Island Regulated segment primarily includes open access tariff revenues, which are calculated on combined customer classes.

(b) Includes wholesale power and transmission revenues. LG&E and KU amounts include intercompany power sales and transmission revenues, which are eliminated upon consolidation at the Kentucky Regulated segment.

(c) PPL's transition services agreement associated with the RIE acquisition ended in the third quarter of 2024. In conjunction with the completion of the agreement, PPL disaggregated the 2024 revenues of the Rhode Island Regulated segment in a manner consistent with that of its other segments. This resulted in certain customer revenues for the Rhode Island Regulated segment, which were previously presented in the "Other" category, being presented in the "Residential", "Commercial" or "Industrial" customer classes beginning in the fourth quarter of 2024. Applying the previous methodology to 2025 revenues would result in $153 million of Residential, $122 million of Commercial and $23 million of Industrial for the three months ended September 30, 2025 and $421 million of Residential, $315 million of Commercial and $61 million of Industrial for the nine months ended September 30, 2025 for the Rhode Island Regulated segment being presented as "Other".

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

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

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

	Three Months		Nine Months	
	2025	2024	2025	2024
PPL (a)	$ 30	$ 28	$ 72	$ 72
PPL Electric (a)	11	13	20	37
LG&E	1	1	3	2
KU	2	2	4	3

(a) 2024 includes amounts impaired related to PPL Electric's billing issues. See Note 7 in PPL's 2024 Form 10-K for additional information.

Contract liabilities result from recording contractual billings in advance for customer attachments to the Registrants' infrastructure and payments received in excess of revenues earned to date. Advanced billings for customer attachments are generally recognized as revenue ratably over the quarterly billing period. Payments received in excess of revenues earned to date are recognized as revenue as services are delivered in subsequent periods. The Registrants' contract liabilities are not material at September 30, 2025 and 2024.

4. Earnings Per Share

(PPL)

Basic EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding during the applicable period. Diluted EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding, increased by the number of incremental shares that would be outstanding if potentially dilutive share-based payment awards were converted to common shares as calculated using the Two-Class Method or Treasury Stock Method. The If-Converted Method is applied to the Exchangeable Senior Notes due 2028 (Exchangeable Notes) issued in February 2023.

Incremental non-participating securities that have a dilutive impact are detailed in the table below. In 2025, these securities include forward sales of PPL common stock issued through an ATM Program and the number of shares needed to settle the conversion premium on the Exchangeable Notes. The forward sale agreements are dilutive under the Treasury Stock Method to the extent the average stock price of PPL's common shares exceeds the forward sale price prescribed in the agreements. See Note 7 for additional information on the ATM Program and Note 8 in PPL's Annual Report on Form 10-K for the year ended December 31, 2023 for additional information on the Exchangeable Notes.

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

	Three Months		Nine Months	
	2025	2024	2025	2024
Income (Numerator)				
Net income attributable to PPL	$ 318	$ 214	$ 915	$ 711
Less amounts allocated to participating securities	—	1	2	2
Net income available to PPL common shareowners - Basic and Diluted	$ 318	$ 213	$ 913	$ 709
Shares of Common Stock (Denominator)				
Weighted-average shares - Basic EPS	739,525	737,773	739,167	737,678
Add: Dilutive share-based payment awards (a)	2,840	2,192	2,684	1,772
Add: Forward sale agreements	263	—	95	—
Add: Exchangeable Notes	1,662	—	801	—
Weighted-average shares - Diluted EPS	744,290	739,965	742,747	739,450
Basic EPS				
Net Income available to PPL common shareowners	$ 0.43	$ 0.29	$ 1.24	$ 0.96
Diluted EPS				
Net Income available to PPL common shareowners	$ 0.43	$ 0.29	$ 1.23	$ 0.96

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

For the periods ended September 30, PPL issued common stock related to the DRIP as follows (in thousands):

	Three Months		Nine Months	
	2025	2024	2025	2024
DRIP	197	2	583	2

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

	Three Months		Nine Months	
	2025	2024	2025	2024
Stock-based compensation awards	53	—	142	—
Forward sale agreements	29,946	—	12,542	—

5. Income Taxes

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

(PPL)

	Three Months		Nine Months	
	2025	2024	2025	2024
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 84	$ 57	$ 240	$ 189
Increase (decrease) due to:				
State income taxes, net of federal income tax benefit	20	20	48	48
Income tax credits	(4)	(2)	(9)	(4)
Utility rate-making tax adjustments (a)	(6)	(4)	(20)	(14)
Amortization of excess deferred federal and state income taxes	(13)	(13)	(34)	(33)
Other	(1)	—	4	3
Total increase (decrease)	(4)	1	(11)	—
Total income tax expense (benefit)	$ 80	$ 58	$ 229	$ 189

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

(PPL Electric)

	Three Months		Nine Months	
	2025	2024	2025	2024
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 44	$ 40	$ 132	$ 122
Increase (decrease) due to:				
State income taxes, net of federal income tax benefit	13	13	40	39
Utility rate-making tax adjustments (a)	(5)	(2)	(17)	(12)
Amortization of excess deferred federal and state income taxes	(2)	(3)	(7)	(8)
Other	(1)	(1)	(2)	—
Total increase (decrease)	5	7	14	19
Total income tax expense (benefit)	$ 49	$ 47	$ 146	$ 141

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

(LG&E)

	Three Months		Nine Months	
	2025	2024	2025	2024
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 22	$ 20	$ 64	$ 62
Increase (decrease) due to:				
State income taxes, net of federal income tax benefit	4	4	12	11
Amortization of excess deferred federal and state income taxes	(3)	(3)	(10)	(9)
Utility rate-making tax adjustments (a)	(1)	(1)	(3)	(1)
Other	(1)	—	(2)	(2)
Total increase (decrease)	(1)	—	(3)	(1)
Total income tax expense (benefit)	$ 21	$ 20	$ 61	$ 61

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

(KU)

	Three Months		Nine Months	
	2025	2024	2025	2024
Federal income tax on Income Before Income Taxes at statutory tax rate - 21%	$ 29	$ 26	$ 82	$ 74
Increase (decrease) due to:				
State income taxes, net of federal income tax benefit	5	4	15	13
Amortization of excess deferred federal and state income taxes	(4)	(4)	(13)	(13)
Utility rate-making tax adjustments (a)	(1)	(1)	(3)	(1)
Other	(1)	(1)	(3)	(3)
Total increase (decrease)	(1)	(2)	(4)	(4)
Total income tax expense (benefit)	$ 28	$ 24	$ 78	$ 70

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

Other

One Big Beautiful Bill Act *(All Registrants)*

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act. The Registrants are continuing to review the law to assess any material impacts to the financial statements.

Additionally, on July 7, 2025, President Trump issued an Executive Order directing the Treasury to take action to strictly enforce the termination of clean electricity tax credits under IRC Sections 45Y and 48E for wind and solar. On August 15, 2025, the IRS issued Notice 2025-42, primarily tightening the rules regarding when a solar project is considered to have commenced construction. As of September 30, 2025, PPL is not expected to be significantly impacted by this or anticipated future guidance.

6. Utility Rate Regulation

(All Registrants)

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

	PPL		PPL Electric		LG&E		KU	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Current Regulatory Assets:								
Rate adjustment mechanisms	$ 100	$ 95	$ —	$ —	$ —	$ —	$ —	$ —
Renewable energy certificates	27	14	—	—	—	—	—	—
Storm damage expense rider	35	68	35	68	—	—	—	—
Gas supply clause	15	3	—	—	15	3	—	—
Transmission service charge	63	44	—	27	—	—	—	—
DSIC	9	8	9	8	—	—	—	—
TCJA customer refund and recovery	38	21	38	21	—	—	—	—
ISR deferral	7	22	—	—	—	—	—	—
Other	18	45	8	9	9	5	—	1
Total current regulatory assets	$ 312	$ 320	$ 90	$ 133	$ 24	$ 8	$ —	$ 1
Noncurrent Regulatory Assets:								
Defined benefit plans	$ 964	$ 967	$ 479	$ 473	$ 216	$ 226	$ 148	$ 149
Plant outage costs	24	30	—	—	5	7	19	23
Net metering	160	147	—	—	—	—	—	—
Environmental cost recovery	96	96	—	—	—	—	—	—
Storm costs	111	113	41	22	24	20	38	29
Unamortized loss on debt	19	20	3	3	8	9	6	6
Terminated interest rate swaps	48	53	—	—	28	31	20	22
Accumulated cost of removal of utility plant	168	173	168	173	—	—	—	—
AROs	272	280	—	—	76	75	196	205
RAR	78	83	—	—	78	83	—	—
Gas line inspections	24	24	—	—	22	22	2	2
Advanced metering infrastructure	37	28	—	—	19	14	18	14
Other	57	46	12	2	9	4	11	8
Total noncurrent regulatory assets	$ 2,058	$ 2,060	$ 703	$ 673	$ 485	$ 491	$ 458	$ 458

	PPL		PPL Electric		LG&E		KU	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Current Regulatory Liabilities:								
Generation supply charge	$ 45	$ 52	$ 45	$ 52	$ —	$ —	$ —	$ —
ECR	7	12	—	—	4	6	3	6
Transmission formula rate	30	1	9	—	—	—	—	—
Rate adjustment mechanisms	71	71	—	—	—	—	—	—
Energy efficiency	25	25	—	—	—	—	—	—
DSM	24	17	—	—	9	7	15	10
Revenue decoupling mechanism	40	10	—	—	—	—	—	—
Other	49	35	17	5	1	1	6	6
Total current regulatory liabilities	$ 291	$ 223	$ 71	$ 57	$ 14	$ 14	$ 24	$ 22
Noncurrent Regulatory Liabilities:								
Accumulated cost of removal of utility plant	$ 1,037	$ 1,022	$ —	$ —	$ 328	$ 314	$ 411	$ 408
Net deferred taxes	1,825	1,899	713	739	422	439	476	498
Defined benefit plans	310	294	114	100	24	24	67	65
Terminated interest rate swaps	52	54	—	—	26	27	26	27
Energy efficiency	29	16	—	—	—	—	—	—
Other	69	50	—	—	12	11	19	11
Total noncurrent regulatory liabilities	$ 3,322	$ 3,335	$ 827	$ 839	$ 812	$ 815	$ 999	$ 1,009

Regulatory Matters

Rhode Island Activities *(PPL)*

FY 2026 Gas ISR Plan

On December 31, 2024, RIE filed its FY 2026 Gas ISR Plan with the RIPUC with a budget that included $187 million of capital investment spend and up to $15 million of additional contingency plan spend in connection with the PHMSA's potential enactment of regulations during FY 2026 that, if enacted, would significantly alter RIE's leak detection and repair obligations under federal regulations. The plan also included proposed spending on curb-to-curb paving of $22 million. On March 28, 2025, the RIPUC approved a FY 2026 Gas ISR Plan of $165 million of which $147 million is for capital investment spend and $18 million is spend for paving costs as operations and maintenance (O&M), plus a potential additional $15 million is available if the above-mentioned regulations are implemented by the PHMSA. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

FY 2026 Electric ISR Plan

On December 23, 2024, RIE filed its FY 2026 Electric ISR Plan with the RIPUC with a budget that included $248 million of capital investment spend (including $88 million for Advanced Metering Functionality (AMF)), $14 million of vegetation operation and maintenance (O&M) spend and $1 million of Other O&M spend. On March 28, 2025, the RIPUC approved a FY 2026 Electric ISR Plan of $219 million for capital investment spend (including $88 million for AMF), $14 million for vegetation management O&M spend, and $1 million for Other O&M spend. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

Hold Harmless Implementation Agreement

As a condition to the Acquisition (as defined in Note 8 to the Financial Statements) of RIE in May 2022, PPL made a commitment to the Rhode Island Division of Public Utilities and Carriers to hold harmless Rhode Island customers from the impact of future rate increases resulting from changes in Accumulated Deferred Income Taxes as a result of the Acquisition (the Hold Harmless Commitment). On June 13, 2025, an agreement was entered into by and among RIE, PPL, PPL Rhode Island Holdings and the Rhode Island Division of Public Utilities and Carriers Advocacy Section to satisfy RIE's obligations under the Hold Harmless Commitment of approximately $155 million, and proposes to resolve that amount through bill credits issued to customers, with approximately $74 million to be issued throughout the first quarter of 2026 and approximately $81 million to be issued throughout the first quarter of 2027. The bill credits would be recorded as a reduction to revenue in the periods in which the credits are applied to customers' bills. On September 10, 2025, the Rhode Island Division of Public Utilities and Carriers approved the agreement. Also on September 10, 2025, the RIPUC opened a docket to evaluate RIE’s bill credit proposal, including the underlying rate accounting supporting the proposal, and required RIE to file a tariff advice with the RIPUC, which RIE filed on October 2, 2025. Discovery in this proceeding is ongoing and an evidentiary hearing is scheduled for November 18, 2025. PPL cannot predict the outcome of the RIPUC inquiry.

Kentucky Activities

(PPL, LG&E and KU)

Rate Case Proceedings

On May 30, 2025, LG&E and KU filed requests with the KPSC for an increase in annual electricity and gas revenues of approximately $391 million ($105 million and $226 million in electricity revenues at LG&E and KU and $60 million in gas revenues at LG&E) and approval of certain regulatory and accounting treatments. The revenue increases would be an increase of 8.3% and 11.5% in electricity revenues at LG&E and KU, and an increase of 14.0% in gas revenues at LG&E.

The applications are based on a forecasted test year of January 1, 2026 through December 31, 2026 and request an authorized ROE of 10.95%. Subject to KPSC approval, new rates are expected to become effective on January 1, 2026. Certain counterparties have intervened in the proceedings.

On October 20, 2025, LG&E and KU filed with the KPSC a stipulation and recommendation (the agreement) regarding a proposed resolution of issues with a majority of the intervenors in the proceedings.

Under the agreement, the parties propose that the KPSC should issue orders granting a revised aggregate increase in annual electricity and gas revenues of approximately $235 million, comprising increases of $58 million and $132 million in electricity revenues at LG&E and KU, respectively, and $45 million in gas revenues at LG&E. The agreement proposes a revised authorized ROE of 9.90%.

The agreement proposes a "stay out" commitment from LG&E and KU to refrain from effective base rate increases before August 1, 2028, subject to certain exceptions. In connection with the stay out period, the agreement also proposes the establishment of two new rate tracker mechanisms, a Generation Cost Recovery Adjustment Clause (GCR) and a Sharing Mechanism Adjustment Clause (SM).

The proposed GCR mechanism would provide LG&E and KU recovery and return on investment of covered costs (excluding fuel amounts, which LG&E and KU can recover via an existing rate mechanism) of relevant new generation and energy storage assets authorized in the 2022 and 2025 CPCN proceedings (excluding the Mill Creek Unit 6 NGCC in 2031, see "2025 CPCN" for more information regarding the Mill Creek Unit 6 NGCC) as they are placed in service.

The proposed SM mechanism would address any base rate revenue deficiency or surplus during the final thirteen months of the stay out period, July 2027 through July 2028, below or above a suggested ROE band of 9.40% to 10.15%. Any such base rate revenue deficiency or surplus would be collected from or returned to customers over a thirteen-month billing period beginning November 2028.

Following issuance of the 2025 CPCN Order, LG&E and KU filed supplemental testimony with the KPSC in the rate case proceedings seeking recovery of the Mill Creek Unit 2 stay open costs through a proposed additional rate adjustment clause mechanism.

The agreement further authorizes LG&E and KU to use regulatory deferral accounting for actual expenses above or below base rate levels for certain expenses including: pension and post-retirement benefits, storm restoration, vegetation management, transmission waivers and credits, and gas line or well activities, with recovery of such deferred asset or liability amounts to be addressed in future rate cases.

A KPSC hearing in the underlying proceedings commenced on November 3, 2025. The agreement, as well as matters raised by non-agreeing intervenors, are subject to KPSC review and action, including approval, denial or modification. LG&E and KU anticipate a ruling from the KPSC during the fourth quarter of 2025, although the KPSC has until March 31, 2026 to issue its final order. PPL, LG&E and KU cannot predict the outcome of these proceedings.

2025 CPCN

On February 28, 2025, LG&E and KU filed an application with the KPSC regarding certain future plans for new generation and generation-related construction matters. The proposals included in the application are intended to serve anticipated load growth, including from potential data center demand in LG&E's or KU's service territory. The proposals did not include retirements of coal or other fossil-fueled plants, which would require additional KPSC approval procedures under Kentucky legislation enacted in 2023 and 2024.

LG&E and KU submitted a joint application to the KPSC for approval of certain certificates of public convenience and necessity, site compatibility certificates, and accounting treatment, where applicable, relating to a number of generation-related plans or projects that generally are expected to become operational or established within the next six years. The aggregate projected capital expenditures associated with these proposals are currently expected to be $3.7 billion over the 2025 to 2031 period. The application includes proposals to build:

- a 645 MW NGCC generation unit at KU's E.W. Brown station (Brown Unit 12),
- a 645 MW NGCC generation unit at LG&E's Mill Creek station (Mill Creek Unit 6),
- a four-hour 400 MW (1,600 MWh total) battery energy storage system (BESS) at LG&E's Cane Run station, and
- a selective catalytic reduction (SCR) environmental facility at KU's Ghent station Unit 2 (Ghent Unit 2).

The new NGCC units are anticipated to be wholly owned by LG&E and the BESS unit jointly owned by LG&E (32%) and KU (68%), with actual project costs allocated consistent with LG&E's and KU's ultimate ownership shares and existing shared dispatch, cost allocation, tariff or other frameworks. The proposed Mill Creek Unit 6 NGCC is in addition to a new NGCC unit currently under construction at that location (Mill Creek Unit 5).

The filing also notes projected in service dates for the projects, including the Brown Unit 12 NGCC in 2030, the Mill Creek Unit 6 NGCC in 2031, the Cane Run BESS in 2028 and the Ghent Unit 2 SCR in 2028.

On July 29, 2025, LG&E and KU filed with the KPSC a stipulation and recommendation regarding a proposed resolution of issues with several of the intervenors in the CPCN proceeding (stipulation). The stipulation recommends to the KPSC the approval of the large majority of LG&E's and KU's requested generation-related projects and associated accounting matters, subject to certain changes. Under the stipulation, the parties agree the KPSC should issue an order granting a CPCN for the proposed: (a) Brown Unit 12 NGCC; (b) Mill Creek Unit 6 NGCC; and (c) Ghent Unit 2 SCR. In addition, the proposal to build the $775 million Cane Run BESS would be withdrawn without prejudice, the relevant costs regarding the proposed $1.4 billion Mill Creek Unit 6 NGCC would be recovered through a new rate tracker mechanism, and the retirement date for the existing Mill Creek Unit 2 coal plant would be extended from 2027 to the operational date of the proposed Mill Creek Unit 6 NGCC or afterwards, subject to relevant future economic analysis, regulatory or environmental authorizations. The stipulation also contains provisions relating to regulatory asset accounting, proposed data center tariffs, future renewable power requests-for-proposals and other matters. LG&E and KU would retain the right to seek approval of the potentially withdrawn Cane Run BESS or similar substitute project in future regulatory proceedings.

On October 28, 2025, the KPSC issued an order approving much of LG&E's and KU's July 2025 stipulation, with certain modifications. The order granted the requested CPCNs and site-related permits to construct the proposed Brown Unit 12 NGCC, Mill Creek Unit 6 NGCC, and Ghent Unit 2 SCR. The order authorized inclusion of relevant costs of the Ghent Unit 2 SCR in KU's existing environmental cost recovery rate mechanism. The order established a separate monitoring case to receive and consider information during the construction of Mill Creek Unit 6 NGCC.

The order approved requests regarding regulatory asset deferral accounting treatment for certain AFUDC related amounts and noted the KPSC's expectation that the stipulating parties would follow through with their commitments regarding tariffs and power supply contracts related to potential future data center or high load customers in LG&E's and KU's pending rate proceedings. The order also approved other elements of the stipulation or the originally-filed application, with minor modifications.

The KPSC decided not to approve LG&E's and KU's proposed new rate adjustment cost recovery mechanisms for certain costs associated with Mill Creek Unit 6 NGCC and costs associated with operating the Mill Creek Unit 2 coal plant beyond its original retirement date in 2027. However, the denials were without prejudice to resubmission and the KPSC encouraged the parties to provide additional evidence on such matters in separate proceedings. LG&E and KU are providing such evidence addressing recovery of the Mill Creek Unit 2 stay open costs in their pending rate case proceedings. Recovery of Mill Creek Unit 6 costs will be addressed in a future proceeding. The KPSC declined to rule on the matter related to the retirement date of Mill Creek Unit 2 coal plant.

In light of the conditional withdrawal in the stipulation, the order did not include a CPCN for the Cane Run BESS. LG&E and KU retain the right to seek approval of the Cane Run BESS project or similar substitute projects at any time in future regulatory proceedings.

The KPSC's order is subject to certain rights to request rehearing or appeal by LG&E and KU and all intervenors. LG&E and KU continue to evaluate the order and related matters and cannot predict the outcome should they or other parties decide to appeal or request a rehearing of these matters.

Kentucky January 2025 Storm

In January 2025, LG&E and KU experienced snow, ice, sleet and freezing rain in their service territories, resulting in substantial damage to certain of LG&E's and KU's assets. On January 31, 2025, LG&E and KU submitted a filing with the KPSC requesting regulatory asset treatment of the extraordinary operations and maintenance (O&M) expenses portion of the costs incurred related to the storm. On March 19, 2025, the KPSC issued an order authorizing LG&E and KU to establish, for accounting purposes only, regulatory assets based on the jurisdictional incremental costs of extraordinary O&M expense incurred by LG&E and KU as a result of the 2025 winter storm, with recovery amounts and amortization thereof to be determined in subsequent base rate proceedings. LG&E and KU cannot predict the outcome of these matters. As of September 30, 2025, LG&E and KU had recorded regulatory assets related to the storm of $2 million and $7 million.

Mill Creek Unit 1 and Unit 2 RAR Application (PPL and LG&E)

In 2023, the KPSC issued an order approving, among other items, the requested retirement of Mill Creek Units 1 and 2.

On October 4, 2024, LG&E submitted an application related to the retirement of Mill Creek Unit 1, which occurred on December 31, 2024, requesting recovery of associated costs under the RAR. LG&E expects these costs to be approximately $125 million and proposed to begin application of the RAR with bills issued in May 2025. On February 24, 2025, the KPSC issued an order approving LG&E's cost recovery for Mill Creek Unit 1 under the RAR and related amounts were included in bills beginning in May 2025.

LG&E anticipates the recovery of associated costs, including the remaining net book value, for Mill Creek Unit 2 through the RAR. The remaining net book value of Mill Creek Unit 2 was approximately $203 million at September 30, 2025 and LG&E is continuing to depreciate using the current approved rates through its retirement date. LG&E expects to reclassify the net book value remaining at retirement to a regulatory asset to be amortized over a period of ten years in accordance with the RAR. There can be no assurance that these costs will be recovered in the amounts or over the time periods that LG&E expects. See the "2025 CPCN" discussion above for information regarding potential changes in the retirement date of Mill Creek Unit 2.

Pennsylvania Activities

(PPL and PPL Electric)

Rate Case Proceedings

On September 30, 2025, PPL Electric filed a request with the PAPUC for an increase in distribution base rates of approximately $356 million, more than $50 million of which is already included in customer bills through rate recovery mechanisms, and approval of certain regulatory and accounting treatments. The proposed increase in distribution base rates would increase PPL Electric's total annual revenue by approximately 8.6%. The application is based on a fully projected future test year of July 1, 2026 through June 30, 2027 and requested an authorized ROE of 11.3%. Subject to PAPUC approval, new rates are expected to become effective on July 1, 2026. A ruling from the PAPUC is anticipated during the second quarter of 2026. PPL and PPL Electric cannot predict the outcome of the proceeding.

DSIC Petition

On April 26, 2024, PPL Electric filed a Petition with the PAPUC requesting that the PAPUC waive PPL Electric's DSIC cap of 5% of billed revenues and increase the maximum allowable DSIC to 9% for bills rendered on or after January 1, 2025. On February 28, 2025, the PAPUC issued its written order permitting PPL Electric to increase its DSIC cap from 5% to 7.5% for bills rendered on or after March 13, 2025 until the effective date of rates established in PPL Electric's next base rate case or the end of the PPL Electric's 2023-2027 Long-term Infrastructure Improvement Plan, whichever occurs first, at which time it will return to 5%.

Federal Matters

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

In 2018, LG&E and KU applied to the FERC requesting elimination of certain on-going waivers and credits to a sub-set of transmission customers relating to the 1998 merger of LG&E's and KU's parent entities and the 2006 withdrawal of LG&E and KU from the Midcontinent Independent System Operator, Inc. (MISO), a regional transmission operator and energy market. The application sought termination of LG&E's and KU's commitment to provide certain Kentucky municipalities mitigation for certain horizontal market power concerns arising out of the 1998 LG&E and KU merger and 2006 MISO withdrawal. The amounts at issue are generally waivers or credits granted to a limited number of Kentucky municipalities for either certain LG&E and KU or MISO transmission charges incurred for transmission service received. In 2019, the FERC granted LG&E's and KU's request to remove the ongoing credits, conditioned upon the implementation by LG&E and KU of a transition mechanism for certain existing power supply arrangements, which was subsequently filed, modified, and approved by the FERC in 2020 and 2021. In 2020, LG&E and KU and other parties filed appeals with the U.S. Court of Appeals - D.C. Circuit (D.C. Circuit Court of Appeals) regarding the FERC's orders on the elimination of the mitigation and required transition mechanism. In August 2022, the D.C. Circuit Court of Appeals issued an order remanding the proceedings back to the FERC. On May 18, 2023, the FERC issued an order on remand reversing its 2019 decision and requiring LG&E and KU to refund credits previously withheld, including under such transition mechanism. LG&E and KU filed a petition for review of the FERC's May 18, 2023 order with the D.C. Circuit Court of Appeals and provided refunds in accordance with the FERC order on December 1, 2023. The FERC issued an order on LG&E's and KU's compliance filing on November 16, 2023, and LG&E and KU filed a petition for review of this November 16, 2023 order on February 14, 2024. The FERC issued the substantive order on rehearing on March 21, 2024, reaffirming its prior decision. On August 8, 2025, the D.C. Circuit Court of Appeals issued a procedural ruling vacating the FERC's prior orders and remanded the matter back to the FERC for further proceedings. LG&E and KU cannot predict the ultimate outcome of the proceedings or any other post decision process but do not expect the annual impact to have a material effect on their operations or financial condition. LG&E and KU currently receive recovery of certain waivers and credits primarily through existing base rate levels. Additionally, LG&E's and KU's current Kentucky rate proceedings include requests regarding elements of regulatory liabilities or assets associated with potential future decreases or increases in the transmission waivers and credits that are the subject of these FERC proceedings.

Recovery of Transmission Costs (PPL)

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

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

Other

Purchase of Receivables Programs

(PPL and PPL Electric)

In accordance with RIPUC-approved and PAPUC-approved purchase of accounts receivable programs, RIE and PPL Electric purchase certain accounts receivable from alternative electricity suppliers at a discount, which reflects a provision for uncollectible accounts. The alternative electricity suppliers have no continuing involvement or interest in the purchased accounts receivable. Accounts receivable that are acquired are initially recorded at fair value on the date of acquisition.

During the three and nine months ended September 30, 2025, RIE purchased $90 million and $245 million of accounts receivable from alternative suppliers. During the three and nine months ended September 30, 2024, RIE purchased $80 million and $234 million of accounts receivable from alternative suppliers.

During the three and nine months ended September 30, 2025, PPL Electric purchased $439 million and $1.3 billion of accounts receivable from alternative suppliers. During the three and nine months ended September 30, 2024, PPL Electric purchased $404 million and $1.2 billion of accounts receivable from alternative suppliers.

7. Financing Activities

Credit Arrangements and Short-term Debt

(All Registrants)

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

		September 30, 2025				December 31, 2024	
	Expiration Date	Capacity	Borrowed	Letters of Credit and Commercial Paper Issued (c)	Unused Capacity	Borrowed	Letters of Credit and Commercial Paper Issued (c)
PPL							
PPL Capital Funding (a)							
Syndicated Credit Facility (b)	Dec. 2029	$ 1,500	$ —	$ 596	$ 904	$ —	$ 138
Bilateral Credit Facility	Feb. 2026	100	—	—	100	—	—
Bilateral Credit Facility	Feb. 2026	100	—	28	72	—	15
Total PPL Capital Funding Credit Facilities		$ 1,700	$ —	$ 624	$ 1,076	$ —	$ 153
PPL Electric							
Syndicated Credit Facility	Dec. 2029	$ 750	$ —	$ 1	$ 749	$ —	$ 1
Total PPL Electric Credit Facilities		$ 750	$ —	$ 1	$ 749	$ —	$ 1
LG&E							
Syndicated Credit Facility	Dec. 2029	$ 600	$ —	$ —	$ 600	$ —	$ 25
Total LG&E Credit Facilities		$ 600	$ —	$ —	$ 600	$ —	$ 25
KU							
Syndicated Credit Facility	Dec. 2029	$ 600	$ —	$ —	$ 600	$ —	$ 140
Total KU Credit Facilities		$ 600	$ —	$ —	$ 600	$ —	$ 140

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

(b) In January 2025, PPL Capital Funding increased the borrowing capacity of this facility from $1.25 billion to $1.50 billion. At September 30, 2025, the facility included a $250 million borrowing sublimit for RIE and a $1.25 billion sublimit for PPL Capital Funding. At December 31, 2024, the facility included a $250 million borrowing sublimit for RIE and a $1 billion borrowing sublimit for PPL Capital Funding. RIE's borrowing sublimit is adjustable, at the borrowers' option, from $0 to $600 million, with the remaining balance available under the facility allocated to PPL Capital Funding. At September 30, 2025, PPL Capital Funding had $445 million of commercial paper outstanding and RIE had $151 million of commercial paper outstanding. At December 31, 2024, PPL Capital Funding had $138 million of commercial paper outstanding and RIE had no commercial paper outstanding. RIE's obligations under the facility are not guaranteed by PPL.
(c) Commercial paper issued reflects the undiscounted face value of the issuance.

(PPL)

In January 2025, PPL Capital Funding amended its existing $1.25 billion syndicated credit facility to extend the termination date from December 6, 2028 to December 6, 2029 and to increase the borrowing capacity under the facility to $1.50 billion.

(PPL and PPL Electric)

In January 2025, PPL Electric amended its existing $650 million syndicated credit facility to extend the termination date from December 6, 2028 to December 6, 2029 and to increase the borrowing capacity under the facility to $750 million.

(PPL and LG&E)

In January 2025, LG&E amended its existing $500 million syndicated credit facility to extend the termination date from December 6, 2028 to December 6, 2029 and to increase the borrowing capacity under the facility to $600 million.

(PPL and KU)

In January 2025, KU amended its existing $400 million syndicated credit facility to extend the termination date from December 6, 2028 to December 6, 2029 and to increase the borrowing capacity under the facility to $600 million.

(All Registrants)

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

	September 30, 2025				December 31, 2024	
	Weighted - Average Interest Rate	Capacity	Commercial Paper Issuances (c)	Unused Capacity	Weighted - Average Interest Rate	Commercial Paper Issuances (d)
PPL Capital Funding (a)(b)	4.29%	$ 1,600	$ 445	$ 1,155	4.76%	$ 138
RIE (b)	4.24%	400	151	249		—
PPL Electric		750	—	750		—
LG&E		600	—	600	4.72%	25
KU		600	—	600	4.71%	140
Total		$ 3,950	$ 596	$ 3,354		$ 303

(a) PPL Capital Funding's obligations are fully and unconditionally guaranteed by PPL.
(b) Issuances under the PPL Capital Funding and RIE commercial paper programs are supported by the PPL Capital Funding syndicated credit facility. At September 30, 2025, the borrowing sublimits were $250 million for RIE and $1.25 billion for PPL Capital Funding. At December 31, 2024, the borrowing sublimits were $250 million for RIE and $1 billion for PPL Capital Funding. PPL Capital Funding's commercial paper program is also backed by a separate bilateral credit facility for $100 million.
(c) Commercial paper issued reflects the undiscounted face value of the issuance.

(PPL Electric, LG&E, and KU)

See Note 11 for discussion of intercompany borrowings.

Long-term Debt

(PPL and PPL Electric)

In August 2025, PPL Electric issued $500 million of 5.55% First Mortgage Bonds due 2055. PPL Electric received proceeds of $491 million, net of discounts and underwriting fees, to be used to repay short-term debt and for other general corporate purposes.

(PPL and LG&E)

In August 2025, LG&E issued $700 million of 5.85% First Mortgage Bonds due 2055. LG&E received proceeds of $694 million, net of discounts and underwriting fees, to be used to repay short-term debt, including the current portion of certain long-term debt, and for other general corporate purposes.

(PPL and KU)

In August 2025, KU issued $700 million of 5.85% First Mortgage Bonds due 2055. KU received proceeds of $694 million, net of discounts and underwriting fees, to be used to repay short-term debt, including the current portion of certain long-term debt, and for other general corporate purposes.

(PPL)

Equity Securities

ATM Program

In February 2025, PPL entered into an equity distribution agreement, pursuant to which PPL may sell, from time to time, up to an aggregate of $2 billion of its common stock through an ATM Program, which may utilize an optional forward sales component. Each forward contract under the agreement must be settled within 24 months. The compensation paid to the selling agents by PPL may be up to 2% of the gross offering proceeds of the shares. During the nine months ended September 30, 2025, PPL entered into forward contracts to sell approximately 38.7 million shares of its common stock at a blended initial forward price of approximately $35.50 per share. The forward sale price may be adjusted based on changes in daily interest rates, for certain stock loan fees as determined by a third-party agent, and will be subject to predetermined reductions based on expected dividends. Each outstanding forward contract must be settled on or before dates ranging from December 30, 2025 to August 11, 2027. PPL may elect, at its discretion, to physically settle, net share settle or net cash settle the forward contracts. At September 30, 2025, PPL could have settled the forward sale contracts with physical delivery of approximately 38.7 million shares of common stock for proceeds of approximately $1.4 billion. The forward contracts under the ATM program are classified as equity transactions.

Dividends

In August 2025, PPL declared a quarterly cash dividend on its common stock, payable October 1, 2025, of 27.25 cents per share (equivalent to $1.09 per annum).

8. Acquisitions, Developments and Divestitures

Acquisitions *(PPL)*

Acquisition of Narragansett Electric

On May 25, 2022, PPL Rhode Island Holdings acquired 100% of the outstanding shares of common stock of Narragansett Electric from National Grid USA, a subsidiary of National Grid plc (the Acquisition). Following the closing of the Acquisition, Narragansett Electric provides services doing business under the name Rhode Island Energy (RIE). Please see Note 9 to the Financial Statements in PPL's 2024 Form 10-K for additional information concerning the Acquisition.

In connection with the Acquisition, National Grid USA Service Company, Inc., National Grid USA and Narragansett Electric entered into a transition services agreement (TSA), pursuant to which the National Grid entities agreed to provide certain transition services to Narragansett Electric to facilitate the transition of the operation of Narragansett Electric to PPL following the Acquisition, as agreed upon in the Narragansett share purchase agreement. The TSA was for an initial two-year term and was completed in the third quarter of 2024. TSA costs were $32 million and $129 million during the three and nine months ended September 30, 2024.

As a condition to the Acquisition, PPL made certain commitments to the Rhode Island Division of Public Utilities and Carriers and the Attorney General of the State of Rhode Island. See Note 9 to the Financial Statements in PPL's 2024 Form 10-K for a complete listing of those commitments. The following represents an update to the remaining commitments:

- RIE will hold harmless Rhode Island customers from any changes to Accumulated Deferred Income Taxes (ADIT) as a result of the Acquisition. RIE reserves the right to seek rate adjustments based on future changes to ADIT that are not related to the Acquisition. See Note 6 to the Financial Statements for additional details on RIE's obligation to hold harmless Rhode Island customers.
- RIE will forgo potential recovery of any and all transition costs, which includes (1) the installation of certain information technology systems; (2) modification and enhancements to physical facilities in Rhode Island; and (3) costs related to severance payments, communications and branding changes, and other transition related costs. These costs, which are being expensed as incurred, were $18 million and $52 million for the three and nine months ended September 30, 2025 and $85 million and $250 million for the three and nine months ended September 30, 2024.

9. Defined Benefits

(PPL)

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

	Pension Benefits			
	Three Months		Nine Months	
	2025	2024	2025	2024
PPL				
Service cost	$ 8	$ 9	$ 23	$ 26
Interest cost	46	45	138	137
Expected return on plan assets	(72)	(74)	(215)	(224)
Amortization of:				
Prior service cost	—	1	—	2
Actuarial loss	4	3	13	8
Net periodic defined benefit costs (credits)	$ (14)	$ (16)	$ (41)	$ (51)

	Other Postretirement Benefits			
	Three Months		Nine Months	
	2025	2024	2025	2024
PPL				
Service cost	$ 2	$ 2	$ 5	$ 5
Interest cost	8	8	23	22
Expected return on plan assets	(7)	(8)	(22)	(23)
Amortization of:				
Prior service cost	—	—	1	1
Actuarial loss	(1)	(1)	(3)	(4)
Net periodic defined benefit costs (credits)	$ 2	$ 1	$ 4	$ 1

(All Registrants)

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

10. Commitments and Contingencies

Legal Matters

(All Registrants)

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

Narragansett Electric Litigation *(PPL)*

Energy Efficiency Programs Investigation

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

On February 21, 2025, the Division filed testimony confirming its initial testimony that $12 million is the appropriate amount to be refunded to the energy efficiency program. On March 4, 2025, a Settlement Agreement between RIE, the Division, and the Rhode Island Attorney General was filed with the RIPUC requiring refunds of $10 million. Of this amount, $2 million has already been refunded through the energy efficiency mechanism with the remaining $8 million to reduce the storm cost regulatory asset recorded on PPL's balance sheet. The settlement also included reimbursement of minor consulting fees and various other compliance actions. On March 5, 2025, the RIPUC approved the Settlement Agreement.

E.W. Brown Environmental Assessment *(PPL and KU)*

KU is undertaking extensive remedial measures at the E.W. Brown plant including closure of the former ash pond, implementation of a groundwater remedial action plan and performance of a corrective action plan including aquatic study of adjacent surface waters and risk assessment. The aquatic study and risk assessment are being undertaken pursuant to a 2017 Agreed Order with the Kentucky Energy and Environment Cabinet (KEEC). KU conducted sampling of Herrington Lake in 2017 and 2018. In June 2019, KU submitted to the KEEC the required aquatic study and risk assessment, conducted by an independent third-party consultant, finding that discharges from the E.W. Brown plant have not had any significant impact on Herrington Lake and that the water in the lake is safe for recreational use and meets safe drinking water standards. On May 31, 2021, the KEEC approved the report and released a response to public comments. On August 6, 2021, KU submitted a *Supplemental Remedial Alternatives Analysis* report to the KEEC that outlines proposed additional fish, water, and sediment testing. On February 18, 2022, the KEEC provided approval to KU to proceed with the proposed sampling, which commenced in the spring of 2022. On November 17, 2022, KU submitted a *Supplemental Performance Monitoring Report* to the KEEC finding that there are no significant unaddressed risks to human health or the environment at the plant. KU revised the *Supplemental Performance Monitoring Report* on June 8, 2023, in response to KEEC comments from April 24, 2023. On September 1, 2023, the KEEC requested KU to propose additional monitoring or remedial measures. KU submitted a revised *Supplemental Performance Monitoring and Corrective Action Completion* on December 28, 2023. In August 2024, KU submitted a proposed environmental covenant to the KEEC specifying certain site restrictions. Discussions between KU and the KEEC are ongoing, but KU cannot predict the outcome of this matter.

(PPL, LG&E and KU)

EPA Deregulatory Initiative

On March 12, 2025, the EPA announced a plan to reconsider 31 environmental rules including the Section 111 performance standards and emissions limits for greenhouse gases, the endangerment finding for greenhouse gases, the Good Neighbor Plan, the Mercury and Air Toxics Standards, revisions to the fine particulate matter standard, the ELGs, and the CCRs Rule. Supplementing previous Executive Orders directing various regulatory changes, on April 9, 2025, President Trump issued an Executive Order and Presidential Memorandum directing review of existing rules, repeal of unlawful rules, and initiation of a zero-based budgeting process by which certain rules would automatically expire unless extended. While the administration may seek to implement some regulatory changes outside of the rulemaking process, changes to existing rules are generally expected to require formal rulemaking proceedings. Any final EPA actions repealing or revising current rules will likely result in legal challenges. PPL, LG&E, and KU are unable to predict future regulatory changes, if any, that may result from the EPA's deregulatory plan or the outcome of any associated legal challenges. PPL, LG&E, and KU are closely monitoring the ongoing EPA initiative and any related litigation for the impact to our business including planned capital expenditures to comply with the EPA rules.

Water/Waste

ELGs

In 2015, the EPA finalized ELGs for wastewater discharge permits for new and existing steam electricity generating facilities. These guidelines require deployment of additional control technologies providing physical, chemical and biological treatment and mandate operational changes including "zero discharge" requirements for certain wastewaters. The implementation date for individual generating stations was to be determined by the states on a case-by-case basis according to criteria provided by the EPA. In September 2017, the EPA issued a rule to postpone the compliance date for certain requirements. In October 2020, the EPA issued revisions to its best available technology standards for certain wastewaters and potential extensions to compliance dates (the Reconsideration Rule). On May 9, 2024, the EPA issued a final rule modifying the 2020 ELG revisions. The rule increases the stringency of previous control technology and zero discharge requirements, revises certain exemptions for generating units planned for retirement, and requires case-by-case limitations for legacy wastewaters based on the best professional judgment of the state regulators. Legal challenges to the final rule have been consolidated before the U.S. Court of Appeals for the Eighth Circuit. The final rule could potentially result in significant operational changes and additional controls for LG&E and KU plants, but in March 2025 the EPA announced its plan to reconsider the rule. The ELGs are expected to be implemented by the states or applicable permitting authorities in the course of their normal permitting activities. Certain costs are included in the Registrants' capital plans and expected to be recovered from customers through rate recovery mechanisms, but additional costs and recovery will depend on further regulatory developments at the state level. On October 2, 2025, the EPA issued a direct final rule extending the retirement exemption category application deadline an additional six years, from December 2025 to December 2031. Also, in a separate action, the EPA proposed several changes to the 2024 ELG. Key to the planning for electric generating units is a five-year extension to the zero liquid discharge deadlines, from December 2029 to December 2034.

CCRs

In 2015, the EPA issued a final rule governing management of CCRs, which include fly ash, bottom ash and sulfur dioxide scrubber wastes (2015 CCR Rule). The 2015 CCR Rule imposed extensive new requirements for certain CCR impoundments and landfills, including public notifications, location restrictions, design and operating standards, groundwater monitoring and corrective action requirements, and closure and post-closure care requirements, and specifies restrictions relating to the beneficial use of CCRs. In January 2022, the EPA issued several proposed regulatory determinations, facility notifications, and public announcements which indicate increased scrutiny by the EPA to determine the adequacy of measures taken by facility owners and operators to achieve closure of CCR surface impoundments and landfills. In particular, the agency indicated that it will focus on certain practices which it views as posing a threat of continuing groundwater contamination. On May 8, 2024, the EPA issued a final rule (2024 CCR Rule) establishing regulatory requirements for inactive surface impoundments at inactive electricity generation facilities (legacy impoundments). The 2024 CCR Rule also establishes identification, groundwater monitoring, corrective action, closure, and post-closure care requirements for all CCR management units, as defined in the rule, at regulated CCR facilities regardless of how or when the CCR was placed. The rule also requires LG&E and KU to complete applicability determinations, implement site security measures, initiate weekly inspections and monthly monitoring of the impoundment, create a website, and complete hazard assessments and reports for its legacy impoundments. Additionally, the rule could potentially subject CCR management units that have previously completed remedial action and closure and certain beneficial use projects to additional federal regulatory requirements. Legal challenges to the rule have been filed in the D.C. Circuit Court. In March 2025, the EPA announced its plan to update the rule. On July 22, 2025, the EPA published a proposed rule to extend the deadline for select CCR management units for the Facility Evaluation Report Part 1 and Part 2 by one year to February 2027 and February 2028, respectively. The proposed rule would also extend the groundwater monitoring deadline to August 8, 2030, with the initial groundwater monitoring report extended to January 31, 2031.

In connection with the 2015 CCR Rule, LG&E and KU recorded adjustments to existing AROs beginning in 2015. In connection with the 2024 CCR Rule, in the second quarter of 2024, LG&E and KU recognized ARO obligations related to preliminary risk assessments, facility evaluations, feasibility studies and sampling. See Note 15 for additional information. The results of those evaluations, as well as future guidance, regulatory determinations, rulemakings, implementation determinations and other developments could potentially require revisions to current LG&E and KU compliance plans including additional monitoring and remediation at surface impoundments and landfills, the cost of which could be material. PPL, LG&E and KU are unable to predict the outcome of the ongoing litigation, rulemaking, and regulatory determinations or potential impacts on current LG&E and KU compliance plans. PPL, LG&E and KU are currently finalizing or revising closure plans and schedules in accordance with applicable regulations and further material changes to AROs, current capital plans or operating costs may be required as estimates are refined based on closure developments, groundwater monitoring results, and regulatory or legal proceedings. Costs relating to this rule are expected to be subject to rate recovery.

LG&E and KU received KPSC approval for a compliance plan associated with the 2015 CCR Rule providing for the closure of impoundments at the Mill Creek, Trimble County, E.W. Brown, and Ghent stations, and construction of process water management facilities at those plants. In addition to the foregoing measures required for compliance with the federal CCR Rule, KU also received KPSC approval for its plans to close impoundments at the retired Green River, Pineville and Tyrone plants to comply with applicable state law. LG&E and KU have completed planned closure measures at most of the subject impoundments and have commenced post closure groundwater monitoring as required at those facilities. LG&E and KU generally expect to complete all impoundment closures within five years of commencement, although a longer period may be required to complete closure of some facilities. Associated costs are expected to be subject to rate recovery.

Superfund and Other Remediation

(All Registrants)

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

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

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

(PPL and PPL Electric)

PPL Electric is a potentially responsible party for a share of clean-up costs at certain sites. Cleanup actions have been or are being undertaken at these sites as requested by governmental agencies, the costs of which have not been and are not expected to be significant to PPL Electric. As of September 30, 2025 and December 31, 2024, PPL Electric had a recorded liability of $8 million, representing its best estimate of the probable loss incurred to remediate these sites.

(PPL)

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

As of September 30, 2025 and December 31, 2024, RIE had a recorded liability of $98 million, representing its best estimate of the remaining costs of RIE's environmental remediation activities. These undiscounted costs are expected to be incurred over approximately 30 years and generally to be subject to rate recovery. However, remediation costs for each site may be materially higher than estimated, depending on changing technologies and regulatory standards, selected end uses for each site, and actual environmental conditions encountered. RIE has recovered amounts from certain insurers and potentially responsible parties, and, where appropriate, may seek additional recovery from other insurers and potentially responsible parties, but it is uncertain whether, and to what extent, such efforts will be successful.

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

Regulatory Issues

(*All Registrants)*

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

Electricity - Reliability Standards

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

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

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

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

Gas - Security Directives *(PPL and LG&E)*

In May and July of 2021, the Department of Homeland Security's (DHS) Transportation Security Administration released two security directives applicable to certain notified owners and operators of natural gas pipeline facilities (including local distribution companies) that the Transportation Security Administration has determined to be critical. The Transportation Security Administration has determined that LG&E is within the scope of the directive, while RIE has not been notified of this distinction. The first security directive required notified owners/operators to implement cybersecurity incident reporting to the DHS, designate a cybersecurity coordinator, and perform a gap assessment of current entity cybersecurity practices against certain voluntary Transportation Security Administration security guidelines and report relevant results and proposed mitigation to applicable DHS agencies. The second security directive, revised in July of 2024, requires refinement of the cybersecurity implementation plan and the cybersecurity assessment plan. LG&E does not believe the security directives have had or will have a significant impact on LG&E's operations or financial condition.

Other

Guarantees and Other Assurances

(All Registrants)

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

(PPL)

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

(All Registrants)

The table below details guarantees provided as of September 30, 2025. "Exposure" represents the estimated maximum potential amount of future payments that could be required to be made under the guarantee. The Registrants believe the probability of expected payment/performance under each of these guarantees is remote, except for the guarantees and indemnifications related to the sale of Safari Holdings, which PPL believes are reasonably possible of occurring. For reporting purposes, on a consolidated basis, the guarantees of PPL include the guarantees of its subsidiary Registrants.

	Exposure at September 30, 2025		Expiration Date
PPL			
Indemnifications related to certain tax liabilities related to the sale of the U.K. utility business	£ 50	(a)	2028
PPL guarantees related to certain sale/leaseback financing transactions related to the sale of Safari Holdings	$ 81	(b)	2028
Indemnifications for losses suffered related to items not covered by Aspen Power's representation and warranty insurance associated with the sale of Safari Holdings	140	(c)	2028
LG&E and KU			
LG&E and KU obligation of shortfall related to OVEC		(d)	

(a) PPL WPD Limited entered into a Tax Deed dated June 9, 2021, in which it agreed to a tax indemnity regarding certain potential tax liabilities of the entities sold with respect to periods prior to the completion of the sale, subject to customary exclusions and limitations. Because National Grid Holdings One plc, the buyer, agreed to purchase indemnity insurance, the amount of the cap on the indemnity for these liabilities is £1, except with respect to certain surrenders of tax losses, for which the amount of the cap on the indemnity is £50 million. In June 2025, the indemnifications were novated to PPL Energy Holdings.

(b) PPL guaranteed the payment obligations of Safari under certain sale/leaseback financing transactions executed by Safari. These guarantees will remain in place until Safari exercises its option to buy-out the projects under the sale/leaseback financings by the year 2028. Safari will indemnify PPL for any payments made by PPL or claims against PPL under the sale/leaseback transaction guarantees up to $25 million.

Separately, PPL has agreed to fund incremental payment obligations under the buy-outs resulting from increases in the fair market value of the projects from the initial fair market value determined at the time of PPL's sale of Safari Holdings to the time the buy-out options are exercised by Safari. As of September 30, 2025, PPL cannot reasonably estimate its payment obligations related to the remaining buy-out options.

(c) Aspen Power has obtained representation and warranty insurance, therefore, PPL generally has no liability for its representations and warranties under the agreement except for losses suffered related to items not covered. Expiration of these indemnifications range from 18 months to 6 years from the date of the closing of the transaction, and PPL's aggregate liability for these claims will not exceed $140 million, subject to certain adjustments.

(d) Pursuant to the OVEC power purchase contract, LG&E and KU are obligated to pay for their share of OVEC's excess debt service, post-retirement, and decommissioning costs, as well as any shortfall from amounts included within a demand charge designed and expected to cover these costs over the term of the contract. PPL's proportionate share of OVEC's outstanding debt was $73 million at September 30, 2025, consisting of LG&E's share of $50 million and KU's share of $23 million. The maximum exposure and the expiration date of these potential obligations are not presently determinable. See "Energy Purchase Commitments" in Note 12 in PPL's, LG&E's and KU's 2024 Form 10-K for additional information on the OVEC power purchase contract.

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

PPL, on behalf of itself and certain of its subsidiaries, maintains insurance that covers liability assumed under contract for bodily injury and property damage. The insurance provides maximum aggregate coverage of $231 million for non-wildfire liability losses and maximum aggregate coverage of $181 million for wildfire liability losses. This insurance may be applicable to obligations under certain of these contractual arrangements.

11. Related Party Transactions

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

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

	Three Months		Nine Months	
	2025	2024	2025	2024
PPL Electric from PPL Services	$ 64	$ 53	$ 196	$ 159
LG&E from LKS	28	25	76	82
LG&E from PPL Services	49	15	112	46
KU from LKS	38	31	98	99
KU from PPL Services	48	15	109	45

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

Intercompany Borrowings

(PPL Electric)

CEP Reserves maintains an $800 million revolving line of credit with a PPL Electric subsidiary. At September 30, 2025, CEP Reserves had borrowings outstanding of $509 million. At December 31, 2024, CEP Reserves had borrowings outstanding of $222 million. The interest rates on borrowings are equal to an adjusted one-month SOFR plus a spread. Interest income is reflected in "Interest Income from Affiliate" on the PPL Electric Income Statements.

(LG&E and KU)

LG&E participates in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E funds up to the difference between LG&E's FERC borrowing limit and LG&E's commercial paper issued at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR. At September 30, 2025, LG&E's money pool unused capacity was $750 million. At September 30, 2025, LG&E had no borrowings outstanding from KU and/or LKE. At December 31, 2024, LG&E had borrowings outstanding of $43 million from KU and/or LKE. These balances are reflected in "Notes payable to affiliates" on the LG&E Balance Sheets.

KU participates in an intercompany money pool agreement whereby LKE and/or LG&E make available to KU funds up to the difference between KU's FERC borrowing limit and KU's commercial paper issued at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR. At September 30, 2025, KU's money pool unused capacity was $650 million. At September 30, 2025, KU had no borrowings outstanding from LG&E and/or LKE. At December 31, 2024, KU had borrowings outstanding of $73 million from LG&E and/or LKE. These balances are reflected in "Notes payable to affiliates" on the KU Balance Sheets.

VEBA Funds Receivable *(PPL Electric)*

In 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to a new subaccount within the VEBA, to be used to pay medical claims of active bargaining unit employees. In 2024, additional excess funds were removed from the PPL Bargaining Unit Retiree Health Plan VEBA and deposited into the existing subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. Based on PPL Electric's participation in PPL's Other Postretirement Benefit plan, PPL Electric was allocated a portion of the excess funds from PPL Services. These funds have been recorded as an intercompany receivable on PPL Electric's Balance Sheets. The receivable balance decreases as PPL Electric pays incurred medical claims and is reimbursed by PPL Services. There was no intercompany receivable balance associated with these funds at September 30, 2025. The intercompany receivable balance associated with these funds was $7 million at December 31, 2024, of which $4 million was reflected in "Accounts receivable from affiliates" and $3 million was reflected in "Other noncurrent assets" on PPL Electric's Balance Sheets.

12. Other Income (Expense) - net

(PPL)

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

	Three Months		Nine Months	
	2025	2024	2025	2024
Defined benefit plans - non-service credits (Note 9)	$ 8	$ 9	$ 23	$ 32
Interest income	6	10	13	25
AFUDC - equity component	23	13	58	33
Miscellaneous	2	—	(4)	(4)
Other Income (Expense) - net	$ 39	$ 32	$ 90	$ 86

(PPL Electric)

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

	Three Months		Nine Months	
	2025	2024	2025	2024
Defined benefit plans - non-service credits (Note 9)	$ 4	$ 4	$ 11	$ 13
Interest income	3	3	6	5
AFUDC - equity component	8	6	23	17
Miscellaneous	(1)	—	(4)	(2)
Other Income (Expense) - net	$ 14	$ 13	$ 36	$ 33

(LG&E)

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

	Three Months		Nine Months	
	2025	2024	2025	2024
Defined benefit plans - non-service credits (Note 9)	$ —	$ —	$ 1	$ 3
AFUDC - equity component	4	2	11	5
Miscellaneous	4	1	4	1
Other Income (Expense) - net	$ 8	$ 3	$ 16	$ 9

(KU)

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

	Three Months		Nine Months	
	2025	2024	2025	2024
Defined benefit plans - non-service credits (Note 9)	$ 1	$ 2	$ 4	$ 6
AFUDC - equity component	6	3	14	6
Miscellaneous	2	(1)	1	(2)
Other Income (Expense) - net	$ 9	$ 4	$ 19	$ 10

13. Fair Value Measurements

(All Registrants)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). A market approach (generally, data from market transactions), an income approach (generally, present value techniques and option pricing models) and/or a cost approach (generally, replacement cost) are used to measure the fair value of an asset or liability, as appropriate. These valuation approaches incorporate inputs such as observable, independent market data and/or unobservable data that management believes are predicated on the assumptions market participants would use to price an asset or liability. These inputs may incorporate, as applicable, certain risks such as nonperformance risk, which includes credit risk. The fair value of a group of financial assets and liabilities is measured on a net basis. See Note 1 in each Registrant's 2024 Form 10-K for information on the levels in the fair value hierarchy.

Recurring Fair Value Measurements

The assets and liabilities measured at fair value were:

	September 30, 2025				December 31, 2024			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
PPL								
Assets								
Cash and cash equivalents	$ 1,102	$ 1,102	$ —	$ —	$ 306	$ 306	$ —	$ —
Restricted cash and cash equivalents (a)	17	17	—	—	33	33	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	1,119	1,119	—	—	339	339	—	—
Special use funds (a):								
Money market fund	2	2	—	—	1	1	—	—
Commingled debt fund measured at NAV (c)	6	—	—	—	10	—	—	—
Commingled equity fund measured at NAV (c)	5	—	—	—	8	—	—	—
Total special use funds	13	2	—	—	19	1	—	—
Price risk management assets (d):								
Gas contracts	4	—	4	—	9	—	4	5
Total assets	$ 1,136	$ 1,121	$ 4	$ —	$ 367	$ 340	$ 4	$ 5
Liabilities								
Price risk management liabilities (d):								
Interest rate derivatives	$ 5	$ —	$ 5	$ —	$ 3	$ —	$ 3	$ —
Gas contracts	11	—	7	4	13	—	10	3
Total price risk management liabilities	$ 16	$ —	$ 12	$ 4	$ 16	$ —	$ 13	$ 3
PPL Electric								
Assets								
Cash and cash equivalents	$ 13	$ 13	$ —	$ —	$ 24	$ 24	$ —	$ —
Total assets	$ 13	$ 13	$ —	$ —	$ 24	$ 24	$ —	$ —
LG&E								
Assets								
Cash and cash equivalents	$ 515	$ 515	$ —	$ —	$ 8	$ 8	$ —	$ —
Restricted cash and cash equivalents (a)	8	8	—	—	16	16	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	523	523	—	—	24	24	—	—
Total assets	$ 523	$ 523	$ —	$ —	$ 24	$ 24	$ —	$ —
Liabilities								
Price risk management liabilities:								
Interest rate derivatives	$ 5	$ —	$ 5	$ —	$ 3	$ —	$ 3	$ —
Total price risk management liabilities	$ 5	$ —	$ 5	$ —	$ 3	$ —	$ 3	$ —
KU								
Assets								
Cash and cash equivalents	$ 341	$ 341	$ —	$ —	$ 13	$ 13	$ —	$ —
Restricted cash and cash equivalents (a)	8	8	—	—	16	16	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	349	349	—	—	29	29	—	—
Total assets	$ 349	$ 349	$ —	$ —	$ 29	$ 29	$ —	$ —

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

(d) Current portion is included in "Other current assets" and "Other current liabilities" and noncurrent portion is included in "Other noncurrent assets" and "Other deferred credits and noncurrent liabilities" on the Balance Sheets.

A reconciliation of net assets (liabilities) classified as Level 3 for the nine months ended September 30 is as follows:

	Gas Contracts
2025	
Balance at beginning of period	$ 2
Total unrealized gains (losses) recognized as Regulatory Assets/Regulatory Liabilities:	(6)
Balance at end of period	$ (4)

Special Use Funds *(PPL)*

The special use funds are investments restricted for paying active union employee medical costs. In 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to a new subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. In 2024, additional excess funds were removed from the PPL Bargaining Unit Retiree Health Plan VEBA and deposited in the existing subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. The funds are invested primarily in commingled debt and equity funds measured at NAV and are classified as investments in equity securities. Changes in the fair value of the funds are recorded to the Statements of Income.

Price Risk Management Assets/Liabilities

Interest Rate Derivatives (PPL, LG&E and KU)

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

Gas Contracts (PPL)

To manage gas commodity price risk associated with natural gas purchases, RIE utilizes over-the-counter (OTC) gas swaps contracts with pricing inputs obtained from the New York Mercantile Exchange (NYMEX) and the Intercontinental Exchange (ICE), except in cases where the ICE publishes seasonal averages or where there were no transactions within the last seven days. RIE may utilize discounting based on quoted interest rate curves, including consideration of non-performance risk, and may include a liquidity reserve calculated based on bid/ask spread. Substantially all of these price curves are observable in the marketplace throughout at least 95% of the remaining contractual quantity, or they could be constructed from market observable curves with correlation coefficients of 95% or higher. These contracts are classified as Level 2.

RIE also utilizes gas option and purchase and capacity transactions, which are valued based on internally developed models. Industry-standard valuation techniques, such as the Black-Scholes pricing model, are used for valuing such instruments. For valuations that include both observable and unobservable inputs, if the unobservable input is determined to be significant to the overall inputs, the entire valuation is classified as Level 3. This includes derivative instruments valued using indicative price quotations whose contract tenure extends into unobservable periods. In instances where observable data is unavailable, consideration is given to the assumptions that market participants would use in valuing the asset or liability. This includes assumptions about market risks such as liquidity, volatility, and contract duration. Such instruments are classified as Level 3 as the model inputs generally are not observable. RIE considers non-performance risk and liquidity risk in the valuation of derivative instruments classified as Level 2 and Level 3.

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

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

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

	September 30, 2025		December 31, 2024	
	Carrying Amount (a)	Fair Value	Carrying Amount (a)	Fair Value
PPL	$ 18,391	$ 18,188	$ 16,503	$ 15,562
PPL Electric	5,707	5,559	5,214	4,862
LG&E	3,165	3,124	2,471	2,295
KU	3,760	3,611	3,066	2,750

(a) Amounts are net of debt issuance costs.

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

14. Derivative Instruments and Hedging Activities

(All Registrants)

Risk Management Objectives

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

Market Risk

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

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

Interest Rate Risk

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

Commodity Price Risk

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

- PPL Electric is required to purchase electricity to fulfill its obligation as a PLR. Potential commodity price risk is mitigated through its PAPUC-approved cost recovery mechanism and full-requirement supply agreements to serve its PLR customers which transfer the risk to energy suppliers.
- LG&E's and KU's rates include certain mechanisms for fuel, fuel-related expenses and energy purchases. In addition, LG&E's rates include a mechanism for natural gas supply costs. These mechanisms generally provide for timely recovery of market price fluctuations associated with these costs.
- RIE utilizes derivative instruments pursuant to its RIPUC-approved plan to manage commodity price risk associated with its natural gas purchases. RIE's commodity price risk management strategy is to reduce fluctuations in firm gas sales prices to its customers. RIE's costs associated with derivatives instruments are recoverable through its RIPUC-approved cost recovery mechanisms. RIE is also required to purchase electricity to fulfill its obligation to provide Last Resort Service (LRS). Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms and full requirements service agreements to serve LRS customers, which transfer the risk to energy suppliers. Additionally, RIE is required to contract through long-term agreements for clean energy supply under the Rhode Island Renewable Energy Growth program and Long-term Clean Energy Standard. Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms, which true-up cost differences between contract prices and market prices.

Volumetric Risk

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

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

Equity Securities Price Risk

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

Credit Risk

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

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

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

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

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

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

PPL, LG&E and KU had no obligation to return or post cash collateral under master netting arrangements at September 30, 2025 and December 31, 2024.

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

Interest Rate Risk

(All Registrants)

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

Cash Flow Hedges *(PPL)*

Interest rate risks include exposure to adverse interest rate movements for outstanding variable rate debt and for future anticipated financings. Financial interest rate derivatives that qualify as cash flow hedges may be entered into to hedge floating interest rate risk associated with both existing and anticipated debt issuances.

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

For the three and nine months ended September 30, 2025 and 2024, PPL had no cash flow hedges reclassified into earnings associated with discontinued cash flow hedges.

At September 30, 2025, the amount of accumulated net unrecognized after-tax gains (losses) on qualifying derivatives expected to be reclassified into earnings during the next 12 months is insignificant. Amounts are reclassified as the hedged interest expense is recorded.

Economic Activity *(PPL and LG&E)*

LG&E enters into interest rate swap contracts that economically hedge interest payments. Because realized gains and losses from the swaps, including terminated swap contracts, are recoverable through regulated rates, any subsequent changes in fair value of these derivatives are included in regulatory assets or liabilities until they are realized as interest expense. Realized gains and losses are recognized in "Interest Expense" on the Statements of Income at the time the underlying hedged interest expense is recorded. At September 30, 2025, LG&E held contracts with a notional amount of $64 million that mature in 2033.

Commodity Price Risk *(PPL)*

Economic Activity

RIE enters into derivative contracts that economically hedge natural gas purchases. Realized gains and losses from the derivatives are recoverable through regulated rates, therefore subsequent changes in fair value are included in regulatory assets or liabilities until they are realized as purchased gas. Realized gains and losses are recognized in "Energy Purchases" on the Statements of Income upon settlement of the contracts. At September 30, 2025, RIE held contracts with notional volumes of 52 Bcf that range in maturity from 2025 through 2029.

Accounting and Reporting

(All Registrants)

All derivative instruments are recorded at fair value on the Balance Sheet as an asset or liability unless the NPNS is elected. NPNS contracts include certain full requirement purchase contracts and other physical purchase contracts. Changes in the fair value of derivatives not designated as NPNS are recognized in earnings unless specific hedge accounting criteria are met and designated as such, except for the changes in fair values of LG&E's interest rate swaps that are recognized as regulatory assets or regulatory liabilities. See Note 6 for amounts recorded in regulatory assets and regulatory liabilities at September 30, 2025 and December 31, 2024.

See Note 1 in each Registrant's 2024 Form 10-K for additional information on accounting policies related to derivative instruments.

(PPL)

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

	September 30, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Current:				
Price Risk Management Assets/Liabilities (a)				
Gas contracts	$ 3	$ 6	$ 7	$ 10
Total current	3	6	7	10
Noncurrent:				
Price Risk Management Assets/Liabilities (a)				
Interest rate derivatives (b)	—	5	—	3
Gas contracts	1	5	2	3
Total noncurrent	1	10	2	6
Total derivatives	$ 4	$ 16	$ 9	$ 16

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

The following tables present the pre-tax effect of derivative instruments recognized in income, OCI or regulatory assets and regulatory liabilities for the period ended September 30, 2025.

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

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Three Months	Nine Months
Gas contracts	Energy purchases	$ (2)	$ (7)
	Other income(expense) -net	—	(1)
	Total	$ (2)	$ (8)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized as Regulatory Liabilities/Assets	Three Months	Nine Months
Interest rate derivatives	Regulatory assets - noncurrent	$ —	$ (2)
Gas Contracts	Regulatory assets - current	—	3
	Regulatory liabilities - current	(3)	—
	Regulatory assets - noncurrent	(6)	(6)
	Total	$ (9)	$ (5)

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

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

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Three Months	Nine Months
Gas contracts	Energy purchases	$ (6)	$ (31)
	Total	$ (6)	$ (31)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized as Regulatory Liabilities/Assets	Three Months	Nine Months
Interest rate derivatives	Regulatory assets - noncurrent	$ (3)	$ —
Gas contracts	Regulatory assets - current	(2)	31
	Regulatory assets - noncurrent	(3)	3
	Total	$ (8)	$ 34

The following table presents the effect of cash flow hedge activity on the Statement of Income for the period ended September 30, 2025.

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships	
	Three Months	Nine Months
	Interest Expense	Interest Expense
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 210	$ 599
The effects of cash flow hedges:		
Gain (Loss) on cash flow hedging relationships:		
Interest rate derivatives:		
Amount of gain (loss) reclassified from AOCI to income	(1)	(2)

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

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships	
	Three Months	Nine Months
	Interest Expense	Interest Expense
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 188	$ 549
The effects of cash flow hedges:		
Gain (Loss) on cash flow hedging relationships:		
Interest rate derivatives:		
Amount of gain (loss) reclassified from AOCI to income	(1)	(3)

(LG&E)

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

	September 30, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Noncurrent:				
Price Risk Management Assets/Liabilities:				
Interest rate derivatives	$ —	$ 5	$ —	$ 3
Total noncurrent	—	5	—	3
Total derivatives	$ —	$ 5	$ —	$ 3

The following tables present the pre-tax effect of derivatives not designated as cash flow hedges that are recognized in income or regulatory assets for the period ended September 30, 2025.

Derivative Instruments	Location of Gain (Loss) Recognized in Regulatory Assets	Three Months	Nine Months
Interest rate derivatives	Regulatory assets - noncurrent	$ —	$ (2)

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

Derivative Instruments	Location of Gain (Loss) Recognized in Regulatory Assets	Three Months	Nine Months
Interest rate derivatives	Regulatory assets - noncurrent	$ (3)	$ —

(PPL, LG&E and KU)

Offsetting Derivative Instruments

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

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

	Assets				Liabilities			
		Eligible for Offset				Eligible for Offset		
	Gross	Derivative Instruments	Cash Collateral Received	Net	Gross	Derivative Instruments	Cash Collateral Pledged	Net
September 30, 2025								
Derivatives								
PPL	$ 4	$ 3	$ —	$ 1	$ 16	$ 3	$ —	$ 13
LG&E	—	—	—	—	5	—	—	5

	Assets				Liabilities			
		Eligible for Offset				Eligible for Offset		
	Gross	Derivative Instruments	Cash Collateral Received	Net	Gross	Derivative Instruments	Cash Collateral Pledged	Net
December 31, 2024								
Derivatives								
PPL	$ 9	$ 5	$ —	$ 4	$ 16	$ 5	$ —	$ 11
LG&E	—	—	—	—	3	—	—	3

Credit Risk-Related Contingent Features

Certain derivative contracts contain credit risk-related contingent features which, when in a net liability position, would permit the counterparties to require the transfer of additional collateral upon a decrease in the credit ratings of PPL, LG&E and KU or certain of their subsidiaries. Most of these features would require the transfer of additional collateral or permit the counterparty to terminate the contract if the applicable credit rating were to fall below investment grade. Some of these features also would allow the counterparty to require additional collateral upon each downgrade in credit rating at levels that remain above investment grade. In either case, if the applicable credit rating were to fall below investment grade, and assuming no assignment to an investment grade affiliate were allowed, most of these credit contingent features require either immediate payment of the net liability as a termination payment or immediate and ongoing full collateralization on derivative instruments in net liability positions.

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

(PPL)

At September 30, 2025, derivative contracts in a net liability position that contain credit risk-related contingent features were $3 million. The aggregate fair value of additional collateral requirements in the event of a credit downgrade below investment grade was $3 million.

15. Asset Retirement Obligations

(PPL, LG&E and KU)

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

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

	PPL	LG&E	KU
Balance at December 31, 2024	$ 157	$ 84	$ 64
Accretion	6	3	3
Changes in estimated timing or cost	3	1	2
Obligations settled	(18)	(9)	(7)
Balance at September 30, 2025	$ 148	$ 79	$ 62

16. Accumulated Other Comprehensive Income (Loss)

(PPL)

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

	Unrealized gains (losses) on qualifying derivatives	Equity investees' AOCI	Defined benefit plans		Total
			Prior service costs	Actuarial gain (loss)	
PPL					
June 30, 2025	$ 11	$ 4	$ (3)	$ (202)	$ (190)
Amounts arising during the period	—	—	—	(3)	(3)
Reclassifications from AOCI	1	—	—	(1)	—
Net OCI during the period	1	—	—	(4)	(3)
September 30, 2025	$ 12	$ 4	$ (3)	$ (206)	$ (193)
December 31, 2024	$ 9	$ 4	$ (3)	$ (194)	$ (184)
Amounts arising during the period	1	—	—	(11)	(10)
Reclassifications from AOCI	2	—	—	(1)	1
Net OCI during the period	3	—	—	(12)	(9)
September 30, 2025	$ 12	$ 4	$ (3)	$ (206)	$ (193)
June 30, 2024	$ 7	$ 4	$ (4)	$ (167)	$ (160)
Amounts arising during the period	—	—	—	(4)	(4)
Reclassifications from AOCI	2	—	—	(1)	1
Net OCI during the period	2	—	—	(5)	(3)
September 30, 2024	$ 9	$ 4	$ (4)	$ (172)	$ (163)
December 31, 2023	$ 6	$ 3	$ (4)	$ (168)	$ (163)
Amounts arising during the period	—	1	—	(2)	(1)
Reclassifications from AOCI	3	—	—	(2)	1
Net OCI during the period	3	1	—	(4)	—
September 30, 2024	$ 9	$ 4	$ (4)	$ (172)	$ (163)

The following table presents PPL's gains (losses) and related income taxes for reclassifications from AOCI for the periods ended September 30.

Details about AOCI	Three Months		Nine Months		Affected Line Item on the Statements of Income
	2025	2024	2025	2024	
Qualifying derivatives					
Interest rate derivatives	$ (1)	$ (1)	$ (2)	$ (3)	Interest Expense
Total Pre-tax	(1)	(1)	(2)	(3)	
Income Taxes	—	(1)	—	—	
Total After-tax	(1)	(2)	(2)	(3)	
Defined benefit plans					
Net actuarial loss (a)	1	1	1	3	
Total Pre-tax	1	1	1	3	
Income Taxes	—	—	—	(1)	
Total After-tax	1	1	1	2	
Total reclassifications during the period	$ —	$ (1)	$ (1)	$ (1)	

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

17. New Accounting Guidance Pending Adoption

(All Registrants)

Improvements to Income Tax Disclosures

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

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

Adoption of this guidance will result in including additional required disclosures. The Registrants plan to adopt the standard retrospectively effective for the year ending December 31, 2025.

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued guidance which requires public business entities to provide in the notes to financial statements specified information about certain costs and expenses. This includes the disclosure of amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities included in each relevant income statement expense caption. A relevant expense caption is an expense caption included on the face of the income statement within continuing operations that contains any of the specified expense categories (a)-(e). A qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated must also be disclosed. Additionally, public business entities must disclose the total amount of selling expenses and, in annual reporting periods, the entity's definition of selling expenses.

For public business entities, this guidance will be applied on a prospective basis. Retrospective application is permitted. This guidance will be effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted.

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

Accounting for Internal-Use Software

In September 2025, the FASB issued guidance to clarify and modernize the accounting for costs related to internal-use software. This includes 1) eliminating the traditional stage-based model and requiring entities to start capitalizing software costs when (a) management has authorized/committed to funding the software project and (b) it is probable that the project will be completed and the software will be used to perform the function intended ("probable-to-complete recognition threshold"), 2) requiring entities to consider whether there is significant uncertainty associated with the development activities of the software when evaluating the probable-to-complete recognition threshold, and 3) clarifying disclosure requirements.

For all subjected entities, this guidance can be applied on either a prospective, modified, or retrospective basis. This guidance will be effective for annual periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted.

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

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

(All Registrants)

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

The following should be read in conjunction with the Registrants' Condensed Consolidated Financial Statements and the accompanying Notes and with the Registrants' 2024 Form 10-K. Capitalized terms and abbreviations are defined in the glossary. Dollars are in millions, except per share data, unless otherwise noted.

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

- "Overview" provides a description of each Registrant's business strategy and a discussion of important financial and operational developments.
- "Results of Operations" for all Registrants includes a "Statement of Income Analysis," which discusses significant changes in principal line items on the Statements of Income, comparing the three and nine months ended September 30, 2025 with the same periods in 2024. The PPL "Results of Operations" also includes "Segment Earnings," which provides a detailed analysis of earnings by reportable segment. These discussions include the non-GAAP financial measure "Earnings from Ongoing Operations" and provide an explanation of the non-GAAP financial measure and a reconciliation of the measure to the most comparable GAAP measure.
- "Financial Condition - Liquidity and Capital Resources" provides an analysis of the Registrants' liquidity positions and credit profiles. This section also includes a discussion of rating agency actions.
- "Financial Condition - Risk Management" provides an explanation of the Registrants' risk management programs relating to market and credit risk.

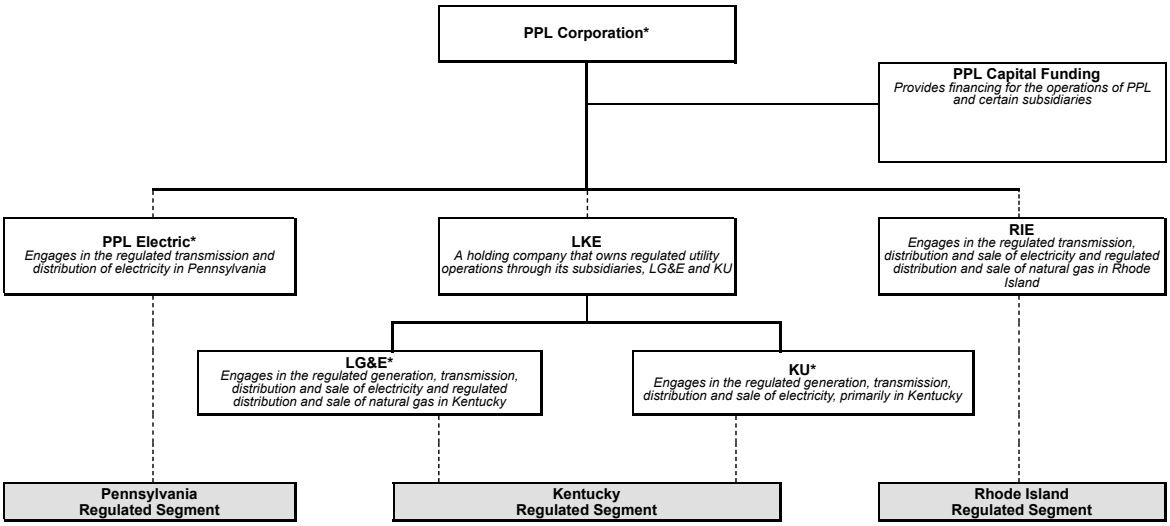
Overview

Introduction

(PPL)

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

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



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

(PPL Electric)

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

(LG&E)

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

(KU)

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

Segment Information *(PPL)*

PPL is organized into three reportable segments as depicted in the chart above: Kentucky Regulated, which primarily represents the results of LG&E and KU, Pennsylvania Regulated, which primarily represents the results of PPL Electric, and Rhode Island Regulated, which primarily represents the results of RIE. "Corporate and Other" primarily consists of corporate level financing costs, certain unallocated costs and certain non-recoverable costs incurred in conjunction with the acquisition of RIE.

Business Strategy

(All Registrants)

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

PPL's strategy, which is supported by the other Registrants and subsidiaries, is focused on creating the utilities of the future to drive greater value for our customers and shareowners. Key objectives in support of this strategy include:

- Strengthening the reliability and resilience of our electric and gas networks to improve service and protect against current and future weather and storms.
- Advancing a cleaner energy future affordably and reliably. This includes expanding and modernizing our generation with natural gas, renewables and battery storage, while supporting research and development of low-carbon solutions.
- Driving operational efficiencies to improve customer service and help keep energy affordable.
- Utilizing artificial intelligence and other advanced technologies to inform decision making, optimize asset planning and maintenance and better manage supply and demand on the grid.
- Empowering customers through expanded digital options and improved service.
- Engaging with key stakeholders to strengthen resource adequacy, power economic development, and support the growth and success of the regions we serve.

This strategy supports our mission to provide safe, affordable, reliable and sustainable energy to our customers and competitive, long-term returns to shareowners.

Financial and Operational Developments

Joint Venture Agreement with Blackstone Infrastructure (PPL)

On July 15, 2025, at the Pennsylvania Energy and Innovation Summit, PPL and Blackstone Infrastructure announced the creation of a joint venture to build, own and operate new electricity generation stations to power data centers in Pennsylvania under long-term energy services agreements (ESAs) to address underlying resource adequacy concerns in PJM. Construction of new generation stations will require the successful execution of ESAs with hyperscalers. PPL will own 51% of the joint venture interest and Blackstone Infrastructure will own 49%. The joint venture is actively engaged with hyperscalers, landowners, natural gas pipeline companies and turbine manufacturers, and has secured multiple land parcels to enable this new generation buildout; however, no ESAs with hyperscalers have been signed as of November 5, 2025.

Regulatory Requirements

(All Registrants)

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

Rate Case Proceedings

(PPL and PPL Electric)

On September 30, 2025, PPL Electric filed a request with the PAPUC for an increase in distribution base rates of approximately $356 million, more than $50 million of which is already included in customer bills through rate recovery mechanisms, and approval of certain regulatory and accounting treatments. The proposed increase in distribution base rates would increase PPL Electric's total annual revenue by approximately 8.6%. The application is based on a fully projected future test year of July 1, 2026 through June 30, 2027 and requested an authorized ROE of 11.3%. Subject to PAPUC approval, new rates are expected to become effective on July 1, 2026. A ruling from the PAPUC is anticipated during the second quarter of 2026. PPL and PPL Electric cannot predict the outcome of the proceeding.

(PPL, LG&E and KU)

On May 30, 2025, LG&E and KU filed requests with the KPSC for an increase in annual electricity and gas revenues of approximately $391 million ($105 million and $226 million in electricity revenues at LG&E and KU and $60 million in gas revenues at LG&E) and approval of certain regulatory and accounting treatments. The revenue increases would be an increase of 8.3% and 11.5% in electricity revenues at LG&E and KU, and an increase of 14.0% in gas revenues at LG&E.

The applications are based on a forecasted test year of January 1, 2026 through December 31, 2026 and request an authorized ROE of 10.95%. Subject to KPSC approval, new rates are expected to become effective on January 1, 2026. Certain counterparties have intervened in the proceedings.

In addition, pursuant to prior orders of the KPSC, the LG&E and KU rate case application included an assessment of a potential legal merger of LG&E and KU and concluded a legal merger may be appropriate. LG&E and KU have requested the KPSC to determine whether LG&E and KU have requested a reasonable plan for merger. Ultimately, approval for a merger would be required from the KPSC, VSCC and FERC. There is no assurance that LG&E and KU would receive regulatory approval for a potential merger.

On October 20, 2025, LG&E and KU filed with the KPSC a stipulation and recommendation (the agreement) regarding a proposed resolution of issues with a majority of the intervenors in the proceedings.

Under the agreement, the parties propose that the KPSC should issue orders granting a revised aggregate increase in annual electricity and gas revenues of approximately $235 million, comprising increases of $58 million and $132 million in electricity revenues at LG&E and KU, respectively, and $45 million in gas revenues at LG&E. The agreement proposes a revised authorized ROE of 9.90%.

The agreement proposes a "stay out" commitment from LG&E and KU to refrain from effective base rate increases before August 1, 2028, subject to certain exceptions. In connection with the stay out period, the agreement also proposes the establishment of two new rate tracker mechanisms, a Generation Cost Recovery Adjustment Clause (GCR) and a Sharing Mechanism Adjustment Clause (SM).

The proposed GCR mechanism would provide LG&E and KU recovery and return on investment of covered costs (excluding fuel amounts, which LG&E and KU can recover via an existing rate mechanism) of relevant new generation and energy storage assets authorized in the 2022 and 2025 CPCN proceedings (excluding the Mill Creek Unit 6 NGCC in 2031, see "2025 CPCN" for more information regarding the Mill Creek Unit 6 NGCC) as they are placed in service.

The proposed SM mechanism would address any base rate revenue deficiency or surplus during the final thirteen months of the stay out period, July 2027 through July 2028, below or above a suggested ROE band of 9.40% to 10.15%. Any such base rate revenue deficiency or surplus would be collected from or returned to customers over a thirteen-month billing period beginning November 2028.

Following issuance of the 2025 CPCN Order, LG&E and KU filed supplemental testimony with the KPSC in the rate case proceedings seeking recovery of the Mill Creek Unit 2 stay open costs through a proposed additional rate adjustment clause mechanism.

The agreement further authorizes LG&E and KU to use regulatory deferral accounting for actual expenses above or below base rate levels for certain expenses including: pension and post-retirement benefits, storm restoration, vegetation management, transmission waivers and credits, and gas line or well activities, with recovery of such deferred asset or liability amounts to be addressed in future rate cases.

A KPSC hearing in the underlying proceedings commenced on November 3, 2025. The agreement, as well as matters raised by non-agreeing intervenors, are subject to KPSC review and action, including approval, denial or modification. LG&E and KU anticipate a ruling from the KPSC during the fourth quarter of 2025, although the KPSC has until March 31, 2026 to issue its final order. PPL, LG&E and KU cannot predict the outcome of these proceedings.

(PPL, LG&E and KU)

Environmental Considerations for Coal-Fired Generation

The businesses of LG&E and KU are subject to extensive federal, state and local environmental laws, rules and regulations, including those pertaining to CCRs, GHG, and ELGs. See Notes 6, 10 and 15 to the Financial Statements for a discussion of these significant environmental matters. These and other environmental requirements led PPL, LG&E and KU to retire approximately 1,500 MW of coal-fired generating plants in Kentucky since 2010. As part of the long-term generation planning process, LG&E and KU evaluate a range of factors including the impact of potential stricter environmental regulations, fuel price scenarios, the cost of replacement generation, continued operations and major maintenance costs and the risk of major equipment failures in determining when to retire generation assets.

As a result of environmental requirements and aging infrastructure, LG&E has sought and obtained approval to retire two older coal-fired units at the Mill Creek Plant. Mill Creek Unit 1, with 300 MW of capacity, was retired in 2024. Mill Creek Unit 2, with 297 MW of capacity, was approved to be retired in 2027, subject to certain conditions. On October 28, 2025, in LG&E and KU's 2025 CPCN proceeding, the KPSC declined to rule on a request to extend the operation of Mill Creek Unit 2.

On October 4, 2024, LG&E submitted an application related to the retirement of Mill Creek Unit 1, which occurred on December 31, 2024, requesting recovery of associated costs under the RAR. On February 24, 2025, the KPSC issued an order approving LG&E's cost recovery for Mill Creek Unit 1 under the RAR and related amounts were included in bills beginning in May 2025. See Note 6 to the Financial Statements for additional information on the Mill Creek Unit 1 RAR.

2025 CPCN

On February 28, 2025, LG&E and KU filed an application with the KPSC regarding certain future plans for new generation and generation-related construction matters. The proposals included in the application are intended to serve anticipated load growth, including from potential data center demand in LG&E's or KU's service territory. The proposals did not include retirements of coal or other fossil-fueled plants, which would require additional KPSC approval procedures under Kentucky legislation enacted in 2023 and 2024.

LG&E and KU submitted a joint application to the KPSC for approval of certain certificates of public convenience and necessity, site compatibility certificates, and accounting treatment, where applicable, relating to a number of generation-related plans or projects that generally are expected to become operational or established within the next six years. The aggregate projected capital expenditures associated with these proposals are currently expected to be $3.7 billion over the 2025 to 2031 period. Projected capital expenditures related to these proposals for the years 2025 through 2027 were included in PPL's, LG&E's and KU's projections in "Management Discussion and Analysis – Financial Condition - Liquidity and Capital Resources - Forecasted Uses of Cash – Capital Expenditures" in the 2024 Form 10-K. The application includes proposals to build:

- a 645 MW NGCC generation unit at KU's E.W. Brown station (Brown Unit 12),
- a 645 MW NGCC generation unit at LG&E's Mill Creek station (Mill Creek Unit 6),
- a four-hour 400 MW (1,600 MWh total) battery energy storage system (BESS) at LG&E's Cane Run station, and
- a selective catalytic reduction (SCR) environmental facility at KU's Ghent station Unit 2 (Ghent Unit 2).

The new NGCC units are anticipated to be wholly owned by LG&E and the BESS unit jointly owned by LG&E (32%) and KU (68%), with actual project costs allocated consistent with LG&E's and KU's ultimate ownership shares and existing shared dispatch, cost allocation, tariff or other frameworks. The proposed Mill Creek Unit 6 NGCC is in addition to a new NGCC unit currently under construction at that location (Mill Creek Unit 5).

The filing also notes projected in service dates for the projects, including the Brown Unit 12 NGCC in 2030, the Mill Creek Unit 6 NGCC in 2031, the Cane Run BESS in 2028 and the Ghent Unit 2 SCR in 2028.

On July 29, 2025, LG&E and KU filed with the KPSC a stipulation and recommendation regarding a proposed resolution of issues with several of the intervenors in the CPCN proceeding (stipulation). The stipulation recommends to the KPSC the approval of the large majority of LG&E's and KU's requested generation-related projects and associated accounting matters, subject to certain changes. Under the stipulation, the parties agree the KPSC should issue an order granting a CPCN for the proposed: (a) Brown Unit 12 NGCC; (b) Mill Creek Unit 6 NGCC; and (c) Ghent Unit 2 SCR. In addition, the proposal to build the $775 million Cane Run BESS would be withdrawn without prejudice, the relevant costs regarding the proposed $1.4 billion Mill Creek Unit 6 NGCC would be recovered through a new rate tracker mechanism, and the retirement date for the existing Mill Creek Unit 2 coal plant would be extended from 2027 to the operational date of the proposed Mill Creek Unit 6 NGCC or afterwards, subject to relevant future economic analysis, regulatory or environmental authorizations. The stipulation also contains provisions relating to regulatory asset accounting, proposed data center tariffs, future renewable power requests-for-proposals and other matters. LG&E and KU would retain the right to seek approval of the potentially withdrawn Cane Run BESS or similar substitute project in future regulatory proceedings.

On October 28, 2025, the KPSC issued an order approving much of LG&E's and KU's July 2025 stipulation, with certain modifications. The order granted the requested CPCNs and site-related permits to construct the proposed Brown Unit 12 NGCC, Mill Creek Unit 6 NGCC, and Ghent Unit 2 SCR. The order authorized inclusion of relevant costs of the Ghent Unit 2 SCR in KU's existing environmental cost recovery rate mechanism. The order established a separate monitoring case to receive and consider information during the construction of Mill Creek Unit 6 NGCC.

The order approved requests regarding regulatory asset deferral accounting treatment for certain AFUDC related amounts and noted the KPSC's expectation that the stipulating parties would follow through with their commitments regarding tariffs and power supply contracts related to potential future data center or high load customers in LG&E's and KU's pending rate proceedings. The order also approved other elements of the stipulation or the originally-filed application, with minor modifications.

The KPSC decided not to approve LG&E's and KU's proposed new rate adjustment cost recovery mechanisms for certain costs associated with Mill Creek Unit 6 NGCC and costs associated with operating the Mill Creek Unit 2 coal plant beyond its original retirement date in 2027. However, the denials were without prejudice to resubmission and the KPSC encouraged the parties to provide additional evidence on such matters in separate proceedings. LG&E and KU are providing such evidence addressing recovery of the Mill Creek Unit 2 stay open costs in their pending rate case proceedings. Recovery of Mill Creek Unit 6 costs will be addressed in a future proceeding. The KPSC declined to rule on the matter related to the retirement date of Mill Creek Unit 2 coal plant.

In light of the conditional withdrawal in the stipulation, the order did not include a CPCN for the Cane Run BESS. LG&E and KU retain the right to seek approval of the Cane Run BESS project or similar substitute projects at any time in future regulatory proceedings.

The KPSC's order is subject to certain rights to request rehearing or appeal by LG&E and KU and all intervenors. LG&E and KU continue to evaluate the order and related matters and cannot predict the outcome should they or other parties decide to appeal or request a rehearing of these matters.

FERC Transmission Rate Filing

In 2018, LG&E and KU applied to the FERC requesting elimination of certain on-going waivers and credits to a sub-set of transmission customers relating to the 1998 merger of LG&E's and KU's parent entities and the 2006 withdrawal of LG&E and KU from the Midcontinent Independent System Operator, Inc. (MISO), a regional transmission operator and energy market. The application sought termination of LG&E's and KU's commitment to provide certain Kentucky municipalities mitigation for certain horizontal market power concerns arising out of the 1998 LG&E and KU merger and 2006 MISO withdrawal. The amounts at issue are generally waivers or credits granted to a limited number of Kentucky municipalities for either certain LG&E and KU or MISO transmission charges incurred for transmission service received. In 2019, the FERC granted LG&E's and KU's request to remove the ongoing credits, conditioned upon the implementation by LG&E and KU of a transition mechanism for certain existing power supply arrangements, which was subsequently filed, modified, and approved by the FERC in 2020 and 2021. In 2020, LG&E and KU and other parties filed appeals with the U.S. Court of Appeals - D.C. Circuit (D.C. Circuit Court of Appeals) regarding the FERC's orders on the elimination of the mitigation and required transition mechanism. In August 2022, the D.C. Circuit Court of Appeals issued an order remanding the proceedings back to the FERC. On May 18, 2023, the FERC issued an order on remand reversing its 2019 decision and requiring LG&E and KU to refund credits previously withheld, including under such transition mechanism. LG&E and KU filed a petition for review of the FERC's May 18, 2023 order with the D.C. Circuit Court of Appeals and provided refunds in accordance with the FERC order on December 1, 2023. The FERC issued an order on LG&E's and KU's compliance filing on November 16, 2023, and LG&E and KU filed a petition for review of this November 16, 2023 order on February 14, 2024. The FERC issued the substantive order on rehearing on March 21, 2024, reaffirming its prior decision. On August 8, 2025, the D.C. Circuit Court of Appeals issued a procedural ruling vacating the FERC's prior orders and remanded the matter back to the FERC for further proceedings. LG&E and KU cannot predict the ultimate outcome of the proceedings or any other post decision process but do not expect the annual impact to have a material effect on their operations or financial condition. LG&E and KU currently receive recovery of certain waivers and credits primarily through existing base rate levels. Additionally, LG&E's and KU's current Kentucky rate proceedings include requests regarding elements of regulatory liabilities or assets associated with potential future decreases or increases in the transmission waivers and credits that are the subject of these FERC proceedings.

(PPL)

Hold Harmless Implementation Agreement

As a condition to the Acquisition (as defined in Note 8 to the Financial Statements) of RIE in May 2022, PPL made a commitment to the Rhode Island Division of Public Utilities and Carriers to hold harmless Rhode Island customers from the impact of future rate increases resulting from changes in Accumulated Deferred Income Taxes as a result of the Acquisition (the Hold Harmless Commitment). On June 13, 2025, an agreement was entered into by and among RIE, PPL, PPL Rhode Island Holdings and the Rhode Island Division of Public Utilities and Carriers Advocacy Section to satisfy RIE's obligations under the Hold Harmless Commitment of approximately $155 million, and proposes to resolve that amount through bill credits issued to customers, with approximately $74 million to be issued throughout the first quarter of 2026 and approximately $81 million to be issued throughout the first quarter of 2027. The bill credits would be recorded as a reduction to revenue in the periods in which the credits are applied to customers' bills. On September 10, 2025, the Rhode Island Division of Public Utilities and Carriers approved the agreement. Also on September 10, 2025, the RIPUC opened a docket to evaluate RIE's bill credit proposal, including the underlying rate accounting supporting the proposal, and required RIE to file a tariff advice with the RIPUC, which RIE filed on October 2, 2025. Discovery in this proceeding is ongoing and an evidentiary hearing is scheduled for November 18, 2025. PPL cannot predict the outcome of the RIPUC inquiry.

FY 2026 Gas ISR Plan

On December 31, 2024, RIE filed its FY 2026 Gas ISR Plan with the RIPUC with a budget that included $187 million of capital investment spend and up to $15 million of additional contingency plan spend in connection with the PHMSA's potential enactment of regulations during FY 2026 that, if enacted, would significantly alter RIE's leak detection and repair obligations under federal regulations. The plan also included proposed spending on curb-to-curb paving of $22 million. On March 28, 2025, the RIPUC approved a FY 2026 Gas ISR Plan of $165 million of which $147 million is for capital investment spend and $18 million is spend for paving costs as operations and maintenance (O&M), plus a potential additional $15 million is available if the above-mentioned regulations are implemented by the PHMSA. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

FY 2026 Electric ISR Plan

On December 23, 2024, RIE filed its FY 2026 Electric ISR Plan with the RIPUC with a budget that included $248 million of capital investment spend (including $88 million for Advanced Metering Functionality (AMF)), $14 million of vegetation operation and maintenance (O&M) spend and $1 million of Other O&M spend. On March 28, 2025, the RIPUC approved a FY 2026 Electric ISR Plan of $219 million for capital investment spend (including $88 million for AMF), $14 million for vegetation management O&M spend, and $1 million for Other O&M spend. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

DSIC Petition (PPL and PPL Electric)

On April 26, 2024, PPL Electric filed a Petition with the PAPUC requesting that the PAPUC waive PPL Electric's DSIC cap of 5% of billed revenues and increase the maximum allowable DSIC to 9% for bills rendered on or after January 1, 2025. On February 28, 2025, the PAPUC issued its written order permitting PPL Electric to increase its DSIC cap from 5% to 7.5% for bills rendered on or after March 13, 2025 until the effective date of rates established in PPL Electric's next base rate case or the end of the PPL Electric's 2023-2027 Long-term Infrastructure Improvement Plan, whichever occurs first, at which time it will return to 5%.

Results of Operations

(PPL)

The "Statement of Income Analysis" discussion below describes significant changes in principal line items on the Statements of Income, comparing the three and nine months ended September 30, 2025 with the same periods in 2024. The "Segment Earnings" discussion provides a review of results by reportable segment. These discussions include the non-GAAP financial measure "Earnings from Ongoing Operations" and provide an explanation of the non-GAAP financial measure and a reconciliation of the measure to the most comparable GAAP measure.

(PPL Electric, LG&E and KU)

A "Statement of Income Analysis" is presented separately for PPL Electric, LG&E and KU. The "Statement of Income Analysis" discussion below describes significant changes in principal line items on the Statements of Income, comparing the three and nine months ended September 30, 2025 with the same periods in 2024.

(All Registrants)

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

PPL: Statement of Income Analysis and Segment Earnings

Statement of Income Analysis

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

	Three Months			Nine Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues	$ 2,239	$ 2,066	$ 173	$ 6,768	$ 6,251	$ 517
Operating Expenses						
Operation						
Fuel	231	207	24	657	597	60
Energy purchases	422	338	84	1,369	1,133	236
Other operation and maintenance	586	681	(95)	1,798	1,930	(132)
Depreciation	331	322	9	977	957	20
Taxes, other than income	100	90	10	314	271	43
Total Operating Expenses	1,670	1,638	32	5,115	4,888	227
Operating Income	569	428	141	1,653	1,363	290
Other Income (Expense) - net	39	32	7	90	86	4
Interest Expense	210	188	22	599	549	50
Income Before Income Taxes	398	272	126	1,144	900	244
Income Taxes	80	58	22	229	189	40
Net Income	$ 318	$ 214	$ 104	$ 915	$ 711	$ 204

Operating Revenues

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

	Three Months	Nine Months
PPL Electric distribution volumes (a)	$ —	$ 18
PPL Electric PLR (b)	52	88
PPL Electric transmission formula rate (c)	22	39
LG&E ECR	7	5
LG&E volumes (a)	2	8
LG&E fuel and other energy purchases (d)	12	49
LG&E off-system sales (e)	2	9
KU volumes (a)	5	22
KU fuel and other energy purchases (f)	13	23
KU off-system sales (e)	2	16
RIE energy purchases and other recoveries (g)	21	125
RIE net metering presentation (h)	25	110
RIE capital investments	(3)	12
Other	13	(7)
Total	$ 173	$ 517

(a) The increases for the nine months ended September 30, 2025 were primarily due to weather and other higher usage.
(b) The increases were primarily the result of more PLR customers, higher prices and higher customer volumes.
(c) The increases were primarily due to returns on additional transmission capital investments.
(d) The increase for the three months ended September 30, 2025 was primarily due to higher recoveries of fuel expenses. The increase for the nine months ended September 30, 2025 was primarily due to higher recoveries of fuel expenses and energy purchases.
(e) The increases for the nine months ended September 30, 2025 were primarily due to higher volumes.
(f) The increases were primarily due to higher recoveries of fuel expenses.
(g) The increase for the three months ended September 30, 2025 was primarily due to higher recoveries of transmission expenses and energy efficiency costs. The increase for the nine months ended September 30, 2025 was primarily due to higher recoveries of transmission expenses, gas maintenance expenses and gross earnings taxes.
(h) In conjunction with the completion of the transition services agreement associated with the RIE acquisition, PPL conformed the presentation of RIE's net metering charges beginning in the fourth quarter of 2024 with the presentation of the other operating companies, resulting in an increase in Operating Revenues and a corresponding increase in Energy purchases. See Note 3 to the Financial Statements for additional information.

Fuel

Fuel increased $24 million for the three months ended September 30, 2025 compared with 2024, primarily due to an increase in commodity costs.

Fuel increased $60 million for the nine months ended September 30, 2025 compared with 2024, primarily due to a $38 million increase in commodity costs and a $22 million increase in volumes due to weather.

Energy Purchases

The increase (decrease) in energy purchases was due to:

	Three Months	Nine Months
PPL Electric PLR volumes	$ 8	$ 35
PPL Electric PLR prices	43	34
LG&E volumes	(3)	12
LG&E commodity costs	1	11
RIE net metering presentation (a)	25	110
RIE net metering	8	17
Other	2	17
Total	$ 84	$ 236

(a) In conjunction with the completion of the transition services agreement associated with the RIE acquisition, PPL conformed the presentation of RIE's net metering charges beginning in the fourth quarter of 2024 with the presentation of the other operating companies, resulting in an increase in Operating Revenues and a corresponding increase in Energy purchases. See Note 3 to the Financial Statements for additional information.

Other Operation and Maintenance

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

	Three Months	Nine Months
PPL Electric storm costs	$ (13)	$ (5)
PPL Electric bad debt expenses	(2)	(17)
RIE gas maintenance expenses	—	21
RIE integration related expenses (a)	(20)	(68)
RIE transmission expenses	8	50
RIE bad debt expenses	(15)	(3)
RIE customer service expenses	8	25
RIE storm expenses	(6)	(6)
IT costs (b)	18	70
Transition costs associated with RIE (c)	(67)	(198)
Other	(6)	(1)
Total	$ (95)	$ (132)

(a) Certain transition services agreement costs in 2024 for IT systems that will not be part of PPL's ongoing operations.
(b) Primarily costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(c) See Note 8 to the Financial Statements for additional information.

Taxes, Other Than Income

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

	Three Months	Nine Months
State gross earnings and gross receipts tax (a)	$ 7	$ 41
Property tax expense	5	4
Other	(2)	(2)
Total	$ 10	$ 43

(a) The increase for the nine months ended September 30, 2025 was primarily due to the RIE Gross Earnings Tax Holiday Credit that took place in 2024.

Other Income (Expense) - net

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

	Three Months	Nine Months
Defined benefit plans - non-service credits (Note 9)	$ (1)	$ (9)
Interest income	(4)	(12)
AFUDC - equity component	10	25
Miscellaneous	2	—
Total	$ 7	$ 4

Interest Expense

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

	Three Months	Nine Months
Long-term debt (a)	$ 17	$ 41
Other	5	9
Total	$ 22	$ 50

(a) The increases were primarily due to increased borrowings.

Income Taxes

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

	Three Months	Nine Months
Change in pre-tax income	$ 26	$ 51
Income tax credits	(2)	(5)
Utility rate-making tax adjustments (a)	(2)	(6)
Total	$ 22	$ 40

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

See Note 5 to the Financial Statements for additional information on income taxes.

Segment Earnings

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

	Three Months			Nine Months		
	2025	2024	$ Change	2025	2024	$ Change
Kentucky Regulated	$ 185	$ 169	$ 16	$ 534	$ 493	$ 41
Pennsylvania Regulated	159	142	17	482	441	41
Rhode Island Regulated	27	14	13	80	90	(10)
Corporate and Other (a)	(53)	(111)	58	(181)	(313)	132
Net Income (Loss)	$ 318	$ 214	$ 104	$ 915	$ 711	$ 204

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

Earnings from Ongoing Operations

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

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

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

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

	Three Months			Nine Months		
	2025	2024	$ Change	2025	2024	$ Change
Kentucky Regulated	$ 191	$ 172	$ 19	$ 548	$ 497	$ 51
Pennsylvania Regulated	160	142	18	485	458	27
Rhode Island Regulated	38	32	6	118	138	(20)
Corporate and Other	(34)	(36)	2	(112)	(99)	(13)
Earnings from Ongoing Operations	$ 355	$ 310	$ 45	$ 1,039	$ 994	$ 45

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

Kentucky Regulated Segment

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

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

	Three Months			Nine Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues	$ 944	$ 895	$ 49	$ 2,841	$ 2,698	$ 143
Fuel	231	207	24	657	597	60
Energy purchases	23	25	(2)	149	124	25
Other operation and maintenance	201	196	5	601	593	8
Depreciation	180	178	2	535	531	4
Taxes, other than income	26	25	1	77	74	3
Total Operating Expenses	661	631	30	2,019	1,919	100
Other Income (Expense) - net	17	8	9	35	20	15
Interest Expense	68	60	8	191	181	10
Income Taxes	47	43	4	132	125	7
Net Income	185	169	16	534	493	41
Less: Special Items	(6)	(3)	(3)	(14)	(4)	(10)
Earnings from Ongoing Operations	$ 191	$ 172	$ 19	$ 548	$ 497	$ 51

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

		Three Months		Nine Months	
	Income Statement Line Item	2025	2024	2025	2024
Strategic corporate initiatives, net of tax of $0 (a)	Other operation and maintenance	$ —	$ —	$ —	$ (1)
IT transformation, net of tax of $2, $4 (b)	Other operation and maintenance	(5)	—	(11)	—
Office relocation and related costs, net of tax of $1, $1 (c)	Other operation and maintenance	(1)	—	(3)	—
FERC transmission credit refund, net of tax of $0, $0 (d)	Operating Revenues	—	1	—	1
ECR beneficial reuse transition adjustment, net of tax of $2, $2 (e)	Operating Revenues	—	(4)	—	(4)
Total Special Items		$ (6)	$ (3)	$ (14)	$ (4)

(a) Costs incurred related to PPL's corporate centralization efforts.
(b) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(c) Certain costs related to the relocation of corporate offices.
(d) Prior period impact related to a FERC refund order.
(e) Prior period impact for an adjustment related to the ECR mechanism revenues.

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

	Three Months	Nine Months
Operating Revenues	$ 45	$ 139
Fuel	(24)	(60)
Energy purchases	2	(25)
Other operation and maintenance	3	10
Depreciation	(1)	(4)
Taxes, other than income	(1)	(3)
Other Income (Expense) - net	9	15
Interest Expense	(8)	(10)
Income Taxes	(6)	(11)
Earnings from Ongoing Operations	19	51
Special Items, after-tax	(3)	(10)
Net Income	$ 16	$ 41

- Higher operating revenues for the three month period primarily due to a $25 million increase in recoveries of fuel and energy purchases, a $7 million increase in ECR revenues, a $6 million increase in sales volumes due to weather and a $5 million increase in off-system sales.

- Higher operating revenues for the nine month period primarily due to a $72 million increase in recoveries of fuel and energy purchases, a $30 million increase in sales volumes due to weather and a $25 million increase in off-system sales.

- Higher fuel expense for the three month period primarily due to an increase in commodity costs.
- Higher fuel expense for the nine month period primarily due to a $38 million increase in commodity costs and a $22 million increase in volumes due to weather.

Pennsylvania Regulated Segment

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

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

	Three Months			Nine Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues	$ 786	$ 716	$ 70	$ 2,298	$ 2,159	$ 139
Energy purchases	224	177	47	622	544	78
Other operation and maintenance	160	176	(16)	481	511	(30)
Depreciation	105	101	4	307	300	7
Taxes, other than income	38	32	6	111	98	13
Total Operating Expenses	527	486	41	1,521	1,453	68
Other Income (Expense) - net	14	13	1	36	33	3
Interest Income from Affiliate	2	7	(5)	4	27	(23)
Interest Expense	67	61	6	189	184	5
Income Taxes	49	47	2	146	141	5
Net Income	159	142	17	482	441	41
Less: Special Items	(1)	—	(1)	(3)	(17)	14
Earnings from Ongoing Operations	$ 160	$ 142	$ 18	$ 485	$ 458	$ 27

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

		Three Months		Nine Months	
	Income Statement Line Item	2025	2024	2025	2024
PPL Electric billing issue, net of tax of $5 (a)	Other operation and maintenance	$ —	$ —	$ —	$ (13)
Strategic corporate initiatives, net of tax of $2 (b)	Other operation and maintenance	—	—	—	(4)
Office relocation and related costs, net of tax of $1 (c)	Other operation and maintenance	—	—	(2)	—
IT transformation, net of tax of $0, $0 (d)	Other operation and maintenance	(1)	—	(1)	—
Total Special Items		$ (1)	$ —	$ (3)	$ (17)

(a) Certain expenses related to billing issues.
(b) Costs incurred related to PPL's corporate centralization and other strategic efforts.
(c) Certain costs related to the relocation of corporate offices.
(d) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.

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

	Three Months	Nine Months
Operating Revenues	$ 70	$ 139
Energy purchases	(47)	(78)
Other operation and maintenance	17	11
Depreciation	(4)	(7)
Taxes, other than income	(6)	(13)
Other Income (Expense) - net	1	3
Interest Income from Affiliate	(5)	(23)
Interest Expense	(6)	(5)
Income Taxes	(2)	—
Earnings from Ongoing Operations	18	27
Special Items, after-tax	(1)	14
Net Income	$ 17	$ 41

- Higher operating revenues for the three month period primarily due to a $52 million increase in PLR and a $22 million increase in transmission formula rate revenue.
- Higher operating revenues for the nine month period primarily due to an $88 million increase in PLR, a $39 million increase in transmission formula rate revenue and a $18 million increase in distribution volumes.
- Higher energy purchases for the three month period primarily due to higher PLR prices.
- Higher energy purchases for the nine month period primarily due to higher PLR volumes of $35 million and higher PLR prices of $34 million.
- Lower other operation and maintenance for the three month period primarily due to a decrease in storm costs.

Rhode Island Regulated Segment

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

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

	Three Months			Nine Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues	$ 509	$ 455	$ 54	$ 1,629	$ 1,393	$ 236
Energy purchases	173	135	38	598	464	134
Other operation and maintenance	196	211	(15)	610	547	63
Depreciation	45	42	3	131	123	8
Taxes, other than income	38	33	5	127	99	28
Total Operating Expenses	452	421	31	1,466	1,233	233
Other Income (Expense) - net	2	7	(5)	5	20	(15)
Interest Income from Affiliate	—	—	—	3	—	3
Interest Expense	28	25	3	78	72	6
Income Taxes	4	2	2	13	18	(5)
Net Income	27	14	13	80	90	(10)
Less: Special Items	(11)	(18)	7	(38)	(48)	10
Earnings from Ongoing Operations	$ 38	$ 32	$ 6	$ 118	$ 138	$ (20)

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

		Three Months		Nine Months	
	Income Statement Line Item	2025	2024	2025	2024
Acquisition integration, net of tax of $0, $3, ($2), $12 (a)	Other operation and maintenance	$ (1)	$ (18)	$ 6	$ (48)
IT transformation, net of tax of $0, $1 (b)	Other operation and maintenance	(1)	—	(5)	—
Energy efficiency programs settlement, net of tax of $2 (c)	Other Income (Expense) - net	—	—	(6)	—
Post TSA adjustments, net of tax of $4 (d)	Operating Revenues	—	—	(14)	—
Post TSA adjustments, net of tax of $1 (d)	Other operation and maintenance	—	—	(3)	—
Post TSA adjustments, net of tax of $2 (d)	Other Income (Expense) - net	—	—	(6)	—
Post TSA adjustments, net of tax of $0 (d)	Interest Expense	—	—	(1)	—
Customer system integration impacts, net of tax of $2, $2 (e)	Other operation and maintenance	(9)	—	(9)	—
Total Special Items		$ (11)	$ (18)	$ (38)	$ (48)

(a) 2025 costs are related to distributed generation projects that PPL will not seek regulatory recovery of. 2024 primarily includes certain transition services agreement costs for IT systems that will not be part of PPL's ongoing operations.
(b) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(c) See Note 10 to the Financial Statements for additional information.
(d) Adjustments related to account reconciliations and process alignment subsequent to the end of the transition services agreement associated with the acquisition of RIE.
(e) Certain collection process costs incurred due to the timing and implementation of the customer system integration.

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

	Three Months	Nine Months
Operating Revenues	$ 52	$ 254
Energy purchases	(38)	(134)
Other operation and maintenance	6	(103)
Depreciation	(3)	(8)
Taxes, other than income	(5)	(28)
Other Income (Expense) - net	(2)	(5)
Interest Income from Affiliate	—	3
Interest Expense	(3)	(6)
Income Taxes	(1)	7
Earnings from Ongoing Operations	6	(20)
Special Items, after-tax	7	10
Net Income	$ 13	$ (10)

- Higher operating revenues for the three month period primarily due to a $25 million increase related to the effects of conforming the presentation of RIE's net metering charges to that of PPL's other operating utilities beginning in the fourth quarter of 2024 and a $21 million increase in recovery of energy purchases, transmission expenses, gross earnings taxes and gas maintenance expenses and $6 million of other items that were not individually significant.

- Higher operating revenues for the nine month period primarily due to a $110 million increase related to the effects of conforming the presentation of RIE's net metering charges to that of PPL's other operating utilities beginning in the fourth quarter of 2024, a $125 million increase in recovery of energy purchases, transmission expenses, gross earnings taxes and gas maintenance expenses and a $12 million increase related to capital investments.

- Higher energy purchases for the three month period primarily due to a $25 million increase related to the effects of conforming the presentation of RIE's net metering charges to that of PPL's other operating utilities beginning in the fourth quarter of 2024, an $8 million increase in net metering and $5 million of other items that were not individually significant.

- Higher energy purchases for the nine month period primarily due to a $110 million increase related to the effects of conforming the presentation of RIE's net metering charges to that of PPL's other operating utilities beginning in the fourth quarter of 2024 and a $17 million increase in net metering.

- Lower operation and maintenance expense for the three month period primarily due to a $26 million decrease in bad debt expenses, partially offset by an $8 million increase in transmission expenses, a $6 million increase in energy efficiency expenses and a $5 million increase in IT costs.

- Higher operation and maintenance expense for the nine month period primarily due to a $50 million increase in transmission expenses, a $25 million increase in customer service costs, a $21 million increase for gas maintenance expenses and a $16 million increase in IT costs, partially offset by a $14 million decrease in bad debt expenses.

- Higher depreciation for the three and nine month periods primarily due to an increase in PP&E additions, net of retirements.

- Higher taxes, other than income for the three and nine month periods primarily due to an increase in gross earnings taxes.

- Lower other income (expense) - net for the three month period primarily due to lower interest income.

- Higher interest expense for the three month period primarily due to increased borrowings.

Reconciliation of Earnings from Ongoing Operations

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

	2025 Three Months				
	KY Regulated	PA Regulated	RI Regulated	Corporate and Other	Total
Net Income (Loss)	$ 185	$ 159	$ 27	$ (53)	$ 318
Less: Special Items (expense) benefit:					
Acquisition integration, net of tax of $0, $4 (a)	—	—	(1)	(14)	(15)
IT transformation, net of tax of $2, $0, $0, $3 (b)	(5)	(1)	(1)	(5)	(12)
Office relocation and related costs, net of tax of $1 (c)	(1)	—	—	—	(1)
Customer system integration impacts, net of tax of $2 (d)	—	—	(9)	—	(9)
Total Special Items	(6)	(1)	(11)	(19)	(37)
Earnings from Ongoing Operations	$ 191	$ 160	$ 38	$ (34)	$ 355

(a) Primarily includes integration and related costs associated with the acquisition of RIE.
(b) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(c) Certain costs related to the relocation of corporate offices.
(d) Certain collection process costs incurred due to the timing and implementation of the customer system integration.

	2024 Three Months				
	KY Regulated	PA Regulated	RI Regulated	Corporate and Other	Total
Net Income (Loss)	$ 169	$ 142	$ 14	$ (111)	$ 214
Less: Special Items (expense) benefit:					
Talen litigation costs, net of tax of $1 (a)	—	—	—	(2)	(2)
Strategic corporate initiatives, net of tax of $1 (b)	—	—	—	(2)	(2)
Acquisition integration, net of tax of $3, $19 (c)	—	—	(18)	(71)	(89)
FERC transmission credit refund, net of tax of $0 (d)	1	—	—	—	1
ECR beneficial reuse transition adjustment, net of tax of $2 (e)	(4)	—	—	—	(4)
Total Special Items	(3)	—	(18)	(75)	(96)
Earnings from Ongoing Operations	$ 172	$ 142	$ 32	$ (36)	$ 310

(a) PPL incurred legal expenses related to litigation associated with its former affiliate.
(b) Represents costs primarily related to PPL's centralization efforts and other strategic efforts.
(c) Rhode Island Regulated primarily includes certain TSA costs for IT systems that will not be part of PPL's ongoing operations. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE.
(d) Prior period impact related to a FERC refund order.
(e) Prior period impact of an adjustment related to the ECR mechanism revenues.

	2025 Nine Months				
	KY Regulated	PA Regulated	RI Regulated	Corporate and Other	Total
Net Income (Loss)	$ 534	$ 482	$ 80	$ (181)	$ 915
Less: Special Items (expense) benefit:					
Talen litigation costs, net of tax of ($1) (a)	—	—	—	3	3
Acquisition integration, net of tax of ($2), $11 (b)	—	—	6	(41)	(35)
IT transformation, net of tax of $4, $0, $1, $8 (c)	(11)	(1)	(5)	(31)	(48)
Energy efficiency programs settlement, net of tax of $2 (d)	—	—	(6)	—	(6)
Office relocation and related costs, net of tax of $1, $1 (e)	(3)	(2)	—	—	(5)
Post TSA adjustments, net of tax of $7 (f)	—	—	(24)	—	(24)
Customer system integration impacts, net of tax of $2 (g)	—	—	(9)	—	(9)
Total Special Items	(14)	(3)	(38)	(69)	(124)
Earnings from Ongoing Operations	$ 548	$ 485	$ 118	$ (112)	$ 1,039

(a) PPL incurred legal expenses and received insurance reimbursement related to litigation associated with its former affiliate, Talen Montana, LLC and certain affiliated entities.
(b) Rhode Island Regulated primarily includes a final transition services agreement settlement. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE.
(c) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.

(d) See Note 10 to the Financial Statements for additional information.
(e) Certain costs related to the relocation of corporate offices.
(f) Adjustments related to account reconciliations and process alignment subsequent to the end of the transition services agreement associated with the acquisition of RIE.
(g) Certain collection process costs incurred due to the timing and implementation of the customer system integration.

	2024 Nine Months				
	KY Regulated	PA Regulated	RI Regulated	Corporate and Other	Total
Net Income (Loss)	$ 493	$ 441	$ 90	$ (313)	$ 711
Less: Special Items (expense) benefit:					
Talen litigation costs, net of tax of $1 (a)	—	—	—	(2)	(2)
Strategic corporate initiatives, net of tax of $0, $2, $2 (b)	(1)	(4)	—	(6)	(11)
Acquisition integration, net of tax of $12, $55 (c)	—	—	(48)	(206)	(254)
PPL Electric billing issue, net of tax of $5 (d)	—	(13)	—	—	(13)
FERC transmission credit refund, net of tax of $0 (e)	1	—	—	—	1
ECR beneficial reuse transition adjustment, net of tax of $2 (f)	(4)	—	—	—	(4)
Total Special Items	(4)	(17)	(48)	(214)	(283)
Earnings from Ongoing Operations	$ 497	$ 458	$ 138	$ (99)	$ 994

(a) PPL incurred legal expenses related to litigation associated with its former affiliate.
(b) Represents costs primarily related to PPL's centralization efforts and other strategic efforts.
(c) Rhode Island Regulated primarily includes certain TSA costs for IT systems that will not be part of PPL's ongoing operations. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE.
(d) Certain expenses related to billing issues.
(e) Prior period impact related to a FERC refund order.
(f) Prior period impact of an adjustment related to the ECR mechanism revenues.

PPL Electric: Statement of Income Analysis

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

	Three Months			Nine Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues	$ 786	$ 716	$ 70	$ 2,298	$ 2,159	$ 139
Operating Expenses						
Operation						
Energy purchases	224	177	47	622	544	78
Other operation and maintenance	160	176	(16)	481	511	(30)
Depreciation	105	101	4	307	300	7
Taxes, other than income	38	32	6	111	98	13
Total Operating Expenses	527	486	41	1,521	1,453	68
Operating Income	259	230	29	777	706	71
Other Income (Expense) - net	14	13	1	36	33	3
Interest Income from Affiliate	2	7	(5)	4	27	(23)
Interest Expense	67	61	6	189	184	5
Income Before Income Taxes	208	189	19	628	582	46
Income Taxes	49	47	2	146	141	5
Net Income	$ 159	$ 142	$ 17	$ 482	$ 441	$ 41

Operating Revenues

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

	Three Months	Nine Months
Distribution price	$ (3)	$ (5)
Distribution volume (a)	—	18
PLR (b)	52	88
Transmission formula rate (c)	22	39
Other	(1)	(1)
Total	$ 70	$ 139

(a) The increase for the nine months ended September 30, 2025 was primarily due to weather and other higher usage.
(b) The increases were primarily the result of more PLR customers, higher prices and higher customer volumes.
(c) The increases were primarily due to returns on additional transmission capital investments.

Energy Purchases

Energy purchases increased $47 million for the three months ended September 30, 2025 compared with 2024, primarily due to higher PLR prices.

Energy purchases increased $78 million for the nine months ended September 30, 2025 compared with 2024, primarily due to higher PLR volumes of $35 million and higher PLR prices of $34 million.

Other Operation and Maintenance

Other operation and maintenance decreased $16 million for the three months ended September 30, 2025 compared with 2024, primarily due to lower storm costs.

Other operation and maintenance decreased $30 million for the nine months ended September 30, 2025 compared with 2024, primarily due to lower bad debts.

LG&E: Statement of Income Analysis

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

	Three Months			Nine Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues						
Retail and wholesale	$ 420	$ 396	$ 24	$ 1,293	$ 1,219	$ 74
Electric revenue from affiliate	7	1	6	17	20	(3)
Total Operating Revenues	427	397	30	1,310	1,239	71
Operating Expenses						
Operation						
Fuel	97	75	22	254	228	26
Energy purchases	17	19	(2)	128	105	23
Energy purchases from affiliate	6	11	(5)	18	19	(1)
Other operation and maintenance	91	84	7	271	259	12
Depreciation	77	76	1	228	229	(1)
Taxes, other than income	13	13	—	39	38	1
Total Operating Expenses	301	278	23	938	878	60
Operating Income	126	119	7	372	361	11
Other Income (Expense) - net	8	3	5	16	9	7
Interest Income from Affiliate	—	1	(1)	—	1	(1)
Interest Expense	30	26	4	83	78	5
Income Before Income Taxes	104	97	7	305	293	12
Income Taxes	21	20	1	61	61	—
Net Income	$ 83	$ 77	$ 6	$ 244	$ 232	$ 12

Operating Revenues

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

	Three Months	Nine Months
Fuel and other energy purchases (a)	$ 16	$ 40
Volumes (b)	2	8
Off-system sales (c)	3	13
ECR (d)	7	5
Other	2	5
Total	$ 30	$ 71

(a) The increase for the three months ended September 30, 2025 was primarily due to higher recoveries of fuel expenses. The increase for the nine months ended September 30, 2025 was primarily due to higher recoveries of fuel expenses and energy purchases.
(b) The increase for the nine months ended September 30, 2025 was primarily due to weather.
(c) The increase for the nine months ended September 30, 2025 was primarily due to higher volumes.
(d) The increase for the three months ended September 30, 2025 was primarily due to a 2024 adjustment related to the ECR mechanism revenues.

Fuel

Fuel expense increased $22 million for the three months ended September 30, 2025 compared with 2024, primarily due to a $12 million increase in volumes primarily due to weather and a $9 million increase in commodity costs.

Fuel expense increased $26 million for the nine months ended September 30, 2025 compared with 2024, primarily due to an increase in commodity costs.

Energy Purchases

Energy purchases increased $23 million for the nine months ended September 30, 2025 compared with 2024, primarily due to a $12 million increase in volumes primarily due to weather and an $11 million increase in commodity costs.

Energy Purchases from Affiliate

Energy purchases from affiliate decreased $5 million for the three months ended September 30, 2025 compared with 2024, primarily due to lower volumes.

Other Operation and Maintenance

Other operation and maintenance increased $7 million for the three months ended September 30, 2025 compared with 2024, primarily due to higher IT costs.

Other Income (Expense) - net

Other income (expense) increased $5 million for the three months ended September 30, 2025 compared with 2024, due to $3 million of higher miscellaneous other income and $2 million of higher AFUDC equity.

Interest Expense

Interest expense increased $4 million for the three months ended September 30, 2025 compared with 2024, primarily due to increased borrowings.

KU: Statement of Income Analysis

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

	Three Months			Nine Months		
	2025	2024	$ Change	2025	2024	$ Change
Operating Revenues						
Retail and wholesale	$ 524	$ 498	$ 26	$ 1,548	$ 1,479	$ 69
Electric revenue from affiliate	6	11	(5)	18	19	(1)
Total Operating Revenues	530	509	21	1,566	1,498	68
Operating Expenses						
Operation						
Fuel	135	131	4	404	369	35
Energy purchases	6	7	(1)	20	19	1
Energy purchases from affiliate	7	1	6	17	20	(3)
Other operation and maintenance	101	103	(2)	303	306	(3)
Depreciation	102	102	—	305	302	3
Taxes, other than income	13	12	1	38	36	2
Total Operating Expenses	364	356	8	1,087	1,052	35
Operating Income	166	153	13	479	446	33
Other Income (Expense) - net	9	4	5	19	10	9
Interest Expense	38	35	3	108	102	6
Interest Expense with Affiliate	—	—	—	—	1	(1)
Income Before Income Taxes	137	122	15	390	353	37
Income Taxes	28	24	4	78	70	8
Net Income	$ 109	$ 98	$ 11	$ 312	$ 283	$ 29

Operating Revenues

The increase (decrease) in operating revenues was due to:

	Three Months	Nine Months
Fuel and other energy purchases (a)	$ 8	$ 21
Volumes (b)	5	22
Off-system sales (c)	2	16
ECR	5	1
Other	1	8
Total	$ 21	$ 68

(a) The increase for the three months ended September 30, 2025 was primarily due to higher recoveries of fuel expenses and energy purchases from affiliate. The increase for the nine months ended September 30, 2025 was primarily due to higher recoveries of fuel expenses.
(b) The increase for the nine months ended September 30, 2025 was primarily due to weather.
(c) The increase for the nine months ended September 30, 2025 was primarily due to higher volumes.

Fuel

Fuel expense increased $4 million for the three months ended September 30, 2025 compared with 2024, primarily due to a $10 million increase in commodity costs, partially offset by a $6 million decrease in volumes primarily due to weather.

Fuel expense increased $35 million for the nine months ended September 30, 2025 compared with 2024, primarily due to a $19 million increase in volumes primarily due to weather and a $16 million increase in commodity costs.

Energy Purchases from Affiliate

Energy purchases from affiliate increased $6 million for the three months ended September 30, 2025 compared with 2024, primarily due to an increase in volumes.

Financial Condition

The remainder of this Item 2 in this Form 10-Q is presented on a combined basis, providing information for each of the Registrants as applicable.

Liquidity and Capital Resources

(All Registrants)

The Registrants had the following at:

	PPL	PPL Electric	LG&E	KU
September 30, 2025				
Cash and cash equivalents	$ 1,102	$ 13	$ 515	$ 341
Short-term debt	595	—	—	—
Long-term debt due within one year	1,455	—	390	414
Notes payable to affiliates		—	—	—
December 31, 2024				
Cash and cash equivalents	$ 306	$ 24	$ 8	$ 13
Short-term debt	303	—	25	140
Long-term debt due within one year	551	—	300	250
Notes payable to affiliates		—	43	73

(All Registrants)

Net cash provided by (used in) operating, investing and financing activities for the nine month periods ended September 30, and the changes between periods, were as follows.

	PPL	PPL Electric	LG&E	KU
2025				
Operating activities	$ 2,081	$ 719	$ 538	$ 647
Investing activities	(2,860)	(1,362)	(561)	(681)
Financing activities	1,559	632	522	354
2024				
Operating activities	$ 1,829	$ 689	$ 456	$ 612
Investing activities	(1,944)	(1,240)	(327)	(463)
Financing activities	316	535	(143)	(151)
Change - Cash Provided (Used)				
Operating activities	$ 252	$ 30	$ 82	$ 35
Investing activities	(916)	(122)	(234)	(218)
Financing activities	1,243	97	665	505

Operating Activities

The components of the change in cash provided by (used in) operating activities for the nine months ended September 30, 2025 compared with 2024 were as follows.

	PPL	PPL Electric	LG&E	KU
Change - Cash Provided (Used)				
Net income	$ 204	$ 41	$ 12	$ 29
Non-cash components	54	(24)	2	27
Working capital	32	33	66	(13)
Other operating activities	(38)	(20)	2	(8)
Total	$ 252	$ 30	$ 82	$ 35

(PPL)

PPL's cash provided by operating activities in 2025 increased $252 million compared with 2024.

- Net income increased $204 million between the periods and included an increase in non-cash components of $54 million.
- The $32 million increase in cash from changes in working capital was primarily due to a decrease in net regulatory assets (primarily due to the timing of rate recovery mechanisms), a decrease in prepayments (primarily due to the timing of payments), an increase in accounts payable (primarily due to the timing of payments) and an increase in taxes payable (primarily due to the timing of payments), partially offset by an increase in accounts receivable (primarily due to the timing of payments).
- The $38 million decrease in cash provided by other operating activities was driven primarily by an increase in other assets (primarily related to long-term cloud prepayments).

(PPL Electric)

PPL Electric's cash provided by operating activities in 2025 increased $30 million compared with 2024.

- Net income increased $41 million between the periods and included a decrease in non-cash components of $24 million. The decrease in non-cash components was primarily due to a decrease in deferred income taxes and investment tax credits (primarily due to book versus tax plant timing differences).
- The $33 million increase in cash from changes in working capital was primarily due to increases in taxes payable (primarily due to timing of payments), a decrease in net regulatory assets (primarily due to the timing of rate recovery mechanisms) and a decrease in prepayments (primarily due to the timing of payments), partially offset by an increase in accounts receivable (primarily due to the timing of payments).
- The $20 million decrease in cash provided by other operating activities was driven primarily by an increase in noncurrent regulatory assets (primarily related to an increase in storm costs).

(LG&E)

LG&E's cash provided by operating activities in 2025 increased $82 million compared with 2024.

- Net income increased $12 million between the periods.
- The $66 million increase in cash from changes in working capital was primarily due to a decrease in accounts receivable (primarily due to weather), an increase in accounts payable (primarily due to timing of payments) and a decrease in fuel, materials and supplies (primarily due to a decrease in coal volume), partially offset by a decrease in current regulatory assets (primarily due to the timing of rate recovery mechanisms).

(KU)

KU's cash provided by operating activities in 2025 increased $35 million compared with 2024.

- Net income increased $29 million between the periods and included an increase in non-cash components of $27 million, primarily due to an increase in deferred income taxes and investment tax credits (primarily due to book versus tax plant timing differences).
- The $13 million decrease in cash from changes in working capital was primarily due to a decrease in net regulatory liabilities (primarily due to timing of regulatory mechanisms) and an increase in fuel, materials and supplies (primarily due to an increase in coal volume), partially offset by a decrease in accounts receivable (primarily due to weather).

Investing Activities

(All Registrants)

The components of the change in cash provided by (used in) investing activities for the nine months ended September 30, 2025 compared with 2024 were as follows.

	PPL	PPL Electric	LG&E	KU
Change - Cash Provided (Used)				
Expenditures for PP&E	$ (923)	$ (262)	$ (234)	$ (218)
Notes receivable from affiliate	—	131	—	—
Other investing activities	7	9	—	—
Total	$ (916)	$ (122)	$ (234)	$ (218)

For PPL, the increase in expenditures for PP&E was due to an increase in project expenditures at PPL Electric, RIE, LG&E and KU. The increase in expenditures at PPL Electric was primarily due to increases in transmission and distribution projects. The increase in expenditures at LG&E was primarily due to Mill Creek Unit 5, Calvary transmission pipeline installation and the E.W. Brown battery storage project. The increase in expenditures at KU was primarily due to Mill Creek Unit 5.

For PPL Electric, the change in "Notes receivable from affiliate" activity resulted from payments received of $131 million from an affiliate. See Note 11 to the Financial Statements for further discussion of intercompany borrowings.

Financing Activities

(All Registrants)

PPL regularly analyzes and evaluates its capital structure and may explore potential transactions, including debt or equity purchases and/or exchanges from time to time through redemptions, open market purchases, private transactions, or otherwise, or seek to raise additional debt or equity capital, depending on market conditions.

The components of the change in cash provided by (used in) financing activities for the nine months ended September 30, 2025 compared with 2024 were as follows.

	PPL	PPL Electric	LG&E	KU
Change - Cash Provided (Used)				
Debt issuance/retirement, net	$ 1	$ (153)	$ 700	$ 700
Dividends	(36)	(15)	(10)	(12)
Capital contributions/distributions, net	—	(245)	85	73
Change in short-term debt, net	1,284	509	(25)	(47)
Net increase (decrease) in notes payable with affiliate	—	—	(77)	(201)
Other financing activities	(6)	1	(8)	(8)
Total	$ 1,243	$ 97	$ 665	$ 505

See Note 7 to the Financial Statements in this Form 10-Q for information on 2025 short-term and long-term debt activity, equity transactions and PPL dividends. See Note 8 to the Financial Statements in the Registrants' 2024 Form 10-K for information on 2024 activity.

Credit Facilities

The Registrants maintain credit facilities to enhance liquidity, provide credit support and provide a backstop to commercial paper programs. Amounts borrowed under these credit facilities are reflected in "Short-term debt" on the Balance Sheets. At September 30, 2025, the total committed borrowing capacity under credit facilities and the borrowings under these facilities were:

External

	Committed Capacity	Borrowed	Letters of Credit and Commercial Paper Issued (c)	Unused Capacity
PPL Capital Funding Credit Facilities (a)	$ 1,600	$ —	$ 596	$ 1,004
PPL Electric Credit Facility	750	—	1	749
LG&E Credit Facility	600	—	—	600
KU Credit Facility	600	—	—	600
Total Credit Facilities (b)	$ 3,550	$ —	$ 597	$ 2,953

(a) Includes a $1.5 billion syndicated credit facility with a $250 million borrowing sublimit for RIE and a $1.25 billion sublimit for PPL Capital Funding. RIE's borrowing sublimit is adjustable, at the borrowers' option, from $0 to $600 million, with the remaining balance of the $1.5 billion available under the facility allocated to PPL Capital Funding. At September 30, 2025, PPL Capital Funding had $445 million of commercial paper outstanding and RIE had $151 million of commercial paper outstanding. RIE's obligations under the facility are not guaranteed by PPL.
(b) The commitments under the credit facilities are provided by a diverse bank group, with no one bank and its affiliates providing an aggregate commitment of more than the following percentages of the total committed capacity: PPL - 8%, PPL Electric - 7%, LG&E - 7% and KU - 7%.
(c) Commercial paper issued reflects the undiscounted face value of the issuance.

See Note 7 to the Financial Statements for further discussion of the Registrants' credit facilities.

Intercompany (LG&E and KU)

	Committed Capacity	Borrowed	Commercial Paper Issued	Unused Capacity
LG&E Money Pool (a)	$ 750	$ —	$ —	$ 750
KU Money Pool (a)	650	—	—	650

(a) LG&E and KU participate in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E, and LKE and/or LG&E make available to KU funds up to the difference between LG&E's and KU's FERC borrowing limit and LG&E's and KU's commercial paper issued, at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR.

See Note 11 to the Financial Statements for further discussion of intercompany credit facilities.

Commercial Paper *(All Registrants)*

The Registrants, and PPL Capital Funding and RIE, maintain commercial paper programs to provide an additional financing source to fund short-term liquidity needs, as necessary. Commercial paper issuances, included in "Short-term debt" on the Balance Sheets, are supported by the respective Registrant's credit facility, with PPL Capital Funding and RIE's issuances supported by PPL Capital Funding's syndicated credit facility. The following commercial paper programs were in place at September 30, 2025:

	Capacity	Commercial Paper Issuances (b)	Unused Capacity
PPL Capital Funding (a)	$ 1,600	$ 445	$ 1,155
RIE (a)	400	151	249
PPL Electric	750	—	750
LG&E	600	—	600
KU	600	—	600
Total PPL	$ 3,950	$ 596	$ 3,354

(a) Issuances under the PPL Capital Funding and RIE commercial paper programs are supported by the PPL Capital Funding syndicated credit facility, which has a total capacity of $1.5 billion, currently with a $250 million borrowing sublimit for RIE and a $1.25 billion sublimit for PPL Capital Funding. PPL Capital Funding's Commercial paper program is also backed by a separate bilateral credit facility for $100 million.
(b) Commercial paper issued reflects the undiscounted face value of the issuance.

Long-term Debt *(All Registrants)*

See Note 7 to the Financial Statements for information regarding the Registrants' long-term debt activities.

(PPL)

Equity Security Activities

ATM Program

In February 2025, PPL entered into an equity distribution agreement, pursuant to which PPL may sell, from time to time, up to an aggregate of $2 billion of its common stock through an ATM Program, which may utilize an optional forward sales component. Each forward contract under the agreement must be settled within 24 months. The compensation paid to the selling agents by PPL may be up to 2% of the gross offering proceeds of the shares. During the nine months ended September 30, 2025, PPL entered into forward contracts to sell approximately 38.7 million shares of its common stock at a blended initial forward price of approximately $35.50 per share. The forward sale price may be adjusted based on changes in daily interest rates, for certain stock loan fees as determined by a third-party agent, and will be subject to predetermined reductions based on expected dividends. Each outstanding forward contract must be settled on or before dates ranging from December 30, 2025 to August 11, 2027. PPL may elect, at its discretion, to physically settle, net share settle or net cash settle the forward contracts. At September 30, 2025, PPL could have settled the forward sale contracts with physical delivery of approximately 38.7 million shares of common stock for proceeds of approximately $1.4 billion. The forward contracts under the ATM program are classified as equity transactions.

Common Stock Dividends

In August 2025, PPL declared a quarterly common stock dividend, payable October 1, 2025, of 27.25 cents per share. Future dividends, declared at the discretion of the Board of Directors, will depend upon future earnings, cash flows, financial and legal requirements and other factors.

Rating Agency Actions

(All Registrants)

Moody's and S&P periodically review the credit ratings of the debt of the Registrants and their subsidiaries. Based on their respective independent reviews, the rating agencies may make certain ratings revisions or ratings affirmations.

A credit rating reflects an assessment by the rating agency of the creditworthiness associated with an issuer and particular securities that it issues. The credit ratings of the Registrants and their subsidiaries are based on information provided by the Registrants and other sources. The ratings of Moody's and S&P are not a recommendation to buy, sell or hold any securities of the Registrants or their subsidiaries. Such ratings may be subject to revisions or withdrawal by the agencies at any time and should be evaluated independently of each other and any other rating that may be assigned to the securities.

The credit ratings of the Registrants and their subsidiaries affect their liquidity, access to capital markets and cost of borrowing under their credit facilities. A downgrade in the Registrants' or their subsidiaries' credit ratings could result in higher borrowing costs and reduced access to capital markets. The Registrants and their subsidiaries have no credit rating triggers that would result in the reduction of access to capital markets or the acceleration of maturity dates of outstanding debt.

Since June 2023, the rating agencies have taken no ratings actions related to the Registrants and their subsidiaries.

Ratings Triggers

(PPL, LG&E and KU)

Various derivative and non-derivative contracts, including contracts for the sale and purchase of electricity and fuel, commodity transportation and storage, and interest rate instruments, contain provisions that require the posting of additional collateral or permit the counterparty to terminate the contract, if PPL's, LG&E's or KU's or their subsidiaries' credit rating, as applicable, were to fall below investment grade. See Note 14 to the Financial Statements for a discussion of "Credit Risk-Related Contingent Features," including a discussion of the potential additional collateral requirements for PPL for derivative contracts in a net liability position at September 30, 2025.

(All Registrants)

For additional information on the Registrants' liquidity and capital resources, see "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations," in the Registrants' 2024 Form 10-K.

Risk Management *(All Registrants)*

Market Risk

See Notes 13 and 14 to the Financial Statements for information about the Registrants' risk management objectives, valuation techniques and accounting designations.

The forward-looking information presented below provides estimates of what may occur in the future, assuming certain adverse market conditions and model assumptions. Actual future results may differ materially from those presented. These are not precise indicators of expected future losses, but are rather only indicators of possible losses under normal market conditions at a given confidence level.

Interest Rate Risk

PPL and its subsidiaries issue debt to finance their operations, which exposes them to interest rate risk. A variety of financial derivative instruments are utilized to adjust the mix of fixed and floating interest rates in their debt portfolios, adjust the duration of the debt portfolios and lock in benchmark interest rates in anticipation of future financing, when appropriate. Risk limits under PPL's risk management program are designed to balance risk exposure to volatility in interest expense and changes in the fair value of the debt portfolio due to changes in benchmark interest rates. In addition, the interest rate risk of certain subsidiaries is potentially mitigated as a result of the existing regulatory framework or the timing of rate cases.

The following interest rate hedges were outstanding at September 30, 2025.

	Exposure Hedged	Fair Value, Net - Asset (Liability) (a)	Effect of a 10% Adverse Movement in Rates (b)	Maturities Ranging Through
PPL and LG&E				
Economic hedges				
Interest rate derivatives (c)	$ 64	$ (5)	$ (1)	2033

(a) Includes accrued interest, if applicable.
(b) Effects of adverse movements decrease assets or increase liabilities, as applicable, which could result in an asset becoming a liability. Sensitivities represent a 10% adverse movement in interest rates.
(c) Realized changes in the fair value of such economic hedges are recoverable through regulated rates and any subsequent changes in the fair value of these derivatives are included in regulatory assets or regulatory liabilities.

The Registrants are exposed to a potential increase in interest expense and to changes in the fair value of their debt portfolios. The estimated impact of a 10% adverse movement in interest rates on the fair value of debt at September 30, 2025 is shown below.

	10% Adverse Movement in Rates on Fair Value of Debt
PPL	$ 727
PPL Electric	288
LG&E	137
KU	177

Commodity Price Risk

PPL is exposed to commodity price risk through its subsidiaries as described below.

- PPL Electric is required to purchase electricity to fulfill its obligation as a PLR. Potential commodity price risk is mitigated through its PAPUC-approved cost recovery mechanism and full-requirement supply agreements to serve its PLR customers which transfer the risk to energy suppliers.

- LG&E's and KU's rates include certain mechanisms for fuel, fuel-related expenses and energy purchases. In addition, LG&E's rates include a mechanism for natural gas supply costs. These mechanisms generally provide for timely recovery of market price fluctuations associated with these costs.
- RIE utilizes derivative instruments pursuant to its RIPUC-approved plan to manage commodity price risk associated with its natural gas purchases. RIE's commodity price risk management strategy is to reduce fluctuations in firm gas sales prices to its customers. RIE's costs associated with derivatives instruments are recoverable through its RIPUC-approved cost recovery mechanisms. RIE is also required to purchase electricity to fulfill its obligation to provide Last Resort Service (LRS). Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms and full requirements service agreements to serve LRS customers, which transfer the risk to energy suppliers. Additionally, RIE is required to contract through long-term agreements for clean energy supply under the Rhode Island Renewable Energy Growth program and Long-term Clean Energy Standard. Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms, which true-up cost differences between contract prices and market prices.

Volumetric Risk

Volumetric risk is the risk related to the changes in volume of retail sales mainly due to weather, economic conditions or other factors. PPL is exposed to volumetric risk through its subsidiaries as described below:

- PPL Electric, LG&E and KU are exposed to volumetric risk on retail sales, mainly due to weather and other economic conditions for which there is limited mitigation between rate cases.
- RIE is exposed to volumetric risk, which is significantly mitigated by regulatory mechanisms. RIE's electric and gas distribution rates both have a revenue decoupling mechanism, which allows for annual adjustments to RIE's delivery rates.

Inflation and Supply Chain Related Risk

PPL and its subsidiaries continue to monitor the impact of inflation and supply chain disruptions. PPL and its subsidiaries monitor the cost of fuel, construction, regulatory and environmental compliance costs and other costs, including as a result of tariffs. Mechanisms are in place to mitigate the risk of inflationary effects and supply chain disruptions, to the extent possible, but increased costs and supply chain disruptions may directly or indirectly affect our ongoing operations. These mechanisms include pricing strategies, productivity improvements and cost reductions in order to ensure that the Registrants are able to procure the necessary materials and other resources needed to maintain services in a safe and reliable manner, and to invest in infrastructure consistent with the capital expenditure plan. For additional information see "Forward-looking Information" at the beginning of this report and "Item 1A. Risk Factors" of the Registrants' 2024 Form 10-K.

Credit Risk

See Notes 13 and 14 to the Financial Statements in this Form 10-Q and "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition - Risk Management - Credit Risk" in the Registrants' 2024 Form 10-K for additional information.

Related Party Transactions *(All Registrants)*

The Registrants are not aware of any material ownership interests or operating responsibility by senior management in outside partnerships, including leasing transactions with variable interest entities, or other entities doing business with the Registrants. See Note 11 to the Financial Statements for additional information on related party transactions for PPL Electric, LG&E and KU.

Acquisitions, Development and Divestitures *(All Registrants)*

The Registrants from time to time evaluate opportunities for potential acquisitions, divestitures and development projects. Development projects are reexamined based on market conditions and other factors to determine whether to proceed with, modify or terminate the projects. Any resulting transactions may impact future financial results. See Note 8 to the Financial Statements for additional information on acquisition, development, and divestiture activity.

Environmental Matters *(All Registrants)*

Extensive federal, state and local environmental laws and regulations are applicable to the Registrants' air emissions, water discharges and the management of hazardous and solid waste, as well as other aspects of the Registrants' businesses. The costs of compliance or alleged non-compliance cannot be predicted with certainty but could be significant. In addition, costs may increase significantly if the requirements or scope of environmental laws or regulations, or similar rules, are expanded or changed. Costs may take the form of increased capital expenditures or operating and maintenance expenses, monetary fines, penalties or other restrictions. Many of these environmental law considerations are also applicable to the operations of key suppliers, or customers, such as coal producers and industrial power users, and may impact the costs for their products or their demand for the Registrants' services. Increased capital and operating costs are expected to be subject to rate recovery. The Registrants can provide no assurances as to the ultimate outcome of future environmental or rate proceedings before regulatory authorities.

See "Environmental Matters" in Item 1. "Business" in the Registrants' 2024 Form 10-K for information about environmental laws and regulations affecting the Registrants' business. See "Financial Condition - Liquidity and Capital Resources - Forecasted Uses of Cash - Capital Expenditures" in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Registrants' 2024 Form 10-K for information on projected environmental capital expenditures for 2025 through 2027. See "Legal Matters" in Note 10 to the Financial Statements for a discussion of the more significant environmental claims. See Note 15 to the Financial Statements for information related to the impacts of CCRs on AROs.

The information below represents an update to “Item 1. Business – Environmental Matters” in the Registrants' 2024 Form 10-K.

(PPL, LG&E and KU)

EPA Deregulatory Initiative

On March 12, 2025, the EPA announced a plan to reconsider 31 environmental rules including the Section 111 performance standards and emissions limits for greenhouse gases, the endangerment finding for greenhouse gases, the Good Neighbor Plan, the Mercury and Air Toxics Standards, revisions to the fine particulate matter standard, the ELGs, and the CCRs Rule. Supplementing previous Executive Orders directing various regulatory changes, on April 9, 2025, President Trump issued an Executive Order and Presidential Memorandum directing review of existing rules, repeal of unlawful rules, and initiation of a zero-based budgeting process by which certain rules would automatically expire unless extended. While the administration may seek to implement some regulatory changes outside of the rulemaking process, changes to existing rules are generally expected to require formal rulemaking proceedings. Any final EPA actions repealing or revising current rules will likely result in legal challenges. PPL, LG&E, and KU are unable to predict future regulatory changes, if any, that may result from the EPA’s deregulatory plan or the outcome of any associated legal challenges. PPL, LG&E, and KU are closely monitoring the ongoing EPA initiative and any related litigation for the impact to our business including planned capital expenditures to comply with the EPA rules.

Air

NAAQS

The Clean Air Act has a significant impact on the operation of fossil fuel generation plants. The Clean Air Act requires the EPA periodically to establish and review NAAQS for six pollutants including ozone (contributed to by nitrogen oxide emissions) and particulate matter, which are particularly relevant for fossil fuel generation plants. On February 2, 2024, the D.C. Circuit Court granted the EPA’s motion for voluntary remand, without vacatur, of the ozone rule, which was under legal challenge. The EPA will complete a new review to incorporate new studies and updated analyses to determine the adequacy of the existing ozone standard. On March 6, 2024, the EPA finalized revisions to the particulate matter standard that lowers the primary standard for fine particulates. Several states and trade groups challenged the EPA’s finalized revisions to the particulate matter standard in the D.C. Circuit Court. In March 2025, the EPA announced that it would reconsider the revised fine particulate standard. Nonattainment designations for counties in which LG&E and KU generation is located, including Jefferson County, Kentucky, could potentially require additional particulate matter and nitrogen oxide reductions from sources including LG&E’s Mill Creek Station, and more stringent requirements for new generation. PPL, LG&E, and KU are unable to predict future implementation actions or the outcome of future evaluations by the EPA and the states with respect to the NAAQS standards.

In March 2021, the EPA released final revisions to the Cross-State Air Pollution Rule (CSAPR), aimed at ensuring compliance with the 2008 ozone NAAQS and providing for reductions in ozone season nitrogen oxide emissions for 2021 and subsequent years. In March 2023, the EPA released a final Federal Implementation Plan under the Good Neighbor provisions of the Clean Air Act providing for significant additional nitrogen oxide emission reductions for compliance with the revised 2015 ozone NAAQS. The reductions in Kentucky state-wide nitrogen oxide budgets were scheduled to commence in 2023, with the largest reductions planned for 2026. The rules provide for reduced availability of nitrogen oxide allowances that have historically permitted operational flexibility for fossil units and could potentially result in constraints that may require implementation of additional emission controls or accelerate implementation of lower emission generation technologies. In June 2024, the U.S. Supreme Court issued a stay of the Good Neighbor Plan while the D.C. Circuit Court considers legal challenges to the rule. On December 10, 2024, EPA published in the Federal Register a supplement to the record. On December 6, 2024, the U.S. Court of Appeals for the Sixth Circuit vacated and remanded the EPA's disapproval of Kentucky's state implementation plan for the ozone NAAQS. In March 2025, the EPA announced that it would reconsider the Good Neighbor Plan. PPL, LG&E, and KU are monitoring ongoing legal and regulatory developments.

PPL, LG&E, and KU are unable to predict the ultimate outcome of pending litigation or future emission reductions that may be required by future federal rules or state implementation actions. Compliance with the NAAQS, CSAPR, Good Neighbor Plan, and related requirements may require installation of additional pollution controls or other compliance actions, inclusive of retirements, the costs of which PPL, LG&E and KU believe would be subject to rate recovery.

Modification of Mercury and Air Toxics Standards

In 2012, the EPA issued the Mercury and Air Toxics Standards (MATS) rule requiring reductions in mercury and other hazardous air pollutants from fossil fuel-fired power plants. LG&E and KU installed significant controls to achieve compliance with MATS and other rules. On May 7, 2024, the EPA issued a final rule increasing the stringency of MATS and further reducing emissions of certain hazardous air pollutants to reflect perceived developments in control technologies. Legal challenges to the rule have been filed in the D.C. Circuit Court. PPL, LG&E, and KU have reviewed the final rule and do not expect significant operational changes or additional controls to be required. On June 17, 2025, the EPA proposed in the Federal Register to repeal the 2024 MATS revisions except for the Particulate Matter Continuous Emission Monitoring System testing criteria. The EPA intends to finalize the rule revisions by the end of the 2025 calendar year.

Greenhouse Gas Standards

On May 9, 2024, the EPA issued a final rule under Section 111 of the Clean Air Act, which establishes performance standards and emissions limits aimed at reducing GHG emissions from certain new, existing, and modified fossil fuel-fired electric generating units (EGUs). In the final rule, the EPA announced it would set performance standards for existing natural gas-fired turbines in a future rule. The standards require phased implementation of carbon mitigation technologies including state-of-the-art efficiency requirements, carbon capture and sequestration, and natural gas co-firing. New natural gas EGUs would be immediately subject to the stricter efficiency standard. Legal challenges to the rule have been filed in the D.C. Circuit Court. PPL, LG&E, and KU are unable to predict the impact of new GHG reduction requirements until completion of a comprehensive review and resolution of related legal and regulatory proceedings. While the impact of new GHG reduction requirements on operations and financial results of operations could potentially be substantial, the cost of complying with such requirements is expected to be subject to rate recovery. On June 17, 2025, the EPA proposed in the Federal Register two options for repeal of the 2024 standard. In the first proposal, the EPA would determine that EGU emissions of greenhouse gases do not pose an endangerment to the health and welfare of the public and repeal the 2024 and 2015 standards for EGUs. Under an alternate proposal, the EPA would repeal the 2024 standards for existing coal, natural-gas and oil-fired steam generating units along with most standards for new combustion turbines. On July 29, 2025, the EPA proposed revocation of the 2009 endangerment finding which provides the basis for regulating GHG emissions. This proposal would leave in place efficiency standards for new combustion turbines. The EPA intends to finalize the rule changes by the end of the 2025 calendar year.

New Accounting Guidance *(All Registrants)*

There has been no new accounting guidance adopted in 2025. See Note 17 to the Financial Statements for discussion of significant accounting guidance pending adoption as of September 30, 2025.

Application of Critical Accounting Policies *(All Registrants)*

Financial condition and results of operations are impacted by the methods, assumptions and estimates used in the application of critical accounting policies. The following table summarizes the accounting policies by Registrant that are particularly important to an understanding of the reported financial condition or results of operations and require management to make estimates or other judgments of matters that are inherently uncertain. See "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Registrants' 2024 Form 10-K for a discussion of each critical accounting policy.

	PPL	PPL Electric	LG&E	KU
Defined Benefits	X	X	X	X
Income Taxes	X	X	X	X
Regulatory Assets and Liabilities	X	X	X	X
Price Risk Management	X			
Goodwill Impairment	X		X	X
AROs			X	X
Revenue Recognition - Unbilled Revenue	X		X	X

PPL Corporation
PPL Electric Utilities Corporation
Louisville Gas and Electric Company
Kentucky Utilities Company

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to "Risk Management" in "Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations."

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

The Registrants' principal executive officers and principal financial officers, based on their evaluation of the Registrants' disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) have concluded that, as of September 30, 2025, the Registrants' disclosure controls and procedures are effective to ensure that material information relating to the Registrants and their consolidated subsidiaries is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, particularly during the period for which this quarterly report has been prepared. The principal officers have concluded that the disclosure controls and procedures are also effective to ensure that information required to be disclosed in reports filed under the Exchange Act is accumulated and communicated to management, including the principal executive and principal financial officers, to allow for timely decisions regarding required disclosure.

(b) Change in internal controls over financial reporting.

The Registrants' principal executive officers and principal financial officers have concluded that there were no changes in the Registrants' internal controls over financial reporting during the Registrants' third fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Registrants' internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal, tax, regulatory, environmental or other administrative proceedings that became reportable events or were pending in the third quarter of 2025 see:

- "Item 3. Legal Proceedings" in each Registrant's 2024 Form 10-K; and
- Notes 5, 6, 8 and 10 to the Financial Statements.

Item 1A. Risk Factors

There have been no material changes in the Registrants' risk factors from those disclosed in "Item 1A. Risk Factors" of the Registrants' 2024 Form 10-K.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

During the three months ended September 30, 2025, none of our directors or executive officers adopted, terminated or modified any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as such terms are defined in Item 408 of Regulation S-K.

Item 6. Exhibits

The following Exhibits indicated by an asterisk preceding the Exhibit number are filed herewith. The balance of the Exhibits has heretofore been filed with the SEC and pursuant to Rule 12(b)-23 are incorporated herein by reference. Exhibits indicated by a [_] are filed or listed pursuant to Item 601(b)(10)(iii) of Regulation S-K.

4(a)	- Supplemental Indenture No. 26, dated as of August 1, 2025, of PPL Electric Utilities Corporation to The Bank of New York Mellon, as Trustee (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated August 6, 2025)
4(b)	- Supplemental Indenture No. 10, dated as of August 1, 2025, of Louisville Gas and Electric Company to The Bank of New York Mellon, as Trustee (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated August 13, 2025)
4(c)	- Supplemental Indenture No. 11, dated as of August 1, 2025, of Kentucky Utilities Company to The Bank of New York Mellon, as Trustee (Exhibit 4(c) to PPL Corporation Form 8-K Report (File No. 1-11459) dated August 13, 2025)
*4(d)	- Supplemental Indenture No. 27, dated as of September 15, 2025, of PPL Electric Utilities Corporation to The Bank of New York Mellon, as Trustee
*[_]10(a)	- Amended and Restated PPL Executive Deferred Compensation Plan, dated December 20, 2024
*[_]10(b)	- Amendment No. 1 to said PPL Executive Deferred Compensation Plan, dated August 25, 2025

Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, for the quarterly period ended September 30, 2025, filed by the following officers for the following companies:

*31(a)	- PPL Corporation's principal executive officer
*31(b)	- PPL Corporation's principal financial officer
*31(c)	- PPL Electric Utilities Corporation's principal executive officer
*31(d)	- PPL Electric Utilities Corporation's principal financial officer
*31(e)	- Louisville Gas and Electric Company's principal executive officer
*31(f)	- Louisville Gas and Electric Company's principal financial officer
*31(g)	- Kentucky Utilities Company's principal executive officer
*31(h)	- Kentucky Utilities Company's principal financial officer

Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, for the quarterly period ended September 30, 2025, furnished by the following officers for the following companies:

*32(a)	- PPL Corporation's principal executive officer and principal financial officer
*32(b)	- PPL Electric Utilities Corporation's principal executive officer and principal financial officer
*32(c)	- Louisville Gas and Electric Company's principal executive officer and principal financial officer
*32(d)	- Kentucky Utilities Company's principal executive officer and principal financial officer
101.INS	- XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	- XBRL Taxonomy Extension Schema
101.CAL	- XBRL Taxonomy Extension Calculation Linkbase
101.DEF	- XBRL Taxonomy Extension Definition Linkbase
101.LAB	- XBRL Taxonomy Extension Label Linkbase
101.PRE	- XBRL Taxonomy Extension Presentation Linkbase
104	- The Cover Page Interactive Data File is formatted as Inline XBRL and contained in Exhibits 101.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

PPL Corporation

(Registrant)

Date: November 5, 2025

/s/ Marlene C. Beers

Marlene C. Beers
Vice President and Controller
(Principal Accounting Officer)

PPL Electric Utilities Corporation

(Registrant)

Date: November 5, 2025

/s/ Marlene C. Beers

Marlene C. Beers
Vice President and Controller
(Principal Accounting and Financial Officer)

Louisville Gas and Electric Company

(Registrant)

Kentucky Utilities Company

(Registrant)

Date: November 5, 2025

/s/ Christopher M. Garrett

Christopher M. Garrett
Vice President-Finance and Accounting
(Principal Accounting and Financial Officer)

This instrument is Supplemental Indenture No. 27 to, and a restatement in its entirety of, the Indenture, dated as of August 1, 2001, between PPL Electric Utilities Corporation and The Chase Manhattan Bank, trustee (predecessor in trust of the trustee herein), as heretofore amended.

PPL ELECTRIC UTILITIES CORPORATION,
Issuer

TO

THE BANK OF NEW YORK MELLON,
Trustee

(successor in trust to The Chase Manhattan Bank)

Indenture

Dated as of August 1, 2001

Supplemental Indenture No. 27

Dated as of September 15, 2025

Constituting a Restatement in its Entirety
of the aforesaid Indenture, as heretofore amended

THIS IS AN OPEN-END MORTGAGE INDENTURE
AND SECURES FUTURE ADVANCES

PPL ELECTRIC UTILITIES CORPORATION

Reconciliation and tie between Trust Indenture Act of 1939
and Indenture, dated as of August 1, 2001

Trust Indenture Act Section		Indenture Section
§310	(a)(1)	1009
	(a)(2)	1009
	(a)(3)	1015
	(a)(4)	Not Applicable
	(b)	1008, 1010
§311	(a)	1013
	(b)	1013
	(c)	Not Applicable
§312	(a)	1101
	(b)	1101
	(c)	1101
§313	(a)	1102
	(b)(1)	Not Applicable
	(b)(2)	1102
	(c)	1102
	(d)	1102
§314	(a)	1102
	(a)(4)	705
	(b)	Not Applicable
	(c)(1)	105
	(c)(2)	105
	(c)(3)	Not Applicable
	(d)	Not Applicable
	(e)	105
§315	(a)	1001(a)
	(b)	1002
	(c)	1001(b)
	(d)	1001(c)
	(d)(1)	1001(a)(1), 1001(c)(1)
	(d)(2)	1001(c)(2)
	(d)(3)	1001(c)(3)
	(e)	914
§316	(a)	912, 913
	(a)(1)(A)	902, 912
	(a)(1)(B)	913
	(a)(2)	Not Applicable
	(b)	908
§317	(a)(1)	903
	(a)(2)	904
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EXHIBIT B – MODIFICATIONS OF CLASS A MORTGAGES B-1

INDENTURE, dated as of August 1, 2001 (the "Execution Date") between **PPL ELECTRIC UTILITIES CORPORATION**, a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania (herein called the "Company"), having its principal office at 827 Hausman Road, Allentown, Pennsylvania 18104 and **THE BANK OF NEW YORK MELLON**, a New York banking corporation, having its principal corporate trust office at 240 Greenwich Street, 7th Floor, New York, New York 10286, as trustee, being the successor in trust to The Chase Manhattan Bank (herein called the "Trustee"), this instrument being Supplemental Indenture No. 27 to, and a restatement in its entirety of, the aforesaid Indenture, dated as of August 1, 2001 (the "Original Indenture"), as heretofore amended. The Original Indenture and any and all indentures and instruments amendatory thereof or supplemental thereto are hereinafter sometimes collectively called the "Indenture".

RECITALS OF THE COMPANY

The Original Indenture was authorized, executed and delivered by the Company to provide for the issuance from time to time of its debt securities (herein called the "Securities"), to be issued in one or more series as contemplated therein, and to provide security for the payment of the principal of and premium, if any, and interest, if any, on the Securities.

The Company has heretofore executed and delivered to the Trustee supplemental indentures for the purposes recited therein including the purpose of creating series of Securities, as set forth in Schedule A hereto, and establishing the terms of the Securities of such series.

The Original Indenture has heretofore been amended by provisions set forth in Supplemental Indenture No. 10, dated as of May 1, 2009, Supplemental Indenture No. 11, dated as of July 1, 2011, Supplemental Indenture No. 15, dated as of July 1, 2013, and Supplemental Indenture No. 17, dated as of October 1, 2015.

Section 1304 of the Original Indenture provides that any supplemental indenture may restate the Indenture as theretofore in effect in its entirety, and that any such restatement will supersede the Indenture as theretofore in effect for all purposes.

The Company now desires to restate the Original Indenture as heretofore amended, as contemplated by Section 1304 of the Original Indenture, and has requested the Trustee to join in the execution and delivery of this Supplemental Indenture No. 27 in order to effectuate such restatement; it being understood, acknowledged and agreed, however, that, anything herein or in the Original Indenture or any supplemental indenture to the contrary notwithstanding, (a) the execution and delivery of this Supplemental Indenture No. 27 and the restatement of the Original Indenture as heretofore amended, as aforesaid, shall not affect the Lien (as hereinafter defined) granted and/or created in the granting clauses of the Original Indenture, or the priority of such Lien, (b) such Lien shall continue in effect from the date of the original grant or creation thereof (except to the extent heretofore released), (c) without limiting the generality of the foregoing, pursuant to Granting Clause Second below, such Lien shall continue in effect, subject to the applicable exceptions described in such Granting Glause, with respect to all right, title and interest of the Company in all property, real, personal and mixed, wherever located (other than Excepted Property) acquired by the Company after the Execution Date, including such property acquired after the date of the execution and delivery of this Supplemental Indenture No. 27, and (d) the provisions or terms of particular series of Securities that are not included in the restatement shall remain in effect as set forth in the respective Supplemental Indentures establishing such Securities.

The Company duly authorized the execution and delivery of the Original Indenture and of each supplemental indenture heretofore executed and delivered. The Company has further duly authorized the execution and delivery of this Supplemental Indenture No. 27 to restate the Original Indenture as heretofore amended, as contemplated above; and all acts and things necessary to make each of this Supplemental Indenture No. 27 and the Indenture a valid agreement of the Company have been performed.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, capitalized terms used herein shall have the meanings assigned to them in Article One of this Indenture.

Prior to the Release Date (as hereinafter defined), the Outstanding Securities will be secured by a lien on the Mortgaged Property (as hereinafter defined) to the extent provided herein.

The Company may issue Class A Bonds (as hereinafter defined) of one or more series and deliver such Class A Bonds to the Trustee to hold in trust for the benefit of the Holders (as hereinafter defined) from time to time of the Outstanding Securities, and pursuant to the terms and provisions hereof, the Company may require the Trustee to deliver to the Company for cancellation any and all Class A Bonds held by the Trustee.

The Company has previously issued Securities under the Indenture on the basis of Class A Bonds issued under the PPL 1945 Mortgage and delivered to the Trustee as contemplated in Section 1602. The PPL 1945 Mortgage has been discharged in accordance with Section 1707 and such Class A Bonds were surrendered or cancelled as contemplated in Section 1707.

All acts necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been performed. For all purposes of this Indenture, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms used herein shall have the meanings assigned to them in Article One of this Indenture.

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that, in consideration of the premises and of the purchase of the Securities by the Holders thereof, and in order to secure the payment of the principal of and premium, if any, and interest, if any, on all Securities from time to time Outstanding and the performance of the covenants therein and herein contained, and to declare the terms and conditions on which such Securities are secured, the Company hereby grants, bargains, sells, conveys, assigns, transfers, mortgages, pledges, sets over and confirms to the Trustee, and grants to the Trustee a security interest in and lien on, the following (subject, however, to the terms and conditions set forth in this Indenture):

Granting Clause First

All right, title and interest of the Company, as of the Execution Date, in and to all property, real, personal and mixed, wherever located (other than Excepted Property), including without limitation all right, title and interest of the Company in and the following property so located (other than Excepted Property): (a) all real property owned in fee, easements and other interests in real property which are specifically described or referred

to in Exhibit A attached hereto and incorporated herein by this reference; (b) all facilities, machinery, equipment and fixtures for the transmission and distribution of electric energy including, but not limited to, all switchyards, towers, substations, transformers, poles, lines, cables, conduits, ducts, conductors, meters, regulators and all other property used or to be used for any or all of such purposes; (c) all buildings, offices, warehouses, structures or improvements in addition to those referred to or otherwise included in clauses (a) and (b) above; (d) all computers, data processing, data storage, data transmission and/or telecommunications facilities, equipment and apparatus necessary for the operation or maintenance of any facilities, machinery, equipment or fixtures described or referred to in clause (b) above; and (e) all of the foregoing property in the process of construction;

Granting Clause Second

Subject to the applicable exceptions permitted by Section 1810(d), Section 1203 and Section 1205, all right, title and interest of the Company in all property, real, personal and mixed, wherever located (other than Excepted Property) which may be hereafter acquired by the Company, it being the intention of the Company that all such property acquired by the Company after the Execution Date shall be as fully embraced within and subjected to the Lien hereof as if such property were owned by the Company as of the Execution Date;

Granting Clause Third

Any Excepted Property, which may, from time to time after the Execution Date, by delivery or by an instrument supplemental to this Indenture, be subjected to the Lien hereof by the Company, the Trustee being hereby authorized to receive the same at any time as additional security hereunder; it being understood that any such subjection to the Lien hereof of any Excepted Property as additional security may be made subject to such reservations, limitations or conditions respecting the use and disposition of such property or the proceeds thereof as shall be set forth in such instrument;

Granting Clause Fourth

All other property of whatever kind and nature expressly subjected to the Lien of this Indenture by any of the terms and provisions hereof; and

Excepted Property

Expressly excepting and excluding, however, from the Lien of this Indenture all right, title and interest of the Company in and to the following property, whether now owned or hereafter acquired (herein sometimes called "Excepted Property"):

(a) all cash on hand or in banks or other financial institutions, deposit accounts, securities accounts, shares of stock, interests in general or limited partnerships or limited liability companies, bonds, notes, other evidences of indebtedness and other securities, security entitlements and investment property, of whatsoever kind and nature, not hereafter paid or

delivered to, deposited with or held by the Trustee hereunder or required so to be;

(b) all contracts, leases, operating agreements and other agreements of whatsoever kind and nature; all contract rights, bills, notes and other instruments and chattel paper (except to the extent that any of the same constitute securities, security entitlements or investment property, in which case they are separately excepted from the Lien of this Indenture under clause (a) above); all revenues, income and earnings, all accounts, accounts receivable, rights to payment, payment intangibles and unbilled revenues, and all rents, tolls, issues, product and profits, claims, credits, demands and judgments; all governmental and other licenses, permits, franchises, consents and allowances; and all patents, patent licenses and other patent rights, patent applications, trade names, trademarks, copyrights and other intellectual property; and all claims, credits, choses in action, commercial tort claims and other intangible property and general intangibles including, but not limited to, computer software;

(c) all automobiles, buses, trucks, truck cranes, tractors, trailers and similar vehicles and movable equipment; all rolling stock, rail cars and other railroad equipment; all vessels, boats, barges, and other marine equipment; all airplanes, helicopters, aircraft engines and other flight equipment; all parts, accessories and supplies used in connection with any of the foregoing; and all personal property of such character that the perfection of a security interest therein or other Lien thereon is not governed by the Uniform Commercial Code as in effect in the jurisdiction in which such property is located;

(d) all goods, stock in trade, wares, merchandise and inventory held for the purpose of sale or lease in the ordinary course of business; all materials, supplies, inventory and other items of personal property which are consumable (otherwise than by ordinary wear and tear) in their use in the operation of the Mortgaged Property; all fuel, including nuclear fuel, whether or not any such fuel is in a form consumable in the operation of the Mortgaged Property, including separate components of any fuel in the forms in which such components exist at any time before, during or after the period of the use thereof as fuel; all hand and other portable tools and equipment; all furniture and furnishings; and computers and data processing, data storage, data transmission, telecommunications and other facilities, equipment and apparatus, which, in any case, are used primarily for administrative or clerical purposes or are otherwise not necessary for the operation or maintenance of the facilities, machinery, equipment or fixtures described or referred to in clause (b), (c), (d) or (e) of Granting Clause First of this Indenture;

(e) all coal, ore, gas, oil and other minerals and all timber, and all rights and interests in any of the foregoing, whether or not such minerals or timber shall have been mined or extracted or otherwise separated from the land; and all electric energy and capacity, gas (natural or artificial), steam, water and other products generated, produced, manufactured, purchased or otherwise acquired by the Company;

(f) all real property, leaseholds, gas rights, wells, gathering, tap or other pipe lines, or facilities, equipment or apparatus, in any case used or to be used primarily for the production or gathering of natural gas;

(g) all property which is the subject of a lease agreement designating the Company as lessee and all right, title and interest of the Company in and to such property and in, to and under such lease agreement, whether or not such lease agreement is intended as security;

(h) all property, real, personal and mixed, which prior to the Execution Date has been released from the Lien of the PPL 1945 Mortgage;

(i) all property, real, personal and mixed, which subsequent to the Execution Date, has been released from the Lien of this Indenture, other than pursuant to Section 1811, and any improvements, extensions and additions to such properties and renewals, replacements and substitutions of or for any parts thereof;

(j) all property located outside of the Commonwealth of Pennsylvania;

(k) any and all property and plants used by the Company in the generation of electricity; and

(l) all property not used by the Company in its electric transmission and distribution business;

provided, however, that, subject to the provisions of Section 1203, (x) if, at any time after the occurrence of an Event of Default, the Trustee, or any separate trustee or co-trustee appointed under Section 1015 or any receiver appointed pursuant to Section 917 or otherwise, shall have entered into possession of all or substantially all the Mortgaged Property, to the extent permitted by law, all the Excepted Property described or referred to in the foregoing clauses (b), (c), and (d) then owned or held or thereafter acquired by the Company, to the extent that the same is used in connection with, or otherwise relates or is attributable to, the Mortgaged Property, shall immediately, and, in the case of any Excepted Property described or referred to in clause (g), to the extent that the same is used in connection with, or otherwise relates or is attributable to, the Mortgaged Property, upon demand of the Trustee or such other trustee or receiver, become subject to the Lien of this Indenture, junior and subordinate to any Liens at that time existing on such Excepted

Property, and the Trustee or such other trustee or receiver may, to the extent permitted by law or by the terms of any such other Lien (and subject to the rights of the holders of all such other Liens), at the same time likewise take possession thereof, and (y) whenever all Events of Default shall have been cured and the possession of all or substantially all of the Mortgaged Property shall have been restored to the Company, such Excepted Property shall again be excepted and excluded from the Lien hereof to the extent set forth above; it being understood that the Company may, however, pursuant to Granting Clause Third, subject any Excepted Property to the Lien of this Indenture whereupon the same shall cease to be Excepted Property;

TO HAVE AND TO HOLD all such property, real, personal and mixed, unto the Trustee, its successors in trust and their assigns forever;

SUBJECT, HOWEVER, to Permitted Liens; and

SUBJECT, FURTHER, to the condition that, with respect to any property which is now or hereafter becomes subject to the Lien of any Class A Mortgage, the Lien of this Indenture shall at all times be junior, subject and subordinate to the Lien of such Class A Mortgage;

IN TRUST, NEVERTHELESS, for the equal and ratable benefit and security of the Holders from time to time of all Outstanding Securities without any priority of any such Security over any other such Security;

PROVIDED, HOWEVER, that the right, title and interest of the Trustee in and to the Mortgaged Property shall cease, terminate and become void in accordance with, and subject to the conditions set forth in, Article Eight or Section 1811 hereof, and if the principal of and premium and interest, if any, on the Securities shall have been paid to the Holders thereof, or shall have been paid to the Company pursuant to Section 703 hereof or to the appropriate Governmental Authority pursuant to applicable law after the Maturity thereof, then and in that case this Indenture shall terminate, and the Trustee shall execute and deliver to the Company such instruments as the Company shall require to evidence such termination; otherwise this Indenture, and the estate and rights hereby granted, shall be and remain in full force and effect; and

IT IS HEREBY COVENANTED AND AGREED by and between the Company and the Trustee that all the Securities are to be authenticated and delivered, and that the Mortgaged Property is to be held, subject to the further covenants, conditions and trusts hereinafter set forth, and the Company hereby covenants and agrees to and with the Trustee, for the equal and ratable benefit of all holders of the Securities, as follows:

ARTICLE ONE

Definitions And Other Provisions Of General Application

SECTION 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(b) all terms used herein without definition which are defined in the Trust Indenture Act as in effect on the Execution Date, either directly or by reference therein, have the meanings assigned to them therein;

(c) all terms used herein without definition which are defined in the Uniform Commercial Code of New York as in effect on the Execution Date shall have the meanings assigned to them therein;

(d) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States of America, and, except as otherwise herein expressly provided, the term "generally accepted accounting principles" with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States of America at the date of such computation or, at the election of the Company from time to time, at the Execution Date; provided, however, that in determining generally accepted accounting principles applicable to the Company, effect shall be given, to the extent required, to any order, rule or regulation of any administrative agency, regulatory authority or other governmental body having jurisdiction over the Company;

(e) any reference to an "Article" or a "Section" refers to an Article or a Section, as the case may be, of this Indenture; and

(f) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

"Accountant" means a person engaged in the accounting profession or otherwise qualified to pass on accounting matters (including, but not limited to, a Person certified or licensed as a public accountant, whether or not then engaged in the public accounting profession), which Person, unless required to be Independent, may be an employee or Affiliate of the Company.

"Act", when used with respect to any Holder of a Security, has the meaning specified in Section 104.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, **"control"** when used with respect to any specified Person means the power to direct generally the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms **"controlling"** and **"controlled"** have meanings correlative to the foregoing.

"Authenticating Agent" means any Person or Persons (other than the Company or an Affiliate of the Company) authorized by the Trustee to act on behalf of the Trustee to authenticate the Securities of one or more series.

"Authorized Officer" means the Chairman of the Board, the President, any Vice President or the Treasurer of the Company, or any other Person duly authorized pursuant to a Board Resolution to act in respect of matters relating to this Indenture.

"Authorized Purposes" means the authentication and delivery of Securities, the release of property and/or the withdrawal of cash under any of the provisions of this Indenture.

"**Benefitted Securities"** shall have the meaning specified in Section 707.

"Board of Directors" means either the board of directors of the Company or any committee of that board duly authorized to act in respect of matters relating to this Indenture.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors of the Company and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day", when used with respect to a Place of Payment or any other particular location specified in the Securities or this Indenture, means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in such Place of Payment or other location are generally authorized or required by law, regulation or executive order to remain closed, except as may be otherwise specified as contemplated by Section 301.

"Class A Bondholder's Certificate" has the meaning specified in Section 1705.

"Class A Bonds" means bonds or other obligations now or hereafter issued and Outstanding under any Class A Mortgage or Mortgages.

"Class A Mortgage" means the PPL 1945 Mortgage and each other mortgage or deed of trust or similar indenture, as amended and supplemented from time to time, (i) to which any corporation that is subsequently merged into or consolidated with the Company was a party at the time of such merger or consolidation or (ii)(A) which constitutes a Lien on property conveyed or otherwise transferred to the Company and (B) the obligations of the mortgagor under which have been duly assumed by the Company, and, in the case of either (i) or (ii) above, which is hereafter designated an additional Class A Mortgage in an indenture supplemental hereto executed and delivered in accordance with Section 1706.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the Execution Date such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body, if any, performing such duties at such time.

"Company" means the Person named as the "Company" in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Company Order" or **"Company Request"** mean, respectively, a written order or request, as the case may be, signed in the name of the Company by an Authorized Officer and delivered to the Trustee.

"Corporate Trust Office" means the office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office at the Execution Date is located at 450 West 33rd Street, 15th Floor, New York, New York 10001.

"corporation" means a corporation, association, company, joint stock company, limited liability company or business trust, and references to "corporate" and other derivations of "corporation" herein shall be deemed to include appropriate derivations of such entities.

"Cost" with respect to Property Additions has the meaning specified in Section 104.

"Debt" has the meaning specified in Section 707.

"Defaulted Interest" has the meaning specified in Section 307.

"Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 902.

"Dollar" or **"$"** means a dollar or other equivalent unit in such coin or currency of the United States of America as at the time shall be legal tender for the payment of public and private debts.

"Electric Utility Property" means any facilities, machinery, equipment and fixtures for the transmission and distribution of electric energy, including switchyards, towers, substations, transformers, poles, lines, cable, conduits, ducts, conductors, meters, regulators and all other property of the Company, real or personal, or improvements, extensions, additions, renewals or replacements of the foregoing, in each case used or useful or to be used in or in connection with the business of transmitting and distributing electric energy of the character described in Granting Clause First or Granting Clause Second (without regard to whether the Release Date has occurred), whether owned by the Company at the Execution Date or hereafter acquired (other than Excepted Property with respect to all of the property described in this definition).

"Eligible Obligations" means:

(a) with respect to Securities denominated in Dollars, Government Obligations or, if specified pursuant to Section 301 with respect to any Securities, other Investment Securities; or

(b) with respect to Securities denominated in a currency other than Dollars or in a composite currency, such other obligations or instruments as shall be specified with respect to such Securities, as contemplated by Section 301.

"Event of Default" has the meaning specified in Section 901.

"Excepted Property" has the meaning specified in the granting clauses of this Indenture.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"**Execution Date**" has the meaning specified in the first paragraph of this Indenture.

"Expert" means a Person which is an engineer, appraiser or other expert and which, with respect to any certificate to be signed by such Person and delivered to the Trustee, is qualified to pass upon the matters set forth in such certificate. For purposes of this definition, (a) "engineer" means a Person engaged in the engineering profession or otherwise qualified to pass upon engineering matters (including, but not limited to, a Person licensed as a professional engineer, whether or not then engaged in the engineering profession) and (b) "appraiser" means a Person engaged in the business of appraising property or otherwise qualified to pass upon the Fair Value or fair market value of property.

"Expert's Certificate" means a certificate signed by an Authorized Officer and by an Expert (which Expert (a) shall be selected either by the Board of Directors or by an Authorized Officer, the execution of such certificate by such Authorized Officer to be conclusive evidence of such selection, and (b) except as otherwise required in Sections 1206, 1603, 1707, 1810, may be an employee or Affiliate of the Company) and delivered to the Trustee. The amount stated in any Expert's Certificate as to the Cost, Fair Value or fair market value of property shall be conclusive and binding upon the Company, the Trustee and the Holders of the Securities.

"Fair Value" with respect to property, means the fair value of such property as may be determined by reference to (a) the amount which would be likely to be obtained in an arm's-length transaction with respect to such property between an informed and willing buyer and an informed and willing seller, under no compulsion, respectively, to buy or sell, (b) the amount of investment with respect to such property which, together with a reasonable return thereon, would be likely to be recovered through ordinary business operations or otherwise, (c) the Cost, accumulated depreciation, and replacement cost with respect to such property and/or (d) any other relevant factors; provided, however, that (x) the Fair Value of property shall be determined without deduction for any Liens on such property prior to the Lien of this Indenture (except as otherwise provided in Section 1803) and (y) the Fair Value to the Company of Property Additions may be of less value to a Person which is not the owner or operator of the Mortgaged Property or any portion thereof than to a Person which is such owner or operator. Fair Value may be determined, without physical inspection, by the use of accounting and engineering records and other data maintained by the Company or otherwise available to the Expert certifying the same.

"Funded Cash" has the meaning specified in Section 102.

"Funded Property" has the meaning specified in Section 102.

"Governmental Authority" means the government of the United States or of any State or Territory thereof or of the District of Columbia or of any county, municipality or other political subdivision of any thereof, or any department, agency, authority or other instrumentality of any of the foregoing.

"Government Obligations" means securities which are (a) (i) direct obligations of the United States where the payment or payments thereunder are supported by the full faith and credit of the United States or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States where the timely payment or payments thereunder are unconditionally guaranteed as a full faith and credit obligation by the United States or (b) depository receipts issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such Government

Obligation or a specific payment of interest on or principal of or other amount with respect to any such Government Obligation held by such custodian for the account of the holder of a depository receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of or other amount with respect to the Government Obligation evidenced by such depository receipt.

"Holder" means a Person in whose name a Security is registered in the Security Register.

"Indenture" means this instrument as originally executed and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this Indenture and any such supplemental indenture, respectively. The term "Indenture" shall also include the provisions or terms of particular series of Securities established in any Officer's Certificate, Board Resolution or Company Order delivered pursuant to Sections 201, 301, 303 and 1307.

"Independent" when applied to any Accountant or Expert, means such a Person who (a) is in fact independent, (b) does not have any direct material financial interest in the Company or in any other obligor upon the Securities or in any Affiliate of the Company or of such other obligor, (c) is not connected with the Company or such other obligor as an officer, employee, promoter, underwriter, trustee, partner, director or any person performing similar functions and (d) is approved by the Trustee in the exercise of reasonable care.

"Independent Expert's Certificate" means a certificate signed by an Independent Expert and delivered to the Trustee.

"interest" with respect to a Discount Security means interest, if any, borne by such Security at a Stated Interest Rate rather than interest calculated at any imputed rate.

"Interest Payment Date" when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

"Investment Securities" means any of the following obligations or securities on which neither the Company, any other obligor on the Securities nor any Affiliate of either is the obligor: (a) Government Obligations; (b) interest bearing deposit accounts (which may be represented by certificates of deposit) in any national or state bank (which may include the Trustee or any Paying Agent) or savings and loan association which has outstanding securities rated by a nationally recognized rating organization in either of the two (2) highest rating categories (without regard to modifiers) for short term securities or in any of the three (3) highest rating categories (without regard to modifiers) for long term securities; (c) bankers' acceptances drawn on and accepted by any commercial bank (which may include the Trustee or any Paying Agent) which has outstanding securities rated by a nationally recognized rating organization in either of the two (2) highest rating categories (without regard to modifiers) for short term securities or in any of the three (3) highest rating categories (without regard to modifiers) for long term securities; (d) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, any State or Territory of the United States or the District of Columbia, or any political subdivision of any of the foregoing, which are rated by a nationally recognized rating organization in either of the two (2) highest

rating categories (without regard to modifiers) for short term securities or in any of the three (3) highest rating categories (without regard to modifiers) for long term securities; (e) bonds or other obligations of any agency or instrumentality of the United States; (f) corporate debt securities which are rated by a nationally recognized rating organization in either of the two (2) highest rating categories (without regard to modifiers) for short term securities or in any of the three (3) highest rating categories (without regard to modifiers) for long term securities; (g) repurchase agreements with respect to any of the foregoing obligations or securities with any banking or financial institution (which may include the Trustee or any Paying Agent) which has outstanding securities rated by a nationally recognized rating organization in either of the two (2) highest rating categories (without regard to modifiers) for short term securities or in any of the three (3) highest rating categories (without regard to modifiers) for long term securities; (h) securities issued by any regulated investment company (including any investment company for which the Trustee or any Paying Agent is the advisor), as defined in Section 851 of the Internal Revenue Code of 1986, as amended, or any successor section of such Code or successor federal statute, provided that the portfolio of such investment company is limited to obligations or securities of the character and investment quality contemplated in clauses (a) through (f) above and repurchase agreements which are fully collateralized by any of such obligations or securities; and (i) any other obligations or securities which may lawfully be purchased by the Trustee in its capacity as such.

"Lien" means any mortgage, deed of trust, pledge, security interest, encumbrance, easement, lease, reservation, restriction, servitude, charge or similar right and any other lien of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof, and any defect, irregularity, exception or limitation in record title.

"Maturity" when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as provided in such Security or in this Indenture, whether at the Stated Maturity, by declaration of acceleration, upon call for redemption or otherwise.

"Mortgaged Property" means, as of any particular time, all property which at such time is subject to the Lien of this Indenture.

"Notice of Default" means a written notice of the kind specified in Section 901(c).

"Officer's Certificate" means a certificate signed by an Authorized Officer of the Company and delivered to the Trustee.

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company, and who shall be acceptable to the Trustee.

"Outstanding" when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(a) Securities theretofore canceled or delivered to the Trustee for cancellation;

(b) Securities deemed to have been paid for all purposes of this Indenture in accordance with Section 801 (whether or not the Company's indebtedness in respect thereof shall be satisfied and discharged for any other purpose); and

(c) Securities, the principal, premium, if any, and interest, if any, which have been fully paid pursuant to the third paragraph of Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it and the Company that such Securities are held by a bona fide purchaser or purchasers in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether or not the Holders of the requisite principal amount of the Securities Outstanding under this Indenture, or the Outstanding Securities of any series or Tranche, have given any request, demand, authorization, direction, notice, consent or waiver hereunder or whether or not a quorum is present at a meeting of Holders of Securities,

(x) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor (unless the Company, such Affiliate or such obligor owns all Securities Outstanding under this Indenture, or all Outstanding Securities of each such series and each such Tranche, as the case may be, determined without regard to this clause (x)) shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver or upon any such determination as to the presence of a quorum, only Securities which the Trustee actually knows to be so owned shall be so disregarded; provided, however, that Securities so owned which have been pledged in good faith may be regarded as Outstanding if it is established to the reasonable satisfaction of the Trustee that the pledgee, and not the Company, or any such other obligor or Affiliate of either thereof, has the right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor; and provided, further, that in no event shall any Security which shall have been delivered to evidence or secure, in whole or in part, the Company's obligations in respect of other indebtedness be deemed to be owned by the Company if the principal of such Security is payable, whether at Stated Maturity or upon mandatory redemption, at the same time as the principal of such other indebtedness is payable, whether at Stated Maturity or upon mandatory redemption or acceleration, but only to the extent of such portion of the principal amount of such Security as does not exceed the principal amount of such other indebtedness, and

(y) the principal amount of a Discount Security that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the Maturity thereof pursuant to Section 902; and

(z) the principal amount of any Security which is denominated in a currency other than Dollars or in a composite currency that shall be deemed to be Outstanding for such purposes shall be the amount of Dollars which could have been purchased by the principal amount (or, in the case of a Discount Security, the Dollar equivalent on the date determined as set forth below of the amount determined as provided in (y) above) of such currency or composite currency evidenced by such Security, in each such case certified to the Trustee in an Officer's Certificate, based (i) on the average of the mean of the buying and selling spot rates quoted by three banks which are members of the New York Clearing House

Association selected by the Company in effect at 11:00 A.M. (New York time) in The City of New York on the fifth Business Day preceding any such determination or (ii) if on such fifth Business Day it shall not be possible or practicable to obtain such quotations from such three banks, on such other quotations or alternative methods of determination which shall be as consistent as practicable with the method set forth in (i) above;

provided, further, that in the case of any Security the principal of which is payable from time to time without presentment or surrender, the principal amount of such Security that shall be deemed to be Outstanding at any time for all purposes of this Indenture shall be the original principal amount thereof less the aggregate amount of principal thereof theretofore paid.

"Outstanding" when used with respect to Class A Bonds, has the meaning specified in the related Class A Mortgage.

"Paying Agent" means any Person, including the Company, authorized by the Company to pay the principal of, and premium, if any, or interest, if any, on any Securities on behalf of the Company.

"Periodic Offering" means an offering of Securities of a series from time to time any or all of the specific terms of which Securities, including without limitation the rate or rates of interest, if any, thereon, the Stated Maturity or Maturities thereof and the redemption provisions, if any, with respect thereto, are to be determined by the Company or its agents from time to time subsequent to the initial request for the authentication and delivery of such Securities by the Trustee, as contemplated in Section 301 and clause (b) of Section 303.

"Permitted Liens" means, as of any particular time, any of the following:

(a) Liens existing at the Execution Date (including but not limited to, the Lien of the PPL 1945 Mortgage);

(b) as to property acquired by the Company after the Execution Date, Liens existing or placed thereon at the time of the acquisition thereof (including, but not limited to, the Lien of any Class A Mortgage);

(c) Liens for taxes, assessments and other governmental charges or requirements which are not delinquent or which are being contested in good faith by appropriate proceedings;

(d) mechanics', workmen's, repairmen's, materialmen's, warehousemen's, and carriers' Liens, other Liens incident to construction, Liens or privileges of any employees of the Company for salary or wages earned, but not yet payable, and other Liens, including without limitation Liens for worker's compensation awards, arising in the ordinary course of business for charges or requirements which are not delinquent or which are being contested in good faith and by appropriate proceedings;

(e) Liens in respect of attachments, judgments or awards arising out of judicial or administrative proceedings (i) in an amount not exceeding the greater of (A) Ten Million Dollars ($10,000,000) and (B) three percent (3%) of the sum of (1) the principal amount

of the Securities then Outstanding and (2) the principal amount of Class A Bonds then Outstanding other than Class A Bonds delivered to and held by the Trustee pursuant to Sections 1602 and 1701 or (ii) with respect to which the Company shall (X) in good faith be prosecuting an appeal or other proceeding for review and with respect to which the Company shall have secured a stay of execution pending such appeal or other proceeding or (Y) have the right to prosecute an appeal or other proceeding for review;

(f) easements, leases, reservations or other rights of others in, on, over and/or across, and laws, regulations and restrictions affecting, and defects, irregularities, exceptions and limitations in title to, the Mortgaged Property or any part thereof; provided, however, that such easements, leases, reservations, rights, laws, regulations, restrictions, defects, irregularities, exceptions and limitations do not in the aggregate materially impair the use by the Company of the Mortgaged Property considered as a whole for the purposes for which it is held by the Company;

(g) defects, irregularities, exceptions and limitations in title to real property subject to rights-of-way in favor of the Company or otherwise or used or to be used by the Company primarily for right-of-way purposes or real property held under lease, easement, license or similar right; provided, however, that (i) the Company shall have obtained from the apparent owner or owners of such real property a sufficient right, by the terms of the instrument granting such right-of-way, lease, easement, license or similar right, to the use thereof for the purposes for which the Company acquired the same; (ii) the Company has power under eminent domain or similar statutes to remove such defects, irregularities, exceptions or limitations or (iii) such defects, irregularities, exceptions and limitations may be otherwise remedied without undue effort or expense; and defects, irregularities, exceptions and limitations in title to flood lands, flooding rights and/or water rights;

(h) Liens securing indebtedness or other obligations neither created, assumed nor guaranteed by the Company nor on account of which it customarily pays interest upon real property or rights in or relating to real property acquired by the Company for the purpose of the transmission or distribution of electric energy, gas or water, for the purpose of telephonic, telegraphic, radio, wireless or other electronic communication or otherwise for the purpose of obtaining rights-of-way;

(i) leases existing at the Execution Date affecting properties owned by the Company at said date and renewals and extensions thereof; and leases affecting such properties entered into after such date or affecting properties acquired by the Company after such date which, in either case, (i) have respective terms of not more than ten (10) years (including extensions or renewals at the option of the tenant) or (ii) do not materially impair the use by the Company of such properties for the respective purposes for which they are held by the Company;

(j) Liens vested in lessors, licensors, franchisors or permitters for rent or other amounts to become due or for other obligations or acts to be performed, the payment of which rent or the performance of which other obligations or acts is required under leases, subleases, licenses, franchises or permits, so long as the payment of such rent or other

amounts or the performance of such other obligations or acts is not delinquent or is being contested in good faith and by appropriate proceedings;

(k) controls, restrictions, obligations, duties and/or other burdens imposed by federal, state, municipal or other law, or by rules, regulations or orders of Governmental Authorities, upon the Mortgaged Property or any part thereof or the operation or use thereof or upon the Company with respect to the Mortgaged Property or any part thereof or the operation or use thereof or with respect to any franchise, grant, license, permit or public purpose requirement, or any rights reserved to or otherwise vested in Governmental Authorities to impose any such controls, restrictions, obligations, duties and/or other burdens;

(l) rights which Governmental Authorities may have by virtue of franchises, grants, licenses, permits or contracts, or by virtue of law, to purchase, recapture or designate a purchaser of or order the sale of the Mortgaged Property or any part thereof, to terminate franchises, grants, licenses, permits, contracts or other rights or to regulate the property and business of the Company; and any and all obligations of the Company correlative to any such rights;

(m) Liens required by law or governmental regulations (i) as a condition to the transaction of any business or the exercise of any privilege or license, (ii) to enable the Company to maintain self-insurance or to participate in any funds established to cover any insurance risks, (iii) in connection with workmen's compensation, unemployment insurance, social security, any pension or welfare benefit plan or (iv) to share in the privileges or benefits required for companies participating in one or more of the arrangements described in clauses (ii) and (iii) above;

(n) Liens on the Mortgaged Property or any part thereof which are granted by the Company to secure duties or public or statutory obligations or to secure, or serve in lieu of, surety, stay or appeal bonds;

(o) rights reserved to or vested in others to take or receive any part of any coal, ore, gas, oil and other minerals, any timber and/or any electric capacity or energy, gas, water, steam and any other products, developed, produced, manufactured, generated, purchased or otherwise acquired by the Company or by others on property of the Company;

(p) (i) rights and interests of Persons other than the Company arising out of contracts, agreements and other instruments to which the Company is a party and which relate to the common ownership or joint use of property; and (ii) all Liens on the interests of Persons other than the Company in property owned in common by such Persons and the Company if and to the extent that the enforcement of such Liens would not adversely affect the interests of the Company in such property in any material respect;

(q) any restrictions on assignment and/or requirements of any assignee to qualify as a permitted assignee and/or public utility or public service corporation;

(r) any Liens which have been bonded for the full amount in dispute or for the payment of which other adequate security arrangements have been made;

(s) rights and interests granted pursuant to Section 1802(c);

(t) Prepaid Liens, Liens of any Class A Mortgage, Purchase Money Liens and all other Liens permitted to exist under Section 707 (whether before or after the Release Date); and

(u) any Lien of the Trustee granted pursuant to Section 1007.

"Permitted Secured Debt" has the meaning specified in Section 707.

"Person" means any individual, corporation, partnership, limited liability partnership, limited liability company, joint venture, trust or unincorporated organization or any Governmental Authority.

"Place of Payment" when used with respect to the Securities of any series, or Tranche thereof, means the place or places, specified as contemplated by Section 301, at which, subject to Section 702, principal of and premium, if any, and interest, if any, on the Securities of such series or Tranche are payable.

"PPL 1945 Mortgage" shall mean the Mortgage and Deed of Trust, dated as of October 1, 1945, by and between the Company and Bankers Trust Company (as successor to Morgan Guaranty Trust Company of New York), as supplemented and modified from time to time.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Prepaid Liens" means any Lien securing indebtedness for the payment of which money in the necessary amount shall have been irrevocably deposited in trust with the trustee or other holder of such Lien; provided, however, that if such indebtedness is to be redeemed or otherwise prepaid prior to the stated maturity thereof, any notice requisite to such redemption or prepayment shall have been given in accordance with the mortgage or other instrument creating such Lien or irrevocable instructions to give such notice shall have been given to such trustee or other holder.

"Property Additions" has the meaning specified in Section 104.

"Purchase Money Lien" means, with respect to any property being acquired or disposed of by the Company or being released from the Lien of this Indenture, a Lien on such property which

(a) is taken or retained by the transferor of such property to secure all or part of the purchase price thereof;

(b) is granted to one or more Persons other than the transferor which, by making advances or incurring an obligation, give value to enable the grantor of such Lien to acquire rights in or the use of such property;

(c) is granted to any other Person in connection with the release of such property from the Lien of this Indenture on the basis of the deposit with the Trustee or the trustee or other holder of a Lien prior to the Lien of this Indenture of obligations secured by such Lien on such property (as well as any other property subject thereto);

(d) is held by a trustee or agent for the benefit of one or more Persons described in clause (a), (b) and/or (c) above, provided that such Lien may be held, in addition, for the benefit of one or more other Persons which shall have theretofore given, or may thereafter give, value to or for the benefit or account of the grantor of such Lien for one or more other purposes; or

(e) otherwise constitutes a purchase money mortgage or a purchase money security interest under applicable law;

and, without limiting the generality of the foregoing, for purposes of this Indenture, the term Purchase Money Lien shall be deemed to include any Lien described above whether or not such Lien (x) shall permit the issuance or other incurrence of additional indebtedness secured by such Lien on such property, (y) shall permit the subjection to such Lien of additional property and the issuance or other incurrence of additional indebtedness on the basis thereof and/or (z) shall have been granted prior to the acquisition, disposition or release of such property, shall attach to or otherwise cover property other than the property being acquired, disposed of or released and/or shall secure obligations issued prior and/or subsequent to the issuance of the obligations delivered in connection with such acquisition, disposition or release.

"Redemption Date" when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price" when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture, exclusive of accrued and unpaid interest.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

"Release Date" shall mean the date chosen by the Company and specified in the Company Order delivered to the Trustee under Section 1811.

"Required Currency" has the meaning specified in Section 311.

"Responsible Officer" when used with respect to the Trustee, means any vice president or assistant vice president, trust officer or any other officer of the Trustee in the department in the Corporate Trust Office of the Trustee (or any successor division or department) responsible for the administration of this Indenture. To the extent permitted by law, the term "responsible officer" as used in the Trust Indenture Act with respect to an indenture trustee shall mean Responsible Officer as defined in this Indenture.

"Retired Securities" means any Securities authenticated and delivered under this Indenture which (a) no longer remain Outstanding by reason of the applicability of clause (a) or (b) in the definition of "Outstanding" (other than any Predecessor Security of any Security), (b) have not been made the basis under any of the provisions of this Indenture of one or more Authorized Purposes and (c) have not been paid, redeemed, purchased or otherwise retired by the application thereto of Funded Cash.

"Secured Debt" has the meaning specified in Section 707.

"Securities" has the meaning stated in the first recital of this Indenture and more particularly means any securities authenticated and delivered under this Indenture.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Register" and "Security Registrar" have the respective meanings specified in Section 305.

"Special Record Date" for the payment of any Defaulted Interest on the Securities of any series means a date fixed by the Trustee pursuant to Section 307.

"Stated Interest Rate" means a rate (whether fixed or variable) at which an obligation by its terms is stated to bear simple interest. Any calculation or other determination to be made under this Indenture by reference to the Stated Interest Rate on a Security shall be made without regard to the effective interest cost to the Company of such Security and without regard to the Stated Interest Rate on, or the effective cost to the Company of, any other indebtedness the Company's obligations in respect of which are evidenced or secured in whole or in part by such Security.

"Stated Maturity" when used with respect to any Security or any obligation or any installment of principal thereof or interest thereon, means the date on which the principal of such obligation or such installment of principal or interest is stated to be due and payable (without regard to any provisions for redemption, prepayment, acceleration, purchase or extension).

"Successor Company" has the meaning set forth in Section 1201.

"supplemental indenture" or **"indenture supplemental hereto"** means an instrument supplementing or amending this Indenture executed and delivered pursuant to Article Thirteen.

"Tranche" means a group of Securities which (a) are of the same series and (b) have identical terms except as to principal amount and/or date of issuance.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this Indenture until a successor Trustee shall have been appointed by the Company pursuant to Section 1010 or otherwise have become such with respect to one or more series of Securities pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such Person, "Trustee" as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of that series.

"Trust Indenture Act" means, as of any time, the Trust Indenture Act of 1939 as in effect at such time.

"United States" means the United States of America, its territories, its possessions and other areas subject to its jurisdiction.

SECTION 102. Funded Property; Funded Cash.

"Funded Property" means:

(a) all Property Additions to the extent that the same shall then be subject to the Lien of a Class A Mortgage;

(b) all Property Additions to the extent that the same shall have been made the basis of the authentication and delivery of Securities under this Indenture pursuant to Section 1603;

(c) all Property Additions to the extent that the same shall have been made the basis of the release of Funded Property from the Lien of this Indenture pursuant to Section 1803;

(d) all Property Additions to the extent that the same shall have been substituted for Funded Property retired pursuant to Section 104;

(e) all Property Additions to the extent that the same shall have been made the basis of the withdrawal of cash held by the Trustee pursuant to Section 1605 or 1806; and

(f) all Property Additions to the extent that the same shall have been used as the basis of a credit against, or otherwise in satisfaction of, the requirements of any sinking, improvement, maintenance, replacement or similar fund or analogous provision established with respect to the Securities of any series, or any Tranche thereof, as contemplated by Section 301; provided, however, that any such Property Additions shall cease to be Funded Property when all of the Securities of such series or Tranche shall cease to be Outstanding.

In the event that in any certificate filed with the Trustee in connection with any of the Property Additions referred to in clauses (a), (b), (c), (e) and (f) of this Section, only a part of the Cost or Fair Value of the Property Additions described in such certificate shall be required for the purposes of such certificate, then such Property Additions shall be deemed to be Funded Property only to the extent so required for the purpose of such certificate.

All Funded Property that shall be abandoned, destroyed, released or otherwise disposed of shall for the purpose of Section 104 hereof be deemed Funded Property retired and for other purposes of this Indenture shall thereupon cease to be Funded Property but as in this Indenture provided may at any time thereafter again become Funded Property. Neither any reduction in the Cost or book value of property recorded in the plant account of the Company, nor the transfer of any amount appearing in such account to intangible and/or adjustment accounts, otherwise than in connection with actual retirements of physical

property abandoned, destroyed, released or disposed of, and otherwise than in connection with the removal of such property in its entirety from plant account, shall be deemed to constitute a retirement of Funded Property.

The Company may make allocations, on a pro-rata or other reasonable basis (including, but not limited to, the designation of specific properties or the designation of all or a specified portion of the properties reflected in one or more generic accounts or subaccounts in the Company's books of account), for the purpose of determining the extent to which fungible properties, or other properties not otherwise identified, reflected in the same generic account or subaccount in the Company's books of account constitute Funded Property or Funded Property retired.

"**Funded Cash"** means:

(a) cash, held by the Trustee hereunder, to the extent that it represents the proceeds of insurance on Funded Property (except as otherwise provided in Section 1815), or cash deposited in connection with the release of Funded Property pursuant to Article Eighteen, or the payment of the principal of, or the proceeds of the release of, obligations secured by Purchase Money Lien and delivered to the Trustee pursuant to Article Eighteen, all subject, however, to the provisions of Section 1815 and Section 1806;

(b) any cash deposited with the Trustee under Section 1605; and

(c) any cash received by the Trustee from the payment of the principal of Class A Bonds delivered to and held by the Trustee pursuant to Sections 1602 and 1701.

SECTION 103. [Reserved].

SECTION 104. Property Additions; Cost.

(a) "**Property Additions**" means, as of any particular time, any item, unit or element of property which at such time is owned by the Company and is Mortgaged Property.

(b) When any Property Additions are certified to the Trustee as the basis of any Authorized Purpose (except as otherwise provided in Section 1803 and Section 1806),

(i) there shall be deducted from the Cost or Fair Value to the Company thereof, as the case may be (as of the date so certified), an amount equal to the Cost (or as to Property Additions of which the Fair Value to the Company at the time the same became Funded Property was certified to be an amount less than the Cost as determined pursuant to this Section, then such Fair Value, as so certified, in lieu of Cost) of all Funded Property of the Company retired to the date of such certification (other than the Funded Property, if any, in connection with the application for the release of which such certificate is filed) and not theretofore deducted from the Cost or Fair Value to the Company of Property Additions theretofore certified to the Trustee, and

(ii) there may, at the option of the Company, be added to such Cost or Fair Value, as the case may be, the sum of

(1) the principal amount of any obligations secured by Purchase Money Lien, not theretofore so added and which the Company then elects so to add, which shall theretofore have been delivered to the Trustee or the trustee or other holder of a Lien prior to the Lien of this Indenture as the basis of the release of Funded Property retired from the Lien of this Indenture or such prior Lien, as the case may be;

(2) one hundred and fifty percentum (150%) of the amount of any cash, not theretofore so added and which the Company then elects so to add, which shall theretofore have been delivered to the Trustee or the trustee or other holder of a Lien prior to the Lien of this Indenture as the proceeds of insurance on Funded Property retired (to the extent of the portion thereof deemed to be Funded Cash) or as the basis of the release of Funded Property retired from the Lien of this Indenture or from such prior Lien, as the case may be;

(3) one hundred and fifty percentum (150%) of the principal amount of any Security or Securities, or portion of such principal amount, not theretofore so added and which the Company then elects so to add, (I) which shall theretofore have been delivered to the Trustee as the basis of the release of Funded Property retired or (II) the right to the authentication and delivery of which under the provisions of Section 1604 shall at any time theretofore have been waived under Section 1803(d)(iii) as the basis of the release of Funded Property retired;

(4) the Cost or Fair Value to the Company (whichever shall be less) of any Property Additions, not theretofore so added and which the Company then elects so to add, which shall theretofore have been made the basis of the release of Funded Property retired (such Fair Value to be the amount shown in the Expert's Certificate delivered to the Trustee in connection with such release); and

(5) the Cost to the Company of any Property Additions (including Property Additions subject to the Lien of a Class A Mortgage) not theretofore so added and which the Company then elects so to add, to the extent that the same shall have been substituted for Funded Property retired;

provided, however, that the aggregate of the amounts added under clause (ii) above shall in no event exceed the amounts deducted under clause (i) above.

(c) Except as otherwise provided in Section 1803, the term "**Cost**" with respect to Property Additions shall mean the sum of (i) any cash delivered in payment therefor or for the acquisition thereof, (ii) an amount equivalent to the fair market value in cash (as of the date of delivery) of any securities or other property delivered in payment therefor or for the acquisition thereof, (iii) the principal amount of any obligations secured by prior Lien (other than a Class A Mortgage) upon such Property Additions outstanding at the time of the acquisition thereof, (iv) the principal amount of any other obligations incurred or assumed in connection with the payment for such Property Additions or for the acquisition thereof and (v) any other amounts which, in accordance with generally accepted accounting principles, are properly charged or chargeable to the plant or other property accounts of the Company with respect to such Property Additions as part of the cost of construction or acquisition thereof, including, but not limited to, any

allowance for funds used during construction or any similar or analogous amount; provided, however, that, notwithstanding any other provision of this Indenture,

(i) with respect to Property Additions owned by a successor corporation immediately prior to the time it shall have become such by consolidation or merger or acquired by a successor corporation in or as a result of a consolidation or merger (excluding, in any case, Property Additions owned by the Company immediately prior to such time), Cost shall mean the amount or amounts at which such Property Additions are recorded in the plant or other property accounts of such successor corporation, or the predecessor corporation from which such Property Additions are acquired, as the case may be, immediately prior to such consolidation or merger;

(ii) with respect to Property Additions which shall have been acquired (otherwise than by construction) by the Company without any consideration consisting of cash, securities or other property or the incurring or assumption of indebtedness, no determination of Cost shall be required, and, wherever in this Indenture provision is made for Cost or Fair Value, Cost with respect to such Property Additions shall mean an amount equal to the Fair Value to the Company thereof or, if greater, the aggregate amount reflected in the Company's books of account with respect thereto upon the acquisition thereof; and

(iii) in no event shall the Cost of Property Additions be required to reflect any depreciation or amortization in respect of such Property Additions, or any adjustment to the amount or amounts at which such Property Additions are recorded in plant or other property accounts due to the non-recoverability of investment or otherwise.

If any Property Additions are shown by the Expert's Certificate provided for in Section 1603(b)(ii) to include property which has been used or operated by others than the Company in a business similar to that in which it has been or is to be used or operated by the Company, the Cost thereof need not be reduced by any amount in respect of any goodwill, going concern value rights and/or intangible property simultaneously acquired for which no separate or distinct consideration shall have been paid or apportioned, and in such case the term Property Additions as defined herein may include such goodwill, going concern value rights and intangible property.

SECTION 105. Compliance Certificates and Opinions.

Except as otherwise expressly provided in this Indenture, upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each Person signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such Person, such Person has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such Person, such condition or covenant has been complied with.

SECTION 106. Form of Documents Delivered to Trustee.

(a) Any Officer's Certificate may be based (without further examination or investigation), insofar as it relates to or is dependent upon legal matters, upon an opinion of, or representations by, counsel, and, insofar as it relates to or is dependent upon matters which are subject to verification by Accountants, upon a certificate or opinion of, or representations by, an Accountant, and insofar as it relates to or is dependent upon matters which are required in this Indenture to be covered by a certificate or opinion of, or representations by, an Expert, upon the certificate or opinion of, or representations by, an Expert, unless, in any case, such officer has actual knowledge that the certificate or opinion or representations with respect to the matters upon which such Officer's Certificate may be based as aforesaid are erroneous.

Any Expert's Certificate may be based (without further examination or investigation), insofar as it relates to or is dependent upon legal matters, upon an opinion of, or representations by, counsel, and insofar as it relates to or is dependent upon factual matters, information with respect to which is in the possession of the Company and which are not subject to verification by Experts, upon a certificate or opinion of, or representations by, an officer or officers of the Company, unless such expert has actual knowledge that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous.

Any certificate of an Accountant may be based (without further examination or investigation), insofar as it relates to or is dependent upon legal matters, upon an opinion of, or representations by, counsel, and in so far as it relates to or is dependent upon factual matters, information with respect to which is in the possession of the Company and which are not subject to verification by Accountants, upon a certificate of, or representations by, an officer or officers of the Company, unless such Accountant has actual knowledge that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous.

Any Opinion of Counsel may be based (without further examination or investigation), insofar as it relates to or is dependent upon factual matters, information with respect to which is in the possession of the Company, upon a certificate of, or representations by, an officer or officers of the Company, and, insofar as it relates to or is dependent upon matters which are subject to verification by Accountants upon a certificate or opinion of, or representations by, an Accountant, and, insofar as it relates to or is dependent upon matters required in this Indenture to be covered by a certificate or opinion of, or representations by, an Expert, upon the certificate or opinion of, or representations by, an Expert, unless

such counsel has actual knowledge that the certificate or opinion or representations with respect to the matters upon which his opinion may be based as aforesaid are erroneous. In addition, any Opinion of Counsel may be based (without further examination or investigation), insofar as it relates to or is dependent upon matters covered in an Opinion of Counsel rendered by other counsel, upon such other Opinion of Counsel, unless such counsel has actual knowledge that the Opinion of Counsel rendered by such other counsel with respect to the matters upon which his Opinion of Counsel may be based as aforesaid are erroneous. Further, any Opinion of Counsel with respect to the status of title to or the sufficiency of descriptions of property, and/or the existence of Liens thereon, and/or the recording or filing of documents, and/or any similar matters, may be based (without further examination or investigation) upon (i) title insurance policies or commitments and reports, lien search certificates and other similar documents or (ii) certificates of, or representations by, officers, employees, agents and/or other representatives of the Company or (iii) any combination of the documents referred to in (i) and (ii), unless, in any case, such counsel has actual knowledge that the document or documents with respect to the matters upon which his opinion may be based as aforesaid are erroneous. If, in order to render any Opinion of Counsel provided for herein, the signer thereof shall deem it necessary that additional facts or matters be stated in any Officer's Certificate, certificate of an Accountant or Expert's Certificate provided for herein, then such certificate may state all such additional facts or matters as the signer of such Opinion of Counsel may request.

(b) In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents. Where (i) any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, or (ii) two or more Persons are each required to make, give or execute any such application, request, consent, certificate, statement, opinion or other instrument, any such applications, requests, consents, certificates, statements, opinions or other instruments may, but need not, be consolidated and form one instrument.

(c) Whenever, subsequent to the receipt by the Trustee of any Board Resolution, Officer's Certificate, Expert's Certificate, Opinion of Counsel or other document or instrument, a clerical, typographical or other inadvertent or unintentional error or omission shall be discovered therein, a new document or instrument may be substituted therefor in corrected form with the same force and effect as if originally filed in the corrected form and, irrespective of the date or dates of the actual execution and/or delivery thereof, such substitute document or instrument shall be deemed to have been executed and/or delivered as of the date or dates required with respect to the document or instrument for which it is substituted. Anything in this Indenture to the contrary notwithstanding, if any such corrective document or instrument indicates that action has been taken by or at the request of the Company which could not have been taken had the original document or instrument not contained such error or omission, the action so taken shall not be invalidated or otherwise rendered ineffective but shall be and remain in full force and effect, except to the extent that such action was a result of willful misconduct or bad faith. Without limiting the generality of the foregoing, any Securities issued under the authority of such defective document or instrument shall nevertheless be the valid obligations of the Company entitled to the benefits of this Indenture equally and ratably with all other Outstanding Securities, except as aforesaid.

SECTION 107. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, election, waiver or other action provided by this Indenture to be made, given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing or, alternatively, may be embodied in and evidenced by the record of Holders voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of Holders duly called and held in accordance with the provisions of Article Fourteen, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments and so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 1001) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section. The record of any meeting of Holders shall be proved in the manner provided in Section 1406.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof or may be proved in any other manner which the Trustee and the Company deem sufficient. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority.

(c) The ownership, principal amount (except as otherwise contemplated in clause (y) of the first proviso to the definition of Outstanding) and serial numbers of Securities held by any Person, and the date of holding the same, shall be proved by the Security Register.

(d) Any request, demand, authorization, direction, notice, consent, election, waiver or other Act of a Holder shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

(e) Until such time as written instruments shall have been delivered to the Trustee with respect to the requisite percentage of principal amount of Securities for the action contemplated by such instruments, any such instrument executed and delivered by or on behalf of a Holder may be revoked with respect to any or all of such Securities by written notice by such Holder or any subsequent Holder, proven in the manner in which such instrument was proven.

(f) Securities of any series, or any Tranche thereof, authenticated and delivered after any Act of Holders may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any action taken by such Act of Holders. If the Company shall so determine, new Securities of any series, or any Tranche thereof, so modified as to conform, in the opinion of the Trustee and the Company,

to such action may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series or Tranche.

(g) The Company may, at its option, by Company Order, fix in advance a record date for the determination of Holders entitled to give any request, demand, authorization, direction, notice, consent, waiver or other Act solicited by the Company, but the Company shall have no obligation to do so; provided, however, that the Company may not fix a record date for the giving or making of any notice, declaration, request or direction referred to in the next sentence. In addition, the Trustee may, at its option, fix in advance a record date for the determination of Holders entitled to join in the giving or making of any Notice of Default, any declaration of acceleration referred to in Section 902, any request to institute proceedings referred to in Section 907 or any direction referred to in Section 912. If any such record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act, or such notice, declaration, request or direction, may be given before or after such record date, but only the Holders of record at the close of business on the record date shall be deemed to be Holders for the purposes of determining (i) whether Holders of the requisite proportion of the Outstanding Securities have authorized or agreed or consented to such Act (and for that purpose the Outstanding Securities shall be computed as of the record date) and/or (ii) which Holders may revoke any such Act (notwithstanding subsection (e) of this Section); and any such Act, given as aforesaid, shall be effective whether or not the Holders which authorized or agreed or consented to such Act remain Holders after such record date and whether or not the Securities held by such Holders remain Outstanding after such record date.

SECTION 108. Notices, Etc. to Trustee or Company.

Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, election, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with, the Trustee by any Holder or by the Company, or the Company by the Trustee or by any Holder, shall be sufficient for every purpose hereunder (unless otherwise expressly provided herein) if in writing and delivered personally to an officer or other responsible employee of the addressee, or transmitted by email or other direct written electronic means to such telephone number or other electronic communications address set forth for such party below or such other address as the parties hereto shall from time to time designate, or transmitted by registered or certified mail or reputable overnight courier, charges prepaid, to the applicable address set forth for such party below or to such other address as either party hereto may from time to time designate:

If to the Trustee, to:

The Bank of New York Mellon
Janelle Poland, Senior Analyst, Corporate Trust-Corporate Finance
500 Ross Street, 12th Floor
Pittsburgh, PA 15262

Telephone: 412-234-0276
Email: janelle.poland@bny.com

If to the Company, to:

PPL Electric Utilities Corporation

c/o PPL Services Corporation
645 Hamilton Street, Suite 9
Allentown, Pennsylvania 18101

Attention: Treasurer
Telephone: 1-800-345-3085
Email: Corporate.Finance@pplweb.com

Any communication contemplated herein shall be deemed to have been made, given, furnished and filed if personally delivered, on the date of delivery, if transmitted by email or other direct written electronic means, on the date of transmission, and if transmitted by registered or certified mail or reputable overnight courier, on the date of receipt.

SECTION 109. Notice to Holders of Securities; Waiver.

Except as otherwise expressly provided herein, where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given, and shall be deemed given, to Holders if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at the address of such Holder as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such Notice.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice to Holders by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders.

Any notice required by this Indenture may be waived in writing by the Person entitled to receive such notice, either before or after the event otherwise to be specified therein, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 110. Conflict with Trust Indenture Act.

If any provision of this Indenture limits, qualifies or conflicts with another provision hereof which is required or deemed to be included in this Indenture by, or is otherwise governed by, any provision of the Trust Indenture Act, such other provision shall control; and if any provision hereof otherwise conflicts with the Trust Indenture Act, the Trust Indenture Act shall control.

SECTION 111. Effect of Headings and Table of Contents.

The Article and Section headings in this Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 112. Successors and Assigns.

All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 113. Separability Clause.

In case any provision in this Indenture or the Securities shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 114. Benefits of Indenture.

Nothing in this Indenture or the Securities, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder and the Holders of any Outstanding Securities, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 115. Governing Law.

This Indenture and the Securities shall be governed by and construed in accordance with the law of the State of New York (including without limitation Section 5-1401 of the New York General Obligations Law or any successor to such statute), except to the extent that the Trust Indenture Act shall be applicable and except to the extent that the law of any other jurisdiction shall mandatorily govern.

SECTION 116. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities other than a provision in Securities of any series, or any Tranche thereof, or in the indenture supplemental hereto, Board Resolution or Officer's Certificate which establishes the terms of the Securities of such series or Tranche, which specifically states that such provision shall apply in lieu of this Section) payment of interest or principal and premium, if any, need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date, Redemption Date, or Stated Maturity, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be, to such Business Day.

SECTION 117. Investment of Cash Held by Trustee.

Any cash held by the Trustee or any Paying Agent under any provision of this Indenture shall, except as otherwise provided in Section 1806 or in Article Eight, at the request of the Company evidenced by Company Order, be invested or reinvested in Investment Securities designated by the Company (such Company Order to contain a representation to the effect that the securities designated therein constitute Investment Securities), any interest on such Investment Securities shall be promptly paid over to the Company as received free and clear of any Lien. Such Investment Securities shall be held subject to the same provisions hereof as the cash used to purchase the same, but upon a like request of the Company shall be sold, in whole or in designated part, and the proceeds of such sale shall be held subject to the same provisions hereof as the cash used to purchase the Investment Securities so sold. If such sale

shall produce a net sum less than the cost of the Investment Securities so sold, the Company shall pay to the Trustee or any such Paying Agent, as the case may be, such amount in cash as, together with the net proceeds from such sale, shall equal the cost of the Investment Securities so sold, and if such sale shall produce a net sum greater than the cost of the Investment Securities so sold, the Trustee or any such Paying Agent, as the case may be, shall promptly pay over to the Company an amount in cash equal to such excess, free and clear of any Lien. In no event shall the Trustee be liable for any loss incurred in connection with the sale of any Investment Security pursuant to this Section.

Notwithstanding the foregoing, if an Event of Default shall have occurred and be continuing, interest on Investment Securities and any gain upon the sale thereof shall be held as part of the Mortgaged Property until such Event of Default shall have been cured or waived, whereupon such interest and gain shall be promptly paid over to the Company free and clear of any Lien.

ARTICLE TWO

Security Forms

SECTION 201. Forms Generally.

The definitive Securities of each series shall be in substantially the form or forms thereof established in the indenture supplemental hereto establishing such series or in a Board Resolution establishing such series, or in an Officer's Certificate pursuant to such a supplemental indenture or Board Resolution, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof. If the form or forms of Securities of any series are established in a Board Resolution or in an Officer's Certificate pursuant to a Supplemental Indenture or a Board Resolution, such Board Resolution and Officer's Certificate, if any, shall be delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

Unless otherwise specified as contemplated by Section 301, the Securities of each series shall be issuable in registered form without coupons. The definitive Securities shall be produced in such manner as shall be determined by the officers executing such Securities, as evidenced by their execution thereof.

SECTION 202. Form of Trustee's Certificate of Authentication.

The Trustee's certificate of authentication shall be in substantially the form set forth below:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Authorized Officer

ARTICLE THREE

The Securities

SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. Subject to the last paragraph of this Section, prior to the authentication and delivery of Securities of any series there shall be established by specification in or pursuant to a supplemental indenture or in a Board Resolution of the Company or in or pursuant to an Officer's Certificate of the Company (which need not comply with Section 105) or in a Company Order pursuant to a supplemental indenture, a Board Resolution or an Officer's Certificate:

(a) the title of the Securities of such series (which shall distinguish the Securities of such series from Securities of all other series);

(b) any limit upon the aggregate principal amount of the Securities of such series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of such series pursuant to Section 304, 305, 306, 506 or 1306 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(c) the Person or Persons (without specific identification) to whom any interest on Securities of such series, or any Tranche thereof, shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest;

(d) the date or dates on which the principal of the Securities of such series or any Tranche thereof, is payable or any formulary or other method or other means by which such date or dates shall be determined, by reference to an index or other fact or event ascertainable outside of this Indenture or otherwise (without regard to any provisions for redemption, prepayment, acceleration, purchase or

extension); and the right, if any, to extend the Maturity of the Securities of such series, or any Tranche thereof, and the duration of any such extension;

(e) the rate or rates at which the Securities of such series, or any Tranche thereof, shall bear interest, if any (including the rate or rates at which overdue principal shall bear interest after Maturity if different from the rate or rates at which such Securities shall bear interest prior to Maturity, and, if applicable, the rate or rates at which overdue premium or interest shall bear interest, if any), or any formulary or other method or other means by which such rate or rates shall be determined by reference to an index or other fact or event ascertainable outside of this Indenture or otherwise, the date or dates from which such interest shall accrue; the Interest Payment Dates and the Regular Record Dates, if any, for the interest payable on such Securities on any Interest Payment Date; and the basis of computation of interest, if other than as provided in Section 310; and the right, if any, to extend the interest payment periods and the duration of any such extension;

(f) the place or places at which and/or methods (if other than as provided elsewhere in this Indenture) by which (i) the principal of and premium, if any, and interest, if any, on Securities of such series, or any Tranche thereof, shall be payable, (ii) registration of transfer of Securities of such series, or any Tranche thereof, may be effected, (iii) exchanges of Securities of such series, or any Tranche thereof, may be effected and (iv) notices and demands to or upon the Company in respect of the Securities of such series, or any Tranche thereof, and this Indenture may be served; the Security Registrar and any Paying Agent or Agents for such series or Tranche; and, if such is the case, that the principal of such Securities shall be payable without the presentment or surrender thereof;

(g) the period or periods within which, or the date or dates on which, the price or prices at which and the terms and conditions upon which the Securities of such series, or any Tranche thereof, may be redeemed, in whole or in part, at the option of the Company and any restrictions on such redemptions;

(h) the obligation or obligations, if any, of the Company to redeem or purchase or repay the Securities of such series, or any Tranche thereof, pursuant to any sinking fund or other mandatory redemption provisions or at the option of a Holder thereof and the period or periods within which or the date or dates on which, the price or prices at which and the terms and conditions upon which such Securities shall be redeemed or purchased or repaid, in whole or in part, pursuant to such obligation and applicable exceptions to the requirements of Section 504 in the case of mandatory redemption or redemption or repayment at the option of the Holder;

(i) the denominations in which Securities of such series, or any Tranche thereof, shall be issuable if other than denominations of One Thousand Dollars ($1,000) and any integral multiple thereof;

(j) if the principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, are to be payable, at the election of the Company or a Holder thereof, in a coin or currency other than that in which the Securities are stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made and the manner in which the amount of such coin or currency payable is to be determined;

(k) the currency or currencies, including composite currencies, in which payment of the principal of and premium, if any, and interest, if any, on the Securities of such series, or any Tranche thereof, shall be payable (if other than Dollars) and the manner in which the equivalent of the principal amount

thereof in Dollars is to be determined for any purpose, including for the purpose of determining the principal amount deemed to be Outstanding at any time;

(l) if the principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, are to be payable, or are to be payable at the election of the Company or a Holder thereof, in securities or other property, the type and amount of such securities or other property, or the formulary or other method or other means by which such amount shall be determined, and the period or periods within which, and the terms and conditions upon which, any such election may be made;

(m) if the amount payable in respect of principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, may be determined with reference to an index or other fact or event ascertainable outside this Indenture, the manner in which such amounts shall be determined to the extent not established pursuant to clause (e) of this paragraph;

(n) if other than the entire principal amount thereof, the portion of the principal amount of Securities of such series, or any Tranche thereof, which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 902;

(o) any Events of Default, in addition to those specified in Section 901, or any exceptions to those specified in Section 901, with respect to the Securities of such series, and any covenants of the Company for the benefit of the Holders of the Securities of such series, or any Tranche thereof, in addition to those set forth in Article Seven, or any exceptions to those set forth in Article Seven;

(p) the terms, if any, pursuant to which the Securities of such series, or any Tranche thereof, may be converted into or exchanged for shares of capital stock or other securities of the Company or any other Person;

(q) the obligations or instruments, if any, which shall be considered to be Eligible Obligations in respect of the Securities of such series, or any Tranche thereof, denominated in a currency other than Dollars or in a composite currency, whether Eligible Obligations include Investment Securities with respect to Securities of such series, and any provisions for satisfaction and discharge of Securities of any series, in addition to those set forth in Article Eight, or any exceptions to those set forth in Article Eight;

(r) if the Securities of such series, or any Tranche thereof, are to be issued in global form, (i) any limitations on the rights of the Holder or Holders of such Securities to transfer or exchange the same or to obtain the registration of transfer thereof, (ii) any limitations on the rights of the Holder or Holders thereof to obtain certificates therefor in definitive form in lieu of global form and (iii) any other matters incidental to such Securities;

(s) if the Securities of such series, or any Tranche thereof, are to be issuable as bearer securities, any and all matters incidental thereto which are not specifically addressed in a supplemental indenture as contemplated by clause (g) of Section 1301;

(t) to the extent not established pursuant to clause (r) of this paragraph, any limitations on the rights of the Holders of the Securities of such Series, or any Tranche thereof, to transfer or exchange such Securities or to obtain the registration of transfer thereof; and if a service charge will be made for the

registration of transfer or exchange of Securities of such series, or any Tranche thereof, the amount or terms thereof;

(u) any exceptions to Section 116, or variation in the definition of Business Day, with respect to the Securities of such series, or any Tranche thereof;

(v) whether the Securities of such series are Benefitted Securities under Section 707;

(w) any other terms of the Securities of such series, or any Tranche thereof, that the Company may elect to specify.

With respect to Securities of a series subject to a Periodic Offering, the indenture supplemental hereto or the Board Resolution which establishes such series, or the Officer's Certificate pursuant to such supplemental indenture or Board Resolution, as the case may be, may provide general terms or parameters for Securities of such series and provide either that the specific terms of Securities of such series, or any Tranche thereof, shall be specified in a Company Order or that such terms shall be determined by the Company or its agents in accordance with procedures specified in a Company Order as contemplated in clause (b) of Section 303.

Unless otherwise provided with respect to a series of Securities as contemplated in Section 301(b), the aggregate principal amount of a series of Securities may be increased and additional Securities of such series may be issued up to the maximum aggregate principal amount authorized with respect to such series as increased.

SECTION 302. Denominations.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, the Securities of each series shall be issuable in denominations of One Thousand Dollars ($1,000) and any integral multiple thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities or any Tranche thereof, the Securities shall be executed on behalf of the Company by an Authorized Officer of the Company, and may have the corporate seal of the Company affixed thereto or reproduced thereon attested by its Secretary, one of its Assistant Secretaries or any other Authorized Officer. The signature of any or all of these officers on the Securities may be manual or facsimile.

A Security bearing the manual or facsimile signature of an individual who was at the time of execution an Authorized Officer of the Company shall bind the Company, notwithstanding that any such individual has ceased to be an Authorized Officer prior to the authentication and delivery of the Security or did not hold such office at the date of such Security.

The Trustee shall authenticate and deliver Securities of a series for original issue, at one time or from time to time in accordance with the Company Order referred to below, upon receipt by the Trustee of:

(a) the instrument or instruments establishing the form or forms and terms of the Securities of such series, as provided in Sections 201 and 301;

(b) a Company Order requesting the authentication and delivery of such Securities and, to the extent that the terms of such Securities shall not have been established in an indenture supplemental hereto or in a Board Resolution, or in an Officer's Certificate pursuant to a supplemental indenture or Board Resolution, all as contemplated by Section 301, either (i) establishing such terms or (ii) in the case of Securities of a series subject to a Periodic Offering, specifying procedures, acceptable to the Trustee, by which such terms are to be established (which procedures may provide, to the extent acceptable to the Trustee, for authentication and delivery pursuant to oral or electronic instructions from the Company or any agent or agents thereof, which oral instructions are to be promptly confirmed electronically or in writing), in either case in accordance with the instrument or instruments establishing the terms of the Securities of such series delivered pursuant to clause (a) above. If applicable, the Company Order shall also designate the related series of Class A Bonds being delivered to the Trustee in connection with the issuance of such series of Securities;

(c) if prior to the Release Date, any opinions, certificates, documents and instruments required by Article Sixteen;

(d) Securities of such series, each executed on behalf of the Company by an Authorized Officer of the Company;

(e) an Officer's Certificate (i) which shall comply with the requirements of Section 105 of this Indenture and (ii) which states that no Event of Default under this Indenture has occurred or is occurring;

(f) an Opinion of Counsel which shall comply with the requirements of Section 105 of this Indenture and that states that:

(i) the form or forms of such Securities have been duly authorized by the Company and have been established in conformity with the provisions of this Indenture;

(ii) the terms of such Securities have been duly authorized by the Company and have been established in conformity with the provisions of this Indenture; and

(iii) when such Securities shall have been authenticated and delivered by the Trustee and issued and delivered by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, such Securities will have been duly issued under this Indenture and will constitute valid and legally binding obligations of the Company, entitled to the benefits provided by this Indenture, and enforceable in accordance with their terms, subject, as to enforcement, to laws relating to or affecting generally the enforcement of mortgagees' and other creditors' rights, including, without limitation, bankruptcy and insolvency laws and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

provided, however, that, with respect to Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to receive such Opinion of Counsel only once at or prior to the time of the first

authentication and delivery of Securities of such series and that in lieu of the opinions described in clauses (ii) and (iii) above such Opinion of Counsel may, alternatively, state, respectively,

(x) that, when the terms of such Securities shall have been established pursuant to a Company Order or Orders, or pursuant to such procedures as may be specified from time to time by a Company Order or Orders, all as contemplated by and in accordance with the instrument or instruments delivered pursuant to clause (a) above, such terms will have been duly authorized by the Company and will have been established in conformity with the provisions of this Indenture; and

(y) that, such Securities, when (1) executed by the Company, (2) authenticated and delivered by the Trustee in accordance with this Indenture, (3) issued and delivered by the Company and (4) paid for, all as contemplated by and in accordance with the aforesaid Company Order or Orders, as the case may be, will have been duly issued under this Indenture and will constitute valid and legally binding obligations of the Company, entitled to the benefits provided by the Indenture, and enforceable in accordance with their terms, subject, as to enforcement, to laws relating to or affecting generally the enforcement of mortgagees' and other creditors' rights, including, without limitation, bankruptcy and insolvency laws and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

With respect to Securities of a series subject to a Periodic Offering, the Trustee may conclusively rely, as to the authorization by the Company of any of such Securities, the forms and terms thereof and the legality, validity, binding effect and enforceability thereof, upon the Opinion of Counsel and other documents delivered pursuant to Sections 201 and 301 and this Section, as applicable, at or prior to the time of the first authentication of Securities of such series, unless and until such opinion or other documents have been superseded or revoked or expire by their terms. In connection with the authentication and delivery of Securities of a series, pursuant to a Periodic Offering, the Trustee shall be entitled to assume that the Company's instructions to authenticate and deliver such Securities do not violate any applicable law or any applicable rule, regulation or order of any governmental agency or commission having jurisdiction over the Company.

If the forms or terms of the Securities of any series have been established by or pursuant to a Board Resolution or an Officer's Certificate as permitted by Sections 201 or 301, the Trustee shall not be required to authenticate such Securities if the issuance of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Except as otherwise specified as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, each Security shall be dated the date of its authentication.

Except as otherwise specified as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, no Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee or its agent by manual signature of an authorized officer thereof, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the

benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder to the Company, or any Person acting on its behalf, but shall never have been issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 309 together with a written statement (which need not comply with Section 102 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits hereof.

SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities of any series, or any Tranche thereof, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued, with such appropriate insertions, omissions, substitutions and other variations as any officer executing such Securities may determine, as evidenced by such officer's execution of such Securities; provided, however, that temporary Securities need not recite specific redemption, sinking fund, conversion or exchange provisions.

If temporary Securities of any series or Tranche are issued, the Company shall cause definitive Securities of such series or Tranche to be prepared without unreasonable delay. After the preparation of definitive Securities of such series or Tranche, the temporary Securities of such series or Tranche shall be exchangeable for definitive Securities of such series or Tranche, upon surrender of the temporary Securities of such series or Tranche at the office or agency of the Company maintained pursuant to Section 702 in a Place of Payment for such series or Tranche, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series or Tranche, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor definitive Securities of the same series or Tranche, of authorized denominations and of like tenor and aggregate principal amount.

Until exchanged in full as hereinabove provided, temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series and Tranche and of like tenor authenticated and delivered hereunder.

SECTION 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept in one of the offices or agencies designated pursuant to Section 702, with respect to the Securities of each series or any Tranche thereof, a register (the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities of such series or Tranche and the registration of transfer thereof. The Company shall designate one Person to maintain the Security Register for the Securities of each series, and such Person is referred to herein, with respect to such series, as the "Security Registrar." Anything herein to the contrary notwithstanding, the Company may designate one or more of its offices or an office of any Affiliate as an office in which the Security Register with respect to the Securities of one or more series, or any Tranche or Tranches thereof, shall be maintained, and the Company may designate itself or any Affiliate as the Security Registrar with respect to one or more of such series. The Security Register shall be open for inspection by the Trustee and the Company at all reasonable times.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, upon surrender for registration of transfer of any Security of such series or Tranche at the office or agency of the Company maintained pursuant to Section 702 in a Place of Payment for such series or Tranche, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, any Security of such series or Tranche may be exchanged at the option of the Holder for one or more new Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount, upon surrender of the Securities to be exchanged at any such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities, which the Holder making the exchange is entitled to receive.

All Securities delivered upon any registration of transfer or exchange of Securities shall be valid obligations of the Company, evidencing the same obligation, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed or shall be accompanied by a written instrument of transfer in form satisfactory to the Company and the Trustee, duly executed by the Holder thereof or his attorney duly authorized in writing.

Unless otherwise specified as contemplated by Section 301, with respect to Securities of any series, or any Tranche thereof, no service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 506 or 1306 not involving any transfer.

The Company shall not be required to execute or to provide for the registration of transfer of or the exchange of (a) Securities of any series, or any Tranche thereof, during a period of 15 days immediately preceding the date notice is to be given identifying the serial numbers of the Securities of such series or Tranche called for redemption or (b) any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

SECTION 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and Tranche, and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (a) evidence to their satisfaction of the ownership of and the destruction, loss or theft of any Security and (b) such security or indemnity as may be reasonably required by them to save each of them and any agent of any of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such

destroyed, lost or stolen Security, a new Security of the same series and Tranche, and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

Notwithstanding the foregoing, in case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Trustee) in connection therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone other than the Holder of such new security, and any such new Security shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of such series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. Payment of Interest; Interest Rights Preserved.

Unless otherwise provided as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the related Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election, as provided in clause (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a date (a "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall

promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company shall promptly cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at the address of such Holder as it appears in the Security Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date.

(b) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section and Section 305, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of and premium, if any, and (subject to Sections 305 and 307) interest, if any, on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and none of the Company, the Trustee or any agent of the Company or the Trustee shall be affected by notice to the contrary.

SECTION 309. Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and, if not theretofore canceled, shall be promptly canceled by the Trustee. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever or which the Company shall not have issued and sold, and all Securities so delivered shall be promptly canceled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Securities held by the Trustee shall be disposed of in accordance with the Trustee's then customary procedures, unless otherwise directed by a Company Order; provided, however, that the Trustee shall not be required to destroy any Securities.

SECTION 310. Computation of Interest.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, or Tranche thereof, interest on the Securities of each series shall be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months, and with respect to any period less

than a full month, on the basis of the actual number of days elapsed during such period. For example, the interest for a period running from the 15th day of one month to the 15th day of the next month would be calculated on the basis of one 30-day month.

SECTION 311. Payment to Be in Proper Currency.

In the case of any Security denominated in any currency other than Dollars or in a composite currency (the "Required Currency"), except as otherwise specified with respect to such Security as contemplated by Section 301, the obligation of the Company to make any payment of the principal thereof, or the premium or interest thereon, shall not be discharged or satisfied by any tender by the Company, or recovery by the Trustee, in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the Trustee timely holding the full amount of the Required Currency then due and payable. If any such tender or recovery is in a currency other than the Required Currency, the Trustee may take such actions as it considers appropriate to exchange such currency for the Required Currency. The costs and risks of any such exchange, including without limitation the risks of delay and exchange rate fluctuation, shall be borne by the Company, the Company shall remain fully liable for any shortfall or delinquency in the full amount of Required Currency then due and payable, and in no circumstances shall the Trustee be liable therefor except in the case of its negligence or willful misconduct. The Company hereby waives any defense of payment based upon any such tender or recovery which is not in the Required Currency, or which, when exchanged for the Required Currency by the Trustee, is less than the full amount of Required Currency then due and payable.

SECTION 312. Extension of Interest Payment.

The Company shall have the right at any time, to extend interest payment periods on all the Securities of any series hereunder, if so specified as contemplated by Section 301 with respect to such Securities and upon such terms as may be specified as contemplated by Section 301 with respect to such Securities.

SECTION 313. CUSIP Numbers.

The Company in issuing the Securities may use "CUSIP" or other similar numbers (if then generally in use), and, if so, the Company, the Trustee or the Security Registrar may use "CUSIP" or such other numbers in notices or redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only the other identification numbers printed on the Securities, in which case none of the Company or, as the case may be, the Trustee or the Security Registrar, or any agent of any of them, shall have any liability in respect of any CUSIP number used on any such notice, and any such redemption shall not be affected by any defect in or omission of such numbers.

ARTICLE FOUR

Securities of the First Series

There is hereby created two series of Securities (herein sometimes referred to as "Securities of the First Series" and "Securities of the Second Series," respectively). The form, designation and terms

of the Securities of the First Series and the Securities of the Second Series shall be established in a supplemental indenture or a Board Resolution, and/or in an Officer's Certificate pursuant to a supplemental indenture or a Board Resolution in accordance with Section 301.

ARTICLE FIVE

Redemption of Securities

SECTION 501. Applicability of Article.

Securities of any series, or any Tranche thereof, which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of such series or Tranche) in accordance with this Article.

SECTION 502. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities shall be evidenced by a Board Resolution or an Officer's Certificate. The Company shall, at least 45 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the principal amount of such Securities to be redeemed. In the case of any redemption of Securities (a) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture or (b) pursuant to an election of the Company which is subject to a condition specified in the terms of such Securities, the Company shall furnish the Trustee with an Officer's Certificate evidencing compliance with such restriction or condition.

SECTION 503. Selection of Securities to Be Redeemed.

If less than all the Securities of any series, or any Tranche thereof, are to be redeemed, the particular Securities to be redeemed shall be selected by the Trustee from the Outstanding Securities of such series or Tranche not previously called for redemption, by such method as shall be provided for such particular series or Tranche, or in the absence of any such provision, by such method of random selection as the Trustee shall deem fair and appropriate and which may, in any case, provide for the selection for redemption of portions (equal to any authorized denomination for Securities of such series or Tranche) of the principal amount of Securities of such series or Tranche of a denomination larger than the minimum authorized denomination for Securities of such series or Tranche; provided, however, that if, as indicated in an Officer's Certificate, the Company shall have offered to purchase all or any principal amount of the Securities then Outstanding of any series, or any Tranche thereof, and less than all of such Securities as to which such offer was made shall have been tendered to the Company for such purchase, the Trustee, if so directed by Company Order, shall select for redemption all or any principal amount of such Securities which have not been so tendered.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected to be redeemed in part, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 504. Notice of Redemption.

Notice of redemption shall be given in the manner provided in Section 109 to the Holders of Securities to be redeemed not less than 30 nor more than 60 days prior to the Redemption Date.

All notices of redemption shall state:

(a) the Redemption Date,

(b) the Redemption Price,

(c) if less than all the Securities of any series or Tranche are to be redeemed, the identification of the particular Securities to be redeemed and the portion of the principal amount of any Security to be redeemed in part,

(d) that on the Redemption Date the Redemption Price, together with accrued interest, if any, to the Redemption Date, will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,

(e) the place or places where such Securities are to be surrendered for payment of the Redemption Price and accrued interest, if any, unless it shall have been specified as contemplated by Section 301 with respect to such Securities that such surrender shall not be required,

(f) that the redemption is for a sinking or other fund, if such is the case, and

(g) such other matters as the Company shall deem desirable or appropriate.

Unless otherwise specified with respect to any Securities in accordance with Section 301, with respect to any notice of redemption of Securities at the election of the Company, unless, upon the giving of such notice, such Securities shall be deemed to have been paid in accordance with Section 801, such notice may state that such redemption shall be conditional upon the receipt by the Paying Agent or Agents for such Securities, on or prior to the date fixed for such redemption, of money sufficient to pay the principal of and premium, if any, and interest, if any, on such Securities and that if such money shall not have been so received such notice shall be of no force or effect and the Company shall not be required to redeem such Securities. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and within a reasonable time thereafter notice shall be given, in the manner in which the notice of redemption was given, that such money was not so received and such redemption was not required to be made.

Notice of redemption of Securities to be redeemed at the election of the Company, and any notice of non-satisfaction of a condition for redemption as aforesaid, shall be given by the Company or, on Company Request, by the Trustee in the name and at the expense of the Company.

SECTION 505. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, and the conditions, if any, set forth in such notice having been satisfied, the Securities or portions thereof so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless, in the case of an unconditional notice of redemption, the Company shall default in the payment of the Redemption Price and accrued interest, if any) such Securities or portions thereof, if interest-bearing, shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with such notice, such Security or portion thereof shall be paid by the Company at the Redemption Price, together with accrued interest, if any, to the Redemption Date; provided, however, that no such surrender shall be a condition to such payment if so specified as contemplated by Section 301 with respect to such Security; and provided, further, that except as otherwise specified as contemplated by Section 301 with respect to such Security, any installment of interest on any Security the Stated Maturity of which installment is on or prior to the Redemption Date shall be payable to the Holder of such Security, or one or more Predecessor Securities, registered as such at the close of business on the related Regular Record Date according to the terms of such Security and subject to the provisions of Sections 305 and 307.

SECTION 506. Securities Redeemed in Part.

Upon the surrender of any Security which is to be redeemed only in part at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, a new Security or Securities of the same series and Tranche, of any authorized denomination requested by such Holder and of like tenor and in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

ARTICLE SIX

Sinking Funds

SECTION 601. Applicability of Article.

The provisions of this Article shall be applicable to any sinking fund for the retirement of the Securities of any series, or any Tranche thereof, except as otherwise specified as contemplated by Section 301 for Securities of such series or Tranche.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series, or any Tranche thereof, is herein referred to as a "mandatory sinking fund payment", and any payment in excess of such minimum amount provided for by the terms of Securities of any series, or any Tranche thereof, is herein referred to as an "optional sinking fund payment". If provided for by the terms of Securities of any series, or any Tranche thereof, the cash amount of any sinking fund payment may be

subject to reduction as provided in Section 602. Each sinking fund payment shall be applied to the redemption of Securities of the series or Tranche in respect of which it was made as provided for by the terms of such Securities.

SECTION 602. Satisfaction of Sinking Fund Payments with Securities.

The Company (a) may deliver to the Trustee Outstanding Securities (other than any previously called for redemption) of a series or Tranche in respect of which a mandatory sinking fund payment is to be made and (b) may apply as a credit Securities of such series or Tranche which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of such mandatory sinking fund payment; provided, however, that no Securities shall be applied in satisfaction of a mandatory sinking fund payment if such Securities shall have been previously so applied. Securities so applied shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 603. Redemption of Securities for Sinking Fund.

Not less than 45 days prior to each sinking fund payment date for the Securities of any series, or any Tranche thereof, the Company shall deliver to the Trustee an Officer's Certificate specifying:

(a) the amount of the next succeeding mandatory sinking fund payment for such series or Tranche;

(b) the amount, if any, of the optional sinking fund payment to be made together with such mandatory sinking fund payment;

(c) the aggregate sinking fund payment;

(d) the portion, if any, of such aggregate sinking fund payment which is to be satisfied by the payment of cash;

(e) the portion, if any, of such aggregate sinking fund payment which is to be satisfied by delivering and crediting Securities of such series or Tranche pursuant to Section 602 and stating the basis for such credit and that such Securities have not previously been so credited, and the Company shall also deliver to the Trustee any Securities to be so delivered. If the Company shall not deliver such Officer's Certificate, the next succeeding sinking fund payment for such series or Tranche shall be made entirely in cash in the amount of the mandatory sinking fund payment. Not less than 30 days before each such sinking fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 503 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 504. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 505 and 506.

ARTICLE SEVEN

Representations and Covenants

SECTION 701. Payment of Securities; Lawful Possession.

(a) The Company shall pay the principal of and premium, if any, and interest, if any, on the Securities of each series in accordance with the terms of such Securities and this Indenture.

(b) At the Execution Date, the Company is lawfully possessed of the Mortgaged Property and has sufficient right and authority to mortgage and pledge the Mortgaged Property, as provided in and by this Indenture.

SECTION 702. Maintenance of Office or Agency.

The Company shall maintain in each Place of Payment for the Securities of each series, or any Tranche thereof, an office or agency where payment of such Securities shall be made, where the registration of transfer or exchange of such Securities may be effected and where notices and demands to or upon the Company in respect of such Securities and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of each such office or agency and prompt notice to the Holders of any such change in the manner specified in Section 109. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, then payment of such Securities shall be made, registration of transfer or exchange thereof may be effected and notices and demands in respect of such Securities and this Indenture may be served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent for all such purposes in any such event.

The Company may also from time to time designate one or more other offices or agencies with respect to the Securities of one or more series, or any Tranche thereof, for any or all of the foregoing purposes and may from time to time rescind such designations; provided, however, that, unless otherwise specified as contemplated by Section 301 with respect to the Securities of such series or Tranche, no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency for such purposes in each Place of Payment for such Securities in accordance with the requirements set forth above. The Company shall give prompt written notice to the Trustee, and prompt notice to the Holders in the manner specified in Section 109, of any such designation or rescission and of any change in the location of any such other office or agency.

Anything herein to the contrary notwithstanding, any office or agency required by this Section may be maintained at an office of the Company, in which event the Company shall perform all functions to be performed at such office or agency.

SECTION 703. Money for Securities Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to the Securities of any series, or any Tranche thereof, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on any of such Securities, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and premium or interest so becoming due until such

sums shall be paid to such Persons or otherwise disposed of as herein provided. The Company shall promptly notify the Trustee of any failure by the Company (or any other obligor on such Securities) to make any payment of principal of or premium, if any, or interest, if any, on such Securities.

Whenever the Company shall have one or more Paying Agents for the Securities of any series, or any Tranche thereof, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on such Securities, deposit with such Paying Agents sums sufficient (without duplication) to pay the principal and premium or interest so becoming due, such sums to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company shall promptly notify the Trustee of any failure by it so to act.

The Company shall cause each Paying Agent for the Securities of any series, or any Tranche thereof, other than the Company or the Trustee, to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall:

(a) hold all sums held by it for the payment of the principal of and premium, if any, or interest, if any, on such Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(b) give the Trustee notice of any failure by the Company (or any other obligor upon such Securities) to make any payment of principal of or premium, if any, or interest, if any, on such Securities; and

(c) at any time during the continuance of any such failure, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent and furnish to the Trustee such information as it possesses regarding the names and addresses of the Persons entitled to such sums.

The Company may at any time pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent and, if so stated in a Company Order delivered to the Trustee, in accordance with the provisions of Article Seven; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of and premium, if any, or interest, if any, on any Security and remaining unclaimed for two years after such principal and premium, if any, or interest, if any, has become due and payable shall be paid to the Company on Company Request, or, if then held by the Company, shall be discharged from such trust; and, upon such payment or discharge, the Holder of such Security shall, as an unsecured general creditor and not as the Holder of an Outstanding Security, look only to the Company for payment of the amount so due and payable and remaining unpaid, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such payment to the Company, shall, upon receipt of a Company Order and at the expense of the Company cause to be mailed, on one occasion only, notice to such Holder that such money remains

unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such mailing, any unclaimed balance of such money then remaining will be paid to the Company. In the absence of any such Company Request, the Trustee shall from time to time deliver such unclaimed funds to, or as directed by, the pertinent escheat authority, as identified by the Trustee in its sole discretion, pursuant to and in accordance with applicable unclaimed property laws, rules or regulations. Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the escheat authority and, upon any such delivery, all liability of the Trustee with respect to such unclaimed funds shall thereupon cease.

SECTION 704. Corporate Existence.

Subject to the rights of the Company under Article Twelve, the Company shall do or cause to be done all things necessary to preserve and keep its corporate existence in full force and effect.

SECTION 705. Annual Officer's Certificate as to Compliance.

Not later than May 1 in each year, commencing May 1, 2002, the Company shall deliver to the Trustee an Officer's Certificate which need not comply with the requirements of Section 105, executed by the principal executive officer, the principal financial officer or the principal accounting officer of the Company, as to such officer's knowledge of the Company's compliance with all conditions and covenants under this Indenture, such compliance to be determined without regard to any period of grace or requirement of notice under this Indenture, and making any other statements as may be required by the Trust Indenture Act.

SECTION 706. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any term, provision or condition set forth in

(a) any covenant or restriction specified with respect to the Securities of any one or more series, or any one or more Tranches thereof, if before the time for such compliance the Holders of at least a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches with respect to which compliance with such covenant or restriction is to be omitted, considered as one class, shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition; provided, however, that no such waiver shall be effective as to any of the matters contemplated in clause (a), (b) or (c) in Section 1302 without the consent of the Holders specified in such Section; and

(b) Article Twelve if before the time for such compliance the Holders of at least a majority in principal amount of Securities Outstanding under this Indenture shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition;

but, in either case, no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

SECTION 707. Limitation on Liens.

(a) Except as otherwise specified as contemplated by Section 301 for Securities of any series, so long as any Securities of any series are Outstanding, the Company shall not, from and after the Release Date, issue any Secured Debt (other than Permitted Secured Debt), without the consent of the Holders of a majority in principal amount of all the Outstanding Securities of all series and Tranches with respect to which this covenant is specified as contemplated by Section 301 (the "Benefitted Securities"), considered as one class, except as expressly contemplated in subsections (b) and (c) of this Section.

(b) The provisions of subsection (a) shall not prohibit the creation or existence of any Secured Debt if either:

(i) the Company shall make effective provision whereby the Benefitted Securities shall be secured at least equally and ratably with such Secured Debt; or

(ii) the Company shall deliver to the Trustee bonds, notes or other evidences of indebtedness secured by the Lien which secures such Secured Debt (hereinafter called "Secured Obligations") (i) in an aggregate principal amount equal to the aggregate principal amount of each series then Outstanding, (ii) maturing (or being subject to mandatory redemption) on the Stated Maturities of such series and (iii) containing, in addition to any mandatory redemption provisions applicable to all Secured Obligations outstanding under such Lien and any mandatory redemption provisions contained therein pursuant to clause (ii) above, mandatory redemption provisions correlative to the provisions, if any, for the mandatory redemption (pursuant to a sinking fund or otherwise) of the Securities of such series or for the redemption thereof at the option of the Holder, as well as a provision for mandatory redemption upon an acceleration of the maturity of all Outstanding Securities of such series following an Event of Default (such mandatory redemption to be rescinded upon the rescission of such acceleration); it being expressly understood that such Secured Obligations (x) may, but need not, bear interest, (y) may, but need not, contain provisions for the redemption thereof at the option of the issuer, any such redemption to be made at a redemption price or prices not less than the principal amount thereof and (z) shall be held by the Trustee for the benefit of the Holders of all Securities of such series from time to time Outstanding subject to such terms and conditions relating to surrender to the Company, transfer restrictions, voting, application of payments of principal and interest and other matters as shall be set forth in an indenture supplemental hereto specifically providing for the delivery to the Trustee of such Secured Obligations.

(c) If the Company shall elect either of the alternatives described in subsection (b), the Company shall deliver to the Trustee:

(i) an indenture supplemental to this Indenture (i) together with evidence of appropriate inter-creditor arrangements, whereby this Indenture shall be secured by the Lien referred to in subsection (b) equally and ratably with all other indebtedness secured by such Lien or (ii) providing for the delivery to the Trustee of Secured Obligations;

(ii) an Officer's Certificate (i) stating that, to the knowledge of the signer, (x) no Event of Default has occurred and is continuing and (y) no event has occurred and is

continuing which entitles the secured party under such Lien to accelerate the maturity of the indebtedness outstanding thereunder and (y) stating the aggregate principal amount of indebtedness issuable, and then proposed to be issued, under and secured by such Lien;

(iii) an Opinion of Counsel (i) if the Outstanding Securities under this Indenture are to be secured by such Lien, to the effect that all Securities then Outstanding are entitled to the benefit of such Lien equally and ratably with all other indebtedness outstanding secured by such Lien or (ii) if Secured Obligations are to be delivered to the Trustee, to the effect that such Secured Obligations have been duly issued under such Lien and constitute valid obligations, entitled to the benefit of such Lien equally and ratably with all other indebtedness then outstanding secured by such Lien.

(d) For purposes of this Section, except as otherwise expressly provided or unless the context otherwise requires:

(i) **"Debt"**, with respect to any Person, means (A) indebtedness of such Person for borrowed money evidenced by a bond, debenture, note or other written instrument or agreement by which such Person is obligated to repay such borrowed money and (B) any guaranty by such Person of any such indebtedness of another Person. "Debt" does not include, among other things, (w) indebtedness of such person under any installment sale or conditional sale agreement or any other agreement relating to indebtedness for the deferred purchase price of property or services, (x) any trade obligation (including obligations under power or other commodity purchase agreements and any hedges or derivatives associated therewith), or other obligations of such Person in the ordinary course of business, (y) obligations of such Person under any lease agreement (including any lease intended as security), whether or not such obligations are required to be capitalized on the balance sheet of such Person under generally accepted accounting principles, or (z) liabilities secured by any Lien on any property owned by such Person if and to the extent that such Person has not assumed the obligation to pay such liabilities.

(ii) **"Permitted Secured Debt"** means, as of any particular time, any of the following:

(A) Secured Debt which matures less than one year from the date of the issuance or incurrence thereof and is not extendible at the option of the issuer; and any refundings, refinancings and/or replacements of any such Secured Debt by or with similar Secured Debt;

(B) Secured Debt secured by Purchase Money Liens or any other Liens existing or placed upon property at the time of, or within one hundred eighty (180) days after, the acquisition thereof by the Company, and any refundings, refinancings and/or replacements of any such Secured Debt; provided, however, that no such Purchase Money Lien or other Lien shall extend to or cover any property of the Company other than (i) the property so acquired and improvements, extensions and additions to such property and renewals, replacements and substitutions of or for such property or any part or parts thereof and (ii) with respect to Purchase Money Liens, other property subsequently acquired by the Company;

(C) Secured Debt relating to governmental obligations the interest on which is not included in gross income for purpose of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (or any successor provision of law), for the purpose of financing or refinancing, in whole or in part, costs of acquisition or construction of property to be used by the Company, to the extent that the Lien which secures such Secured Debt is required either by applicable law or by the issuer of such governmental obligations or is otherwise necessary in order to establish or maintain such exclusion from gross income; and any refundings, refinancings and/or replacements of any such Secured Debt by or with similar Secured Debt;

(D) Secured Debt (i) which is related to the construction or acquisition of property not previously owned by the Company or (ii) which is related to the financing of a project involving the development or expansion of property of the Company and (iii) in either case, the obligee in respect of which has no recourse to the Company or any property of the Company other than the property constructed or acquired with the proceeds of such transaction or the project financed with the proceeds of such transaction (or the proceeds of such property or such project); and any refundings, refinancings and/or replacements of any Secured Debt by or with Secured Debt described in clause (iii) above;

(E) Secured Debt permitted under clause (b) of this Section 707; and

(F) in addition to the Permitted Secured Debt described in clauses (A) through (E) above, Secured Debt not otherwise permitted in this Section 707 in an aggregate principal amount not exceeding 10% of the total assets of the Company and its consolidated subsidiaries, as shown on the latest balance sheet of the Company and its consolidated subsidiaries, audited by independent certified public accountants, dated prior to the date of the creation, issuance, incurrence or assumption of such Secured Debt.

(iii) **"Secured Debt"** means Debt created, issued, incurred or assumed by the Company which is secured by a Lien upon any property (other than Excepted Property) of the Company, real, personal or mixed, of whatever kind or nature and wherever located.

ARTICLE EIGHT

Satisfaction and Discharge

SECTION 801. Satisfaction and Discharge of Securities.

Any Security or Securities, or any portion of the principal amount thereof, shall be deemed to have been paid and no longer Outstanding for all purposes of this Indenture, and the entire indebtedness of the Company in respect thereof shall be satisfied and discharged, if there shall have been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust:

(a) money in an amount which shall be sufficient, or

(b) in the case of a deposit made prior to the Maturity of such Securities or portions thereof, Eligible Obligations, which shall not contain provisions permitting the redemption or other prepayment thereof at the option of the issuer thereof, the principal of and the interest on which when due, without any regard to reinvestment thereof, will provide moneys which, together with the money, if any, deposited with or held by the Trustee or such Paying Agent, shall be sufficient, or

(c) a combination of (a) or (b) which shall be sufficient,

to pay when due the principal of and premium, if any, and interest, if any, due and to become due on such Securities or portions thereof; provided, however, that in the case of the provision for payment or redemption of less than all the Securities of any series or Tranche, such Securities or portions thereof shall have been selected by the Trustee as provided herein and, in the case of a redemption, the notice requisite to the validity of such redemption shall have been given or irrevocable authority shall have been given by the Company to the Trustee to give such notice, under arrangements satisfactory to the Trustee; and provided, further, that the Company shall have delivered to the Trustee and such Paying Agent:

(x) if such deposit shall have been made prior to the Maturity of such Securities, a Company Order stating that the money and Eligible Obligations deposited in accordance with this Section shall be held in trust, as provided in Section 703;

(y) if Eligible Obligations shall have been deposited, an Opinion of Counsel to the effect that such obligations constitute Eligible Obligations and do not contain provisions permitting the redemption or other prepayment thereof at the option of the issuer thereof, and a report of an independent public accountant of nationally recognized standing, selected by the Company, to the effect that the other requirements set forth in clause (b) and (c) above have been satisfied; and

(z) if such deposit shall have been made prior to the Maturity of such Securities, an Officer's Certificate stating the Company's intention that, upon delivery of such Officer's Certificate, its indebtedness in respect of such Securities or portions thereof will have been satisfied and discharged as contemplated in this Section.

Upon the deposit of money or Eligible Obligations, or both, in accordance with this Section, together with the documents required by clauses (x), (y) and (z) above, the Trustee shall, upon Company Request, acknowledge in writing that such Securities or portions thereof are deemed to have been paid for all purposes of this Indenture and that the entire indebtedness of the Company in respect thereof has been satisfied and discharged as contemplated in this Section. In the event that all of the conditions set forth in the preceding paragraph shall have been satisfied in respect of any Securities or portions thereof except that, for any reason, the Officer's Certificate specified in clause (z) (if otherwise required) shall not have been delivered, such Securities or portions thereof shall nevertheless be deemed to have been paid for all purposes of this Indenture, and the Holders of such Securities or portions thereof shall nevertheless be no longer entitled to the benefits provided by this Indenture or of any of the covenants of the Company under Article Seven (except the covenants contained in Sections 702 and 703) or any other covenants made in respect of such Securities or portions thereof as contemplated by Section 301 or Section 1301(b), but the indebtedness of the Company in respect of such Securities or portions thereof shall not be deemed to have been satisfied and discharged prior to Maturity for any other purpose; and, upon Company Request, the

Trustee shall acknowledge in writing that such Securities or portions thereof are deemed to have been paid for all purposes of this Indenture.

If payment at Stated Maturity of less than all of the Securities of any series, or any Tranche thereof, is to be provided for in the manner and with the effect provided in this Section, the Trustee shall select such Securities, or portions of principal amount thereof, in the manner specified by Section 503 for selection for redemption of less than all the Securities of a series or Tranche.

In the event that Securities which shall be deemed to have been paid for purposes of this Indenture, and, if such is the case, in respect of which the Company's indebtedness shall have been satisfied and discharged, all as provided in this Section, do not mature and are not to be redeemed within the sixty (60) day period commencing with the date of the deposit of moneys or Eligible Obligations, as aforesaid, the Company shall, as promptly as practicable, give a notice, in the same manner as a notice of redemption with respect to such Securities, to the Holders of such Securities to the effect that such deposit has been made and the effect thereof.

Notwithstanding that any Securities shall be deemed to have been paid for purposes of this Indenture, as aforesaid, the obligations of the Company and the Trustee in respect of such Securities under Sections 304, 305, 306, 504, 702, 703, 1007 and 1014 and this Article shall survive.

The Company shall pay, and shall indemnify the Trustee or any Paying Agent with which Eligible Obligations shall have been deposited as provided in this Section against, any tax, fee or other charge imposed on or assessed against such Eligible Obligations or the principal or interest received in respect of such Eligible Obligations, including, but not limited to, any such tax payable by any entity deemed, for tax purposes, to have been created as a result of such deposit.

Anything herein to the contrary notwithstanding, (a) if, at any time after a Security would be deemed to have been paid for purposes of this Indenture, and, if such is the case, the Company's indebtedness in respect thereof would be deemed to have been satisfied and discharged, pursuant to this Section (without regard to the provisions of this paragraph), the Trustee or any Paying Agent, as the case may be, (i) shall be required to return the money or Eligible Obligations, or combination thereof, deposited with it as aforesaid to the Company or its representative under any applicable Federal or State bankruptcy, insolvency or other similar law, or (ii) is unable to apply any money in accordance with this Article with respect to any Securities by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, such Security shall thereupon be deemed retroactively not to have been paid and any satisfaction and discharge of the Company's indebtedness in respect thereof shall retroactively be deemed not to have been effected, and such Security shall be deemed to remain Outstanding and (b) any satisfaction and discharge of the Company's indebtedness in respect of any Security shall be subject to the provisions of the last paragraph of Section 703.

SECTION 802. Satisfaction and Discharge of Indenture.

This Indenture shall upon Company Request cease to be of further effect (except as hereinafter expressly provided), and the Trustee, at the expense of the Company, shall execute such instruments as the Company shall reasonably request to evidence and acknowledge the satisfaction and discharge of this Indenture, when:

(a) no Securities remain Outstanding hereunder; and

(b) the Company has paid or caused to be paid all other sums payable hereunder by the Company;

provided, however, that if, in accordance with the last paragraph of Section 801, any Security, previously deemed to have been paid for purposes of this Indenture, shall be deemed retroactively not to have been so paid, this Indenture shall thereupon be deemed retroactively not to have been satisfied and discharged, as aforesaid, and to remain in full force and effect, and the Company shall execute and deliver such instruments as the Trustee shall reasonably request to evidence and acknowledge the same.

Notwithstanding the satisfaction and discharge of this Indenture as aforesaid, the obligations of the Company and the Trustee under Sections 304, 305, 306, 504, 702, 703, 1007 and 1014 and this Article shall survive.

Upon satisfaction and discharge of this Indenture as provided in this Section, the Trustee shall turn over to the Company any and all money, securities and other property then held by the Trustee for the benefit of the Holders of the Securities (other than money and Eligible Obligations held by the Trustee pursuant to Section 803) and shall execute and deliver to the Company such instruments as, in the judgment of the Company, shall be necessary, desirable or appropriate to effect or evidence the satisfaction and discharge of this Indenture.

SECTION 803. Application of Trust Money.

Neither the Eligible Obligations nor the money deposited pursuant to Section 801, nor the principal or interest payments on any such Eligible Obligations, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest, if any, on the Securities or portions of principal amount thereof in respect of which such deposit was made, all subject, however, to the provisions of Section 703; provided, however, that any cash received from such principal or interest payments on such Eligible Obligations, if not then needed for such purpose, shall, to the extent practicable and upon Company Request and delivery to the Trustee of the documents referred to in clause (y) in the first paragraph of Section 801, be invested in Eligible Obligations of the type described in clause (b) in the first paragraph of Section 801 maturing at such times and in such amounts as shall be sufficient, together with any other moneys and the proceeds of any other Eligible Obligations then held by the Trustee, to pay when due the principal of and premium, if any, and interest, if any, due and to become due on such Securities or portions thereof on and prior to the Maturity thereof, and interest earned from such reinvestment shall be paid over to the Company as received, free and clear of any trust, lien or pledge under this Indenture (except the lien provided by Section 1007); and provided, further, that any moneys held in accordance with this Section on the Maturity of all such Securities in excess of the amount required to pay the principal of and premium, if any, and interest, if any, then due on such Securities shall be paid over to the Company free and clear of any trust, lien or pledge under this Indenture (except the lien provided by Section 1007); and provided, further, that if an Event of Default shall have occurred and be continuing, moneys to be paid over to the Company pursuant to this Section shall be held until such Event of Default shall have been waived or cured.

ARTICLE NINE

Events of Default; Remedies

SECTION 901. Events of Default.

"Event of Default", wherever used herein with respect to Securities, means any one of the following events:

(a) default in the payment of any interest on any Security when it becomes due and payable and continuance of such default for a period of 30 days; provided, however, that no such default shall constitute an "Event of Default" if the Company has made a valid extension of the interest payment period with respect to the Securities of such series, of which such Security is a part, if so provided as contemplated by Section 301; or

(b) default in the payment of the principal of or premium, if any, on any Security when it becomes due and payable; provided, however, that no such default shall constitute an "Event of Default" if the Company has made a valid extension of the Maturity of the Securities of the series, of which such Security is a part, if so provided as contemplated by Section 301; or

(c) default in the performance of, or breach of, any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in the performance of which or breach of which is elsewhere in this Section specifically addressed) and continuance of such default or breach for a period of 90 days after there has been given, by registered or certified mail, to the Company by the Trustee, or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Securities, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder, unless the Trustee, or the Trustee and the Holders of a principal amount of Securities not less than the principal amount of Securities the Holders of which gave such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the Holders of such principal amount of Securities, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Company within such period and is being diligently pursued; or

(d) the entry by a court having jurisdiction in the premises of (1) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency or other similar law or (2) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition by one or more Persons other than the Company seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable Federal or State bankruptcy, insolvency or similar law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official for the Company or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order for relief or any such other decree or order shall have remained unstayed and in effect for a period of 90 consecutive days; or

(e) the commencement by the Company of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Company to the entry of a decree or order for relief in respect of the Company in a case or proceeding under any applicable Federal or State bankruptcy, insolvency or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company, or the filing by the Company of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State bankruptcy, insolvency or similar law, or the consent by the Company to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property, or the making by the Company of an assignment for the benefit of creditors, or the admission by the Company in writing of its inability to pay its debts generally as they become due, or the authorization of such action by the Board of Directors of the Company.

(f) So long as the Trustee shall hold any Outstanding Class A Bonds which were delivered to the Trustee as the basis for the authentication and delivery of Securities which remain Outstanding hereunder, the occurrence of a matured event of default under the Class A Mortgage under which such Class A Bonds were authenticated and delivered (other than any such matured event of default which (i) is not a failure to make payments on Class A Bonds and is not of similar kind or character to the Event of Default described in clause (d) or (e) above and (ii) has not resulted in the acceleration of the Class A Bonds Outstanding under such Class A Mortgage); provided, however, that, anything in this Indenture to the contrary notwithstanding, the waiver or cure of such event of default under Class A Mortgage shall constitute a waiver and cure of the corresponding Event of Default hereunder and the rescission and annulment of the consequences of any such event under such Class A Mortgage shall constitute a rescission and annulment of the consequences thereof.

SECTION 902. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default shall have occurred and be continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities may declare the principal amount (or, if any of the Securities of such series are Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof as contemplated by Section 301) of all of the Securities to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon receipt by the Company of notice of such declaration such principal amount (or specified amount) together with premium, if any, and accrued and unpaid interest shall become immediately due and payable.

At any time after such a declaration of acceleration of the maturity of the Securities then Outstanding shall have been made, but before any sale of any of the Mortgaged Property has been made and before a judgment or decree for payment of the money due shall have been obtained by the Trustee as provided in this Article, the Event or Events of Default giving rise to such declaration of acceleration shall, without further act, be deemed to have been cured, and such declaration and its consequences shall, without further act, be deemed to have been rescinded and annulled, if

(a) the Company shall have paid or deposited with the Trustee a sum sufficient to pay

(i) all overdue interest, if any, on all Securities then Outstanding;

(ii) the principal of and premium, if any, on any Securities then Outstanding which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Securities;

(iii) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in such Securities;

(iv) all amounts due to the Trustee under Section 1007;

and

(b) all Events of Default, other than the non-payment of the principal of Securities of such series which shall have become due solely by such declaration of acceleration, shall have been cured or waived as provided in Section 913.

No such rescission shall affect any subsequent Event of Default or impair any right consequent thereon.

SECTION 903. Collection of Indebtedness and Suits for Enforcement by Trustee.

If an Event of Default described in clause (a) or (b) of Section 901 shall have occurred, the Company shall, upon demand of the Trustee, pay to it, for the benefit of the Holders of the Securities with respect to which such Event of Default shall have occurred, the whole amount then due and payable on such Securities for principal and premium, if any, and interest, if any, and, to the extent permitted by law, interest on premium, if any, and on any overdue principal and interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover any amounts due to the Trustee under Section 1007.

If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

If an Event of Default shall have occurred and be continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 904. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal, premium, if any, and interest, if any, owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for amounts due to the Trustee under Section 1007 and any claims of the Trustee as holder of Class A Bonds) and of the Holders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amounts due it under Section 1007.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding; provided, however, that the Trustee may, on behalf of the Holders, be a member of a creditors' or similar other committee.

SECTION 905. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee, without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders in respect of which such judgment has been recovered.

SECTION 906. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be applied in the following order, to the extent permitted by law, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or premium, if any, or interest, if any, upon presentation of the Securities in respect of which or for the benefit of which such money shall have been collected and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all amounts due the Trustee under Section 1007;

Second: To the payment of the amounts then due and unpaid upon the Securities for principal of and premium, if any, and interest, if any, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium, if any, and interest, if any, respectively; and

Third: To the payment of the remainder, if any, to the Company or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

SECTION 907. Limitation on Suits.

No Holder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Holder shall have previously given written notice to the Trustee of a continuing Event of Default;

(b) the Holders of 25% in aggregate principal amount of the Outstanding Securities shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(c) such Holder or Holders shall have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceeding; and

(e) no direction inconsistent with such written request shall have been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of the Outstanding Securities;

it being understood and intended that no one or more of the Holders of any Securities shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Holders.

SECTION 908. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and premium, if any, and (subject to Section 307) interest, if any, on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for

the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 909. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and such Holder shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and such Holder shall continue as though no such proceeding had been instituted.

SECTION 910. Rights and Remedies Cumulative.

Except as otherwise provided in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 911. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 912. Control by Holders of Securities.

If an Event of Default shall have occurred and be continuing, the Holders of a majority in principal amount of the Outstanding Securities shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series; provided, however, that

(a) such direction shall not be in conflict with any rule of law or with this Indenture, and could not involve the Trustee in personal liability in circumstances where indemnity would not, in the Trustee's sole discretion, be adequate, and

(b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 913. Waiver of Past Defaults.

The Holders of not less than a majority in principal amount of the Outstanding Securities may on behalf of the Holders of all the Securities waive any past default hereunder and its consequences, except a default

(a) in the payment of the principal of or premium, if any, or interest, if any, on any Outstanding Security, or

(b) in respect of a covenant or provision hereof which under Section 1302 cannot be modified or amended without the consent of the Holder of each Outstanding Security of any series or tranche affected.

Upon any such waiver, such default shall cease to exist, and any and all Events of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 914. Undertaking for Costs.

The Company and the Trustee agree, and each Holder by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant, in each case in the manner, to the extent, and subject to the exceptions provided in the Trust Indenture Act; provided, that the provisions of this Section shall not be deemed to authorize any court to require such an undertaking and shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in aggregate principal amount of the Bonds then Outstanding, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or premium, if any, or interest, if any, on any Bond on or after the Stated Maturity or Maturities expressed in such Bond (or in the case of redemption, on or after the Redemption Date).

SECTION 915. Waiver of Usury, Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any usury, stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 916. Defaults under Class A Mortgages.

In addition to every other right and remedy provided herein, the Trustee may (but shall not be obligated to) exercise any right or remedy available to the Trustee in its capacity as owner and holder of Class A Bonds which arises as a result of a default or matured event of default under any Class A Mortgage, whether or not an Event of Default shall then have occurred and be continuing.

SECTION 917. Receiver and Other Remedies.

If an Event of Default shall have occurred and, during the continuance thereof, the Trustee shall have commenced judicial proceedings to enforce any right under this Indenture, the Trustee shall, to the extent permitted by law, be entitled, prior to the Release Date, as against the Company, to the appointment of a receiver of the Mortgaged Property and subject to the rights, if any, of others to receive collections from former, present or future customers of the rents, issues, profits, revenues and other income thereof, and whether or not any receiver is appointed, the Trustee shall be entitled to retain possession and control of, and to collect and receive the income from cash, securities and other personal property held by the Trustee hereunder and to all other remedies available to mortgagees and secured parties under the Uniform Commercial Code or any other applicable law.

ARTICLE TEN

The Trustee

SECTION 1001. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default,

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities, as provided herein, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to such Securities; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 1002. Notice of Defaults.

The Trustee shall give notice of any default hereunder in the manner and to the extent required to do so by the Trust Indenture Act, unless such default shall have been cured or waived; provided, however, that in the case of any default of the character specified in Section 901(c), no such notice to Holders shall be given until at least 60 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time, or both, would become, an Event of Default.

The Trustee shall give to the trustee under each Class A Mortgage a copy of each notice of default given to the Holders pursuant to this Section. In addition, the Trustee shall give to the Holders copies of each notice of default under any Class A Mortgage given to the Trustee in its capacity as owner and holder of Class A Bonds delivered thereunder.

SECTION 1003. Certain Rights of Trustee.

Subject to the provisions of Section 1001 and to the applicable provisions of the Trust Indenture Act:

(a) the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, or as otherwise expressly provided herein, and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate;

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any Holder pursuant to this Indenture, unless such Holder shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall (subject to applicable legal requirements) be entitled to examine, during normal business hours, the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(h) the Trustee shall not be charged with knowledge of any default (as defined in Section 1002) or Event of Default unless either (1) a Responsible Officer of the Trustee shall have actual knowledge of such default or Event of Default or (2) written notice of such default or Event of Default shall have been given to the Trustee by the Company or any other obligor on such Securities, or by any Holder of such Securities, or, in the case of an Event of Default described in Section 901(f), by the trustee under the applicable Class A Mortgage;

(i) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder; and

(j) the Trustee shall not be liable for any action taken, suffered or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

SECTION 1004. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities (except the Trustee's certificates of authentication) shall be taken as the statements of the Company, and neither the Trustee nor any Authenticating Agent assumes responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Mortgaged Property, the title of the Company to the Mortgaged Property, the security afforded by the Lien of this Indenture, the validity or genuineness of any securities deposited with the Trustee hereunder, or the validity or sufficiency of this Indenture or of the Securities. Neither Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 1005. May Hold Securities.

Each of the Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 1008 and 1013, may otherwise deal with the Company with the same rights it would have if it were not the Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 1006. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds, except to the extent required by law. The Trustee shall be under no liability for interest on or investment of any money received by it hereunder except as expressly provided herein or otherwise agreed with, and for the sole benefit of, the Company.

SECTION 1007. Compensation and Reimbursement.

The Company agrees

(a) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances reasonably incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence, willful misconduct or bad faith; and

(c) to indemnify the Trustee and hold it harmless from and against, any loss, liability or expense reasonably incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Company under this Section, the Trustee shall have a lien prior to the Securities upon the Mortgaged Property and all property and funds held or collected by the Trustee as such, other than property and funds held in trust under Section 803 (except moneys payable to the Company as provided in Section 803).

In addition and without prejudice to the rights provided to the Trustee under any of the provisions of this Indenture, when the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 901(d) or Section 901(e), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable Federal and State bankruptcy, insolvency or other similar law.

The Company's obligations under this Section 1007 and the Lien referred to in this Section 1007 shall survive the resignation or removal of the Trustee, the discharge of the Company's obligations under Article Eight of this Indenture and/or the termination of this Indenture.

"**Trustee**" for purposes of this Section 1007 shall include any predecessor Trustee; provided, however, that the negligence, willful misconduct or bad faith of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

SECTION 1008. Disqualification; Conflicting Interests.

If the Trustee shall have or acquire any conflicting interest within the meaning of the Trust Indenture Act, it shall either eliminate such conflicting interest or resign to the extent, in the manner and with the effect, and subject to the conditions, provided in the Trust Indenture Act and this Indenture. For purposes of Section 310(b)(1) of the Trust Indenture Act and to the extent permitted thereby, the Trustee, in its capacity as trustee in respect of the Securities of any series, shall not be deemed to have a conflicting interest arising from its capacity as trustee in respect of the Securities of any other series.

SECTION 1009. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be

(a) a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by Federal, State or District of Columbia authority, or

(b) if and to the extent permitted by the Commission by rule, regulation or order upon application, a corporation or other Person organized and doing business under the laws of a foreign government, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000 or the Dollar equivalent of the applicable foreign currency and subject to supervision or examination by authority of such foreign government or a political subdivision thereof substantially equivalent to supervision or examination applicable to United States institutional trustees,

and, in either case, qualified and eligible under this Article and the Trust Indenture Act. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising

or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section and the Trust Indenture Act, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 1010. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 1011.

(b) The Trustee may resign at any time by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 1011 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by Act of the Holders of a majority in principal amount of the Outstanding Securities delivered to the Trustee and the Company.

(d) If at any time:

(i) the Trustee shall fail to comply with Section 1008 after written request therefor by the Company or by any Holder who has been a bona fide Holder for at least six months, or

(ii) the Trustee shall cease to be eligible under Section 1009 or Section 310(a) of the Trust Indenture Act and shall fail to resign after written request therefor by the Company or by any such Holder, or

(iii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (x) the Company by Board Resolutions may remove the Trustee with respect to all Securities or (y) subject to Section 914, any Holder who has been a bona fide Holder for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause (other than as contemplated by clause (y) in subsection (d) or this Section), the Company, by Board Resolutions, shall promptly appoint a successor Trustee or Trustees and shall comply with the applicable requirements of Section 1011. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities delivered

to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 1011, become the successor Trustee and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 1011, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) So long as no event which is, or after notice or lapse of time, or both, would become, an Event of Default shall have occurred and be continuing, and except with respect to a Trustee appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities pursuant to subsection (e) of this Section, if the Company shall have delivered to the Trustee (i) Board Resolutions of the Company appointing a successor Trustee, effective as of a date specified therein, and (ii) an instrument of acceptance of such appointment, effective as of such date, by such successor Trustee in accordance with Section 1011, the Trustee shall be deemed to have resigned as contemplated in subsection (b) of this Section, the successor Trustee shall be deemed to have been appointed by the Company pursuant to subsection (e) of this Section and such appointment shall be deemed to have been accepted as contemplated in Section 1011, all as of such date, and all other provisions of this Section and Section 1011 shall be applicable to such resignation, appointment and acceptance except to the extent inconsistent with this subsection (f).

(g) The Company shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee to all Holders of Securities in the manner provided in Section 106. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

SECTION 1011. Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of all sums owed to it, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder (including all interest in the Class A Bonds), subject nevertheless to its Lien provided for in Section 1007.

(b) Upon request of any such successor Trustee, the Company shall execute any instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in subsection (a) of this Section.

(c) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 1012. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 1013. Preferential Collection of Claims Against Company.

If the Trustee shall be or become a creditor of the Company or any other obligor upon the Securities (other than by reason of a relationship described in Section 311(b) of the Trust Indenture Act), the Trustee shall be subject to any and all applicable provisions of the Trust Indenture Act regarding the collection of claims against the Company or such other obligor. For purposes of Section 311(b) of the Trust Indenture Act (a) the term "cash transaction" shall have the meaning provided in Rule 11b-4 under the Trust Indenture Act, and (b) the term "self-liquidating paper" shall have the meaning provided in Rule 11b-6 under the Trust Indenture Act.

SECTION 1014. Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents with respect to the Securities of one or more series, or any Tranche thereof, which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series or Tranche issued upon original issuance, exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State or territory thereof or the District of Columbia or the Commonwealth of Puerto Rico, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than $50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency

or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

The provisions of Sections 308, 1004 and 1005 shall be applicable to each Authenticating Agent.

If an appointment with respect to the Securities of one or more series, or any Tranche thereof, shall be made pursuant to this Section, the Securities of such series or Tranche may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication substantially in the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON,
As Trustee

By_____
As Authenticating Agent

By_____
Authorized Officer

If all of the Securities of a series may not be originally issued at one time, and if the Trustee does not have an office capable of authenticating Securities upon original issuance located in a Place of Payment where the Company wishes to have Securities of such series authenticated upon original issuance, the Trustee, if so requested by the Company in writing (which writing need not comply with Section 102 and need not be accompanied by an Opinion of Counsel), shall appoint, in accordance with this Section and in accordance with such procedures as shall be acceptable to the Trustee, an Authenticating Agent having an office in a Place of Payment designated by the Company with respect to such series of Securities.

SECTION 1015. Co-trustee and Separate Trustees.

At any time or times, for the purpose of meeting the legal requirements of any applicable jurisdiction, the Company and the Trustee shall have power to appoint, and, upon the written request of the Trustee or of the Holders of at least 33% in principal amount of the Securities then Outstanding, the Company shall for such purpose join with the Trustee in the execution and delivery of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, or to act as separate trustee, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons, in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Company does not join in such appointment within 15 days after the receipt by it of a request so to do, or if an Event of Default shall have occurred and be continuing, the Trustee alone shall have power to make such appointment.

Should any written instrument or instruments from the Company be required by any co-trustee or separate trustee to more fully confirm to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Company.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following conditions:

(a) the Securities shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely, by the Trustee;

(b) the rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed either by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.

(c) the Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Company, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, if an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Company. Upon the written request of the Trustee, the Company shall join with the Trustee in the execution and delivery of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section;

(d) no co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee hereunder, and the Trustee shall not be personally liable by reason of any act or omission of any such co-trustee or separate trustee; and

(e) any Act of Holders delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

ARTICLE ELEVEN

Holders' Lists and Reports by Trustee and Company

SECTION 1101. Lists of Holders.

Semiannually, not later than June 30 and December 31 in each year, and at such other times as the Trustee may request in writing, the Company shall furnish or cause to be furnished to the Trustee information as to the names and addresses of the Holders, and the Trustee shall preserve such information and similar information received by it in any other capacity and afford to the Holders access to information so preserved by it, all to such extent, if any, and in such manner as shall be required by the Trust Indenture Act; provided, however, that no such list need be furnished so long as the Trustee shall be the Security Registrar.

SECTION 1102. Reports by Trustee and Company.

The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the time and in the manner provided pursuant thereto. Reports so required to be transmitted at stated intervals of not more than 12 months shall be transmitted no later than November 15 in each calendar year with respect to the 12-month period ending on the preceding September 15, commencing September 15, 2001. A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each securities exchange upon which any Securities are listed, with the Commission and with the Company. The Company will notify the Trustee when any Securities are listed on any stock exchange.

The Company shall file with the Trustee (within thirty (30) days after filing with the Commission in the case of reports that pursuant to the Trust Indenture Act must be filed with the Commission and furnished to the Trustee) and transmit to the Holders, such other information, reports and other documents, if any, at such times and in such manner, as shall be required by the Trust Indenture Act.

ARTICLE TWELVE

Consolidation, Merger, Conveyance, or Other Transfer

SECTION 1201. Company may Consolidate, etc., Only on Certain Terms.

The Company shall not consolidate with or merge into any other corporation, or convey or otherwise transfer, or lease, as or substantially as an entirety the Company's Electric Utility Property to any Person, unless:

(a) the corporation formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or other transfer, or which leases, as or substantially as an entirety such Electric Utility Property shall be a corporation organized and existing under the laws of the United States, any State or Territory thereof or the District of Columbia (such corporation being hereinafter sometimes called the "Successor Company") and shall execute and deliver to the Trustee an indenture supplemental hereto, in form recordable and reasonably satisfactory to the Trustee, which:

(i) in the case of a consolidation, merger, conveyance or other transfer, or in the case of a lease if the term thereof extends beyond the last Stated Maturity of the Securities then Outstanding, contains an express assumption by the Successor Company of the due and punctual payment of the principal of and premium, if any, and interest, if any, on all the Securities then Outstanding and the performance and observance of every covenant and condition of this Indenture to be performed or observed by the Company, and

(ii) in the case of a consolidation, merger, conveyance or other transfer prior to the Release Date, contains a grant, conveyance, transfer and mortgage by the Successor Company, of the same tenor of the Granting Clauses herein,

(A) confirming the Lien of this Indenture on the Mortgaged Property (as constituted immediately prior to the time such transaction became effective) and subjecting to the Lien of this Indenture all property, real, personal and mixed, thereafter acquired by the Successor Company which shall constitute an improvement, extension or addition to the Mortgaged Property (as so constituted) or a renewal, replacement or substitution of or for any part thereof, and,

(B) at the election of the Successor Company, subjecting to the Lien of this Indenture such property, real, personal or mixed, in addition to the property described in subclause (A) above, then owned or thereafter acquired by the Successor Company as the Successor Company shall, in its sole discretion, specify or describe therein,

and the Lien confirmed or created by such grant, conveyance, transfer and mortgage shall have force, effect and standing similar to those which the Lien of this Indenture would have had if the Company had not been a party to such consolidation, merger, conveyance or other transfer and had itself, after the time such transaction became effective, purchased, constructed or otherwise acquired the property subject to such grant, conveyance, transfer and mortgage;

(b) in the case of a lease, such lease shall be made expressly subject to termination at any time during the continuance of an Event of Default, by (i) the Company or the Trustee and (ii) the purchaser of the property so leased at any sale thereof hereunder, whether such sale be made under the power of sale hereby conferred or pursuant to judicial proceedings;

(c) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each of which shall state that such consolidation, merger, conveyance or other transfer or lease, and such supplemental indenture, comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with; and

(d) immediately after giving effect to such transaction (and treating any Debt that becomes an obligation of the Successor Company as a result of such transaction as having been incurred by the Successor Company at the time of such transaction), no Default or Event of Default shall have occurred and be continuing.

As used in this Article and in Section 1810(d), the terms "improvement", "extension" and "addition" shall be limited to (a) with respect to real property subject to the Lien of this Indenture, any item of personal property which has been so affixed or attached to such real property as to be regarded a part of such real property under applicable law and (b) with respect to personal property subject to the Lien of this Indenture, any improvement, extension or addition to such personal property which (i) is made to maintain, renew, repair or improve the function of such personal property and (ii) is physically installed in or affixed to such personal property.

SECTION 1202. Successor Company Substituted.

Upon any consolidation or merger or any conveyance or other transfer of, as or substantially as an entirety the Company's Electric Utility Property in accordance with Section 1201, the Successor Company shall succeed to, and be substituted for, and may exercise every power and right of, the Company under this Indenture with the same effect as if such Successor Company had been named as the "Company" herein. Without limiting the generality of the foregoing:

(a) all property of the Successor Company then subject to the Lien of this Indenture, of the character described in Section 104, shall constitute Property Additions;

(b) the Successor Company may execute and deliver to the Trustee, and thereupon the Trustee shall, subject to the provisions of Article Sixteen, authenticate and deliver, Securities upon any basis provided in Article Sixteen; and

(c) the Successor Company may, subject to the applicable provisions of this Indenture, cause Property Additions to be applied to any other Authorized Purpose.

All Securities so executed by the Successor Company, and authenticated and delivered by the Trustee, shall in all respects be entitled to the benefit of the Lien of this Indenture equally and ratably with all Securities executed, authenticated and delivered prior to the time such consolidation, merger, conveyance or other transfer became effective.

SECTION 1203. Extent of Lien Hereof on Property of Successor Company.

Unless, in the case of a consolidation, merger, conveyance or other transfer contemplated by Section 1201, the indenture supplemental hereto contemplated in Section 1201 or in Article Thirteen expressly provides otherwise, neither this Indenture nor such supplemental indenture shall become or be, or be required to become or be, a Lien upon any of the properties:

(a) owned by the Successor Company or any other party to such transaction (other than the Company) immediately prior to the time of effectiveness of such transaction or

(b) acquired by the Successor Company at or after the time of effectiveness of such transaction,

except, in either case, properties acquired from the Company in or as a result of such transaction and improvements, extensions and additions to such properties and renewals, replacements and substitutions of or for any part or parts thereof.

SECTION 1204. Release of Company upon Conveyance or Other Transfer.

In the case of a conveyance or other transfer to any Person or Persons as contemplated in Section 1201, upon the satisfaction of all the conditions specified in Section 1201 the Company (such term being used in this Section without giving effect to such transaction) shall be released and discharged from all obligations and covenants under this Indenture and on and under all Securities then Outstanding (unless the Company shall have delivered to the Trustee an instrument in which it shall waive such release and discharge) and, upon request by the Company, the Trustee shall acknowledge in writing that the Company has been so released and discharged.

SECTION 1205. Merger into Company; Extent of Lien Hereof.

(a) Nothing in this Indenture shall be deemed to prevent or restrict any consolidation or merger after the consummation of which the Company would be the surviving or resulting corporation or any conveyance or other transfer, or lease, of any part of the Company's Electric Utility Property which does not constitute the entirety or substantially the entirety of its Electric Utility Property.

(b) Unless, in the case of a consolidation or merger described in subsection (a) of this Section, an indenture supplemental hereto shall otherwise provide, this Indenture shall not become or be, or be required to become or be, a Lien upon any of the properties acquired by the Company in or as a result of such transaction or any improvements, extensions or additions to such properties or any renewals, replacements or substitutions of or for any part or parts thereof.

SECTION 1206. Transfer of Less than Substantially All.

A conveyance, transfer or lease by the Company of Electric Utility Property shall not be deemed to constitute the conveyance, transfer or lease as or substantially as an entirety of its Electric Utility Property for purposes of this Indenture if the Fair Value of the Electric Utility Property retained by the Company exceeds an amount equal to one hundred and fifty percentum (150%) of the aggregate principal amount of all Outstanding Securities. Such Fair Value shall be established by the delivery to the Trustee of an Independent Expert's Certificate stating the Independent Expert's opinion of such Fair Value as of a date not more than 90 days before or after such conveyance, transfer or lease. This Article is not intended to limit the Company's conveyances, transfers or leases of less than the entirety or substantially the entirety of its Electric Utility Property.

ARTICLE THIRTEEN

Supplemental Indentures

SECTION 1301. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities all as provided in Article Twelve; or

(b) to add one or more covenants of the Company or other provisions for the benefit of the Holders of all or any series of Securities, or any Tranche, thereof or to surrender any right or power herein conferred upon the Company (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series); or

(c) to add any additional Events of Default with respect to all or any series of Securities Outstanding hereunder (and if such additional Events of Default are to be for the benefit of less than all series of Securities, stating that such additional Events of Default are expressly being included solely for the benefit of such series); or

(d) to change or eliminate any provision of this Indenture or to add any new provision to this Indenture; provided, however, that if such change, elimination or addition shall adversely affect the interests of the Holders of Securities of any series or Tranche Outstanding on the date of such supplemental indenture in any material respect, such change, elimination or addition shall become effective with respect to such series or Tranche only pursuant to the provisions of Section 1302 hereof or when no Security of such series or Tranche remains Outstanding; or

(e) to provide additional collateral security for the Securities of any series; or

(f) to establish the form or terms of Securities of any series or Tranche as contemplated by Sections 201 and 301; or

(g) to provide for the authentication and delivery of bearer securities and coupons appertaining thereto representing interest, if any, thereon and for the procedures for the registration, exchange and replacement thereof and for the giving of notice to, and the solicitation of the vote or consent of, the holders thereof, and for any and all other matters incidental thereto; or

(h) to evidence and provide for the acceptance of appointment hereunder by a separate or successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for

or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 1011(b); or

(i) to provide for the procedures required to permit the Company to utilize, at its option, a non-certificated system of registration for all, or any series or Tranche of, the Securities; or

(j) to change any place or places where (1) the principal of and premium, if any, and interest, if any, on all or any series of Securities, or any Tranche thereof, shall be payable, (2) all or any series of Securities, or any Tranche thereof, may be surrendered for registration of transfer, (3) all or any series of Securities, or any Tranche thereof, may be surrendered for exchange and (4) notices and demands to or upon the Company in respect of all or any series of Securities, or any Tranche thereof, and this Indenture may be served;

(k) to amend and restate this Indenture, as originally executed and delivered and as it may have been subsequently amended, in its entirety, but with such additions, deletions and other changes as shall not adversely affect the interests of the Holders of the Securities in any material respect; or

(l) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other changes to the provisions hereof or to add other provisions with respect to matters or questions arising under this Indenture, provided that such other changes or additions shall not materially adversely affect the interests of the Holders of Securities of any series or Tranche in any material respect; or

(m) in connection with the establishment of the Release Date under Section 1811, to amend this Indenture to eliminate any provisions related to the Lien of this Indenture, the Mortgaged Property, and Class A Bonds which are no longer applicable, including Articles Sixteen, Seventeen and Eighteen.

Without limiting the generality of the foregoing, if the Trust Indenture Act as in effect at the Execution Date or at any time thereafter shall be amended and

(x) if any such amendment shall require one or more changes to any provisions hereof or the inclusion herein of any additional provisions, or shall by operation of law be deemed to effect such changes or incorporate such provisions by reference or otherwise, this Indenture shall be deemed to have been amended so as to conform to such amendment to the Trust Indenture Act, and the Company and the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to evidence such amendment hereof; or

(y) if any such amendment shall permit one or more changes to, or the elimination of, any provisions hereof which, at the Execution Date or at any time thereafter, are required by the Trust Indenture Act to be contained herein or are contained herein to reflect any provision of the Trust Indenture Act as in effect at such date, this Indenture shall be deemed to have been amended to effect such changes or elimination, and the Company and

the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to this Indenture to effect such changes or elimination or evidence such amendment.

SECTION 1302. Supplemental Indentures With Consent of Holders.

Subject to the provisions of Section 1301, with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities of all series then Outstanding under this Indenture, considered as one class, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture; provided, however, that if there shall be Securities of more than one series Outstanding hereunder and if a proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series so directly affected, considered as one class, shall be required; and provided, further, that if the Securities of any series shall have been issued in more than one Tranche and if the proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all Tranches so directly affected, considered as one class, shall be required; and provided, further, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security of each series or Tranche so directly affected,

(a) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security (other than pursuant to the terms thereof), or reduce the principal amount thereof or the rate of interest thereon (or the amount of any installment of interest thereon) or change the method of calculating such rate or reduce any premium payable upon the redemption thereof, or reduce the amount of the principal of a Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 902, or change the coin or currency (or other property), in which any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or

(b) permit the creation of any Lien ranking prior to the Lien of this Indenture with respect to all or substantially all of the Mortgaged Property or, other than pursuant to Section 1811, terminate the Lien of this Indenture on all or substantially all of the Mortgaged Property or deprive such Holder of the benefit of the security of the Lien of this Indenture, or

(c) reduce the percentage in principal amount of the Outstanding Securities of any series or any Tranche thereof, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with any provision of this Indenture or of any default hereunder and its consequences, or reduce the requirements of Section 1404 for quorum or voting.

A supplemental indenture which (x) changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of the Holders of, or which is to remain in effect

only so long as there shall be Outstanding, Securities of one or more particular series, or one or more Tranches thereof, or (y) modifies the rights of the Holders of Securities of such series or Tranches with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series or Tranche.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Anything in this Indenture to the contrary notwithstanding, if the Officer's Certificate, supplemental indenture or Board Resolution, as the case may be, establishing the Securities of any series or Tranche shall provide that the Company may make certain specified additions, changes or eliminations to or from the Indenture which shall be specified in such Officer's Certificate, supplemental indenture or Board Resolution establishing such series or Tranche, (a) the Holders of Securities of such series or Tranche shall be deemed to have consented to a supplemental indenture containing such additions, changes or eliminations to or from the Indenture which shall be specified in such Officer's Certificate, supplemental indenture or Board Resolution establishing such series or Tranche, (b) no Act of such Holders shall be required to evidence such consent and (c) such consent may be counted in the determination of whether or not the Holders of the requisite principal amount of Securities shall have consented to such supplemental indenture.

SECTION 1303. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 1001) shall be fully protected in relying upon, an Opinion of Counsel and an Officer's Certificate stating that the execution of such supplemental indenture is authorized or permitted by this Indenture and containing the statements required by Section 105. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which adversely affects the Trustee's own rights, duties, immunities or liabilities under this Indenture or otherwise.

SECTION 1304. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby. Any supplemental indenture permitted by this Article may restate this Indenture in its entirety, and, upon the execution and delivery thereof, any such restatement shall supersede this Indenture as theretofore in effect for all purposes.

Upon the execution and delivery of the supplemental indenture described in Section 1811, (a) the Lien of this Indenture shall be deemed to have been satisfied and discharged, (b) upon request by the Company, the Trustee shall release, quitclaim and otherwise turn over to the Company the Mortgaged Property (other than money and Eligible Obligations held by the Trustee pursuant to Section 803), (c) upon request by the Company, the Trustee shall execute and deliver to the Company such deeds and other instruments as, in the judgment of the Company, shall be necessary, desirable or appropriate to effect or evidence such satisfaction, discharge, release and quitclaim and (d) the Company shall, as promptly as

practicable, give notice to all Holders of such satisfaction and discharge in the same manner as a notice of redemption.

SECTION 1305. Conformity With Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act as then in effect.

SECTION 1306. Reference in Securities to Supplemental Indentures.

Securities of any series, or any Tranche thereof, authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series, or any Tranche thereof, so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company, and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series or Tranche.

SECTION 1307. Modification Without Supplemental Indenture.

To the extent, if any, that the terms of any particular series of Securities shall have been established in or pursuant to a Board Resolution or an Officer's Certificate pursuant to a supplemental indenture or Board Resolution as contemplated by Section 301, and not in an indenture supplemental hereto, additions to, changes in or the elimination of any of such terms may be effected by means of a supplemental Board Resolution or Officer's Certificate pursuant to a Board Resolution or a supplemental indenture and complying with the requirements of Section 105, as the case may be, delivered to, and accepted by, the Trustee in writing; provided, however, that such supplemental Board Resolution or Officer's Certificate shall not be accepted by the Trustee or otherwise be effective unless all conditions set forth in this Indenture which would be required to be satisfied if such additions, changes or elimination were contained in a supplemental indenture shall have been appropriately satisfied. Upon the written acceptance thereof by the Trustee, any such supplemental Board Resolution or Officer's Certificate shall be deemed to be effective and constitute part of the Indenture and a supplemental indenture hereunder, including for purposes of Section 1816. Such acceptance shall be conveyed by a written instrument signed by a Responsible Officer of the Trustee.

ARTICLE FOURTEEN

Meetings of Holders; Action Without Meeting

SECTION 1401. Purposes for Which Meetings May Be Called.

A meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Securities of such series or Tranches.

SECTION 1402. Call, Notice and Place of Meetings.

(a) The Trustee may at any time call a meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, for any purpose specified in Section 1401, to be held at such time and at such place in the Borough of Manhattan, The City of New York, as the Trustee shall determine, or, with the approval of the Company, at any other place. Notice of every such meeting, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 106, not less than 21 nor more than 180 days prior to the date fixed for the meeting.

(b) If the Trustee shall have been requested to call a meeting of the Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, by the Company or by the Holders of 33% in aggregate principal amount of all of such series and Tranches, considered as one class, for any purpose specified in Section 1301, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have given the notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Company or the Holders of Securities of such series and Tranches in the amount above specified, as the case may be, may determine the time and the place in the Borough of Manhattan, The City of New York, or in such other place as shall be determined or approved by the Company, for such meeting and may call such meeting for such purposes by giving notice thereof as provided in subsection (a) of this Section.

(c) Any meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, shall be valid without notice if the Holders of all Outstanding Securities of such series or Tranches are present in person or by proxy and if representatives of the Company and the Trustee are present, or if notice is waived in writing before or after the meeting by the Holders of all Outstanding Securities of such series, or by such of them as are not present at the meeting in person or by proxy, and by the Company and the Trustee.

SECTION 1403. Persons Entitled to Vote at Meetings.

To be entitled to vote at any meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, a Person shall be (a) a Holder of one or more Outstanding Securities of such series or Tranches, or (b) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Securities of such series or Tranches by such Holder or Holders. The only Persons who shall be entitled to attend any meeting of Holders of Securities of any series or Tranche shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 1404. Quorum; Action.

The Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of the series and Tranches with respect to which a meeting shall have been called as hereinbefore provided, considered as one class, shall constitute a quorum for a meeting of Holders of Securities of such series and Tranches; provided, however, that if any action is to be taken at such meeting which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of such series and Tranches, considered as one

class, the Persons entitled to vote such specified percentage in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, shall constitute a quorum. In the absence of a quorum within one hour of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Securities of such series and Tranches, be dissolved. In any other case the meeting may be adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Except as provided by Section 1405(e), notice of the reconvening of any meeting adjourned for more than 30 days shall be given as provided in Section 1402(a) not less than ten days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage, as provided above, of the principal amount of the Outstanding Securities of such series and Tranches which shall constitute a quorum.

Except as limited by Section 1302, any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted only by the affirmative vote of the Holders of a majority in aggregate principal amount of the Outstanding Securities of the series and Tranches with respect to which such meeting shall have been called, considered as one class; provided, however, that, except as so limited, any resolution with respect to any action which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Securities of such series and Tranches, considered as one class.

Any resolution passed or decision taken at any meeting of Holders of Securities duly held in accordance with this Section shall be binding on all the Holders of Securities of the series and Tranches with respect to which such meeting shall have been held, whether or not present or represented at the meeting.

SECTION 1405. Attendance at Meetings; Determination of Voting Rights; Conduct and Adjournment of Meetings.

(a) Attendance at meetings of Holders of Securities may be in person or by proxy; and, to the extent permitted by law, any such proxy shall remain in effect and be binding upon any future Holder of the Securities with respect to which it was given unless and until specifically revoked by the Holder or future Holder of such Securities before being voted.

(b) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Securities in regard to proof of the holding of such Securities and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 107 and the appointment of any proxy shall be proved in the manner specified in Section 107. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 107 or other proof.

(c) The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders as provided in Section 1402(b), in which case the Company or the Holders of Securities of the series and Tranches calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches represented at the meeting, considered as one class.

(d) At any meeting each Holder or proxy shall be entitled to one vote for each $1,000 principal amount of Securities held or represented by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Security or proxy.

(e) Any meeting duly called pursuant to Section 1402 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches represented at the meeting, considered as one class; and the meeting may be held as so adjourned without further notice.

SECTION 1406. Counting Votes and Recording Action of Meetings.

The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of the Holders or of their representatives by proxy and the principal amounts and serial numbers of the Outstanding Securities, of the series and Tranches with respect to which the meeting shall have been called, held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports of all votes cast at the meeting. A record, in duplicate, of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 1402 and, if applicable, Section 1404. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to the Company, and another to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 1407. Action Without Meeting.

In lieu of a vote of Holders at a meeting as hereinbefore contemplated in this Article, any request, demand, authorization, direction, notice, consent, waiver or other action may be made, given or taken by Holders by one or more written instruments as provided in Section 107.

ARTICLE FIFTEEN

Immunity of Incorporators, Stockholders, Officers and Directors

SECTION 1501. Liability Solely Corporate.

No recourse shall be had for the payment of the principal of or premium, if any, or interest, if any, on any Securities or any part thereof, or for any claim based thereon or otherwise in respect thereof, or of the indebtedness represented thereby, or upon any obligation, covenant or agreement under this Indenture, against any incorporator, stockholder, member, officer or director, as such, past, present or future of the Company or of any predecessor or successor of the Company (either directly or through the Company or a predecessor or successor of the Company), whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Indenture and all the Securities are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any incorporator, stockholder, member, officer or director, past, present or future, of the Company or of any predecessor or successor of the Company, either directly or indirectly through the Company or any predecessor or successor of the Company, because of the indebtedness hereby authorized or under or by reason of any of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or to be implied herefrom or therefrom, and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of this Indenture and the issuance of the Securities.

ARTICLE SIXTEEN

Issuance of Securities Prior to the Release Date

SECTION 1601. General.

Prior to the Release Date, the Trustee shall authenticate and deliver Securities, for original issue, at one time or from time to time in accordance with the Company Order referred to below, only pursuant to Section 1602, 1603, 1604 or 1605.

SECTION 1602. Issuance of Securities on the Basis of Class A Bonds.

(a) Securities of any one or more series may be authenticated and delivered on the basis of, and in an aggregate principal amount not exceeding, the aggregate principal amount of Class A Bonds delivered to the Trustee for such purpose.

(b) Securities of any series shall be authenticated and delivered by the Trustee on the basis of the delivery to the Trustee of Class A Bonds which have not theretofore been made the basis under any provisions of this Indenture of one or more Authorized Purposes upon receipt by the Trustee of:

(i) The documents with respect to the Securities of such series specified in Section 303;

(ii) Class A Bonds (A) maturing (or being subject to mandatory redemption) on such dates and in such principal amounts that, at each Stated Maturity of the Securities

of such series (or the Tranche thereof then to be authenticated and delivered), there shall mature (or be redeemed) Class A Bonds equal in principal amount to the Securities of such series or Tranche then to mature and (B) containing, in addition to any mandatory redemption provisions applicable to all Class A Bonds Outstanding under the related Class A Mortgage and any mandatory redemption provisions contained therein pursuant to clause (A) above, mandatory redemption provisions correlative to the provisions, if any, for the mandatory redemption (pursuant to a sinking fund or otherwise) of the Securities of such series or Tranche or for the redemption thereof at the option of the Holder; it being expressly understood that such Class A Bonds (X) may, but need not, bear interest, (Y) may, but need not, contain provisions for the redemption thereof at the option of the Company, any such redemption to be made at a redemption price or prices not less than the principal amount thereof and (Z) shall be held by the Trustee in accordance with Article Seventeen; and

(iii) an Opinion of Counsel to the effect that:

(1) the form or forms of such Class A Bonds have been duly authorized by the Company and have been established in conformity with the provisions of the related Class A Mortgage;

(2) the terms of such Class A Bonds have been duly authorized by the Company and have been established in conformity with the provisions of the related Class A Mortgage; and

(3) (I) such Class A Bonds have been duly executed by the Company and authenticated by the trustee under the related Class A Mortgage and (II) when the Securities to be authenticated and delivered on the basis of the delivery to the Trustee of such Class A Bonds shall have been authenticated and delivered by the Trustee in accordance with this Indenture and issued and delivered by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, such Class A Bonds will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject, as to enforcement, to laws relating to or affecting generally the enforcement of mortgagee's creditors' rights, including, without limitation, bankruptcy and insolvency laws and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity as at law) and except as enforcement of provisions thereof may be limited by state laws affecting the remedies of the enforcement of the security provided for in the Class A Mortgage; and such Class A Bonds will be entitled to the benefit of the Lien of such Class A Mortgage equally and ratably with all other Class A Bonds then Outstanding under such Class A Mortgage, except as to sinking fund or similar provisions.

provided, however, that, with respect to Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to receive such Opinion of Counsel only once at or prior to the time of the first authentication and delivery of such Securities and that, in lieu of the opinions described in clauses (B) and (C) above, counsel may opine that:

(X) when the terms of such Class A Bonds shall have been established in accordance with the instrument or instruments creating the series of which such Class A Bonds are a part, such terms will have been duly authorized by the Company and will have been established in conformity with the provisions of the related Class A Mortgage; and/or

(Y) (I) either (1) such Class A Bonds have been duly issued and delivered by the Company and authenticated and delivered by the trustee under the related Class A Mortgage or (2) when such Class A Bonds shall have been authenticated and delivered by the trustee under the related Class A Mortgage in accordance with the instrument or instruments creating the series of which such Class A Bonds are a part, such Class A Bonds will have been duly authenticated and delivered under such Class A Mortgage and (II) when such Class A Bonds shall have been issued and delivered by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, and when the Securities to be authenticated and delivered on the basis of the delivery to the Trustee of such Class A Bonds shall have been authenticated and delivered by the Trustee in accordance with this Indenture and issued and delivered by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, such Class A Bonds will constitute valid obligations of the Company, entitled to the benefit of the Lien of such Class A Mortgage equally and ratably with all other Class A Bonds then Outstanding under such Class A Mortgage.

SECTION 1603. Issuance of Securities on the Basis of Property Additions.

(a) Securities of any one or more series may be authenticated and delivered on the basis of Property Additions which do not constitute Funded Property in a principal amount not exceeding sixty-six and two-thirds percentum (66 2/3%) of the balance of the Cost or the Fair Value to the Company of such Property Additions (whichever shall be less) after making any deductions and any additions pursuant to Section 104(b).

(b) Securities of any series shall be authenticated and delivered by the Trustee on the basis of Property Additions upon receipt by the Trustee of:

(i) the documents with respect to the Securities of such series specified in Section 303;

(ii) an Expert's Certificate dated as of a date not more than ninety (90) days prior to the date of the Company Order referring to it,

(1) describing the property designated by the Company, in its discretion, to be made the basis of the authentication and delivery of such Securities (such description of property to be made by reference, at the election of the Company, either to specified items, units and/or elements of property or portions thereof, on a percentage or Dollar basis, or to properties reflected in specified accounts or subaccounts in the Company's books of account or portions thereof, on a Dollar basis), and stating the Cost of such property;

(2) stating that all such property constitutes Property Additions;

(3) stating that such Property Additions are desirable for use in the conduct of the business, or one of the businesses, of the Company;

(4) stating that such Property Additions, to the extent of the Cost or Fair Value to the Company thereof (whichever is less) to be made the basis of the authentication and delivery of such Securities, do not constitute Funded Property;

(5) stating, except as to Property Additions acquired, made or constructed wholly through the delivery of securities or other property, that the amount of cash forming all or part of the Cost thereof was equal to or more than an amount to be stated therein;

(6) briefly describing, with respect to any Property Additions acquired, made or constructed in whole or in part through the delivery of securities or other property, the securities or other property so delivered and stating the date of such delivery;

(7) stating what part, if any, of such Property Additions includes property which within six months prior to the date of acquisition thereof by the Company had been used or operated by others than the Company in a business similar to that in which it has been or is to be used or operated by the Company and stating whether or not, in the judgment of the signers, the Fair Value thereof to the Company, as of the date of such certificate, is less than Twenty-five Thousand Dollars ($25,000) and whether or not such Fair Value is less than one percent (1%) of the aggregate principal amount of Securities then Outstanding;

(8) stating, in the judgment of the signers, the Fair Value to the Company, as of the date of such certificate, of such Property Additions, except any thereof with respect to the Fair Value to the Company of which a statement is to be made in an Independent Expert's Certificate pursuant to clause (iii) below;

(9) stating the amount required to be deducted under Section 104(b)(i) and the amounts elected to be added under Section 104(b)(ii) in respect of Funded Property retired of the Company;

(10) if any property included in such Property Additions is subject to a Lien of the character described (I) in clause (f) of the definition of Permitted Liens, stating that such Lien does not, in the judgment of the signers, materially impair the use by the Company of the Mortgaged Property considered as a whole, or (II) in clause (i)(ii) of the definition of Permitted Liens, stating that such Lien does not, in the judgment of the signers, materially impair the use by the Company of such property for the purposes for which it is held by the Company or (III) in clause (p)(ii) of the definition of Permitted Liens, stating that the enforcement of such Lien would not, in the judgment of the signers, adversely affect the interests of the Company in such property in any material respect;

(11) stating the lower of the Cost or the Fair Value to the Company of such Property Additions, after the deductions therefrom and additions thereto specified in such Expert's Certificate pursuant to clause (9) above;

(12) stating the aggregate principal amount of the Securities to be authenticated and delivered on the basis of such Property Additions (such amount not to exceed sixty-six and two-thirds percentum (66 2/3%) of the amount stated pursuant to clause (11) above);

(iii) in case any Property Additions are shown by the Expert's Certificate provided for in clause (ii) above to include property which, within six months prior to the date of acquisition thereof by the Company, had been used or operated by others than the Company in a business similar to that in which it has been or is to be used or operated by the Company and such certificate does not show the Fair Value thereof to the Company, as of the date of such certificate, to be less than Twenty-five Thousand Dollars ($25,000) or less than one percent (1%) of the aggregate principal amount of Securities then Outstanding, an Independent Expert's Certificate stating, in the judgment of the signer, the Fair Value to the Company, as of the date of such Independent Expert's Certificate, of (X) such Property Additions which have been so used or operated and (at the option of the Company) as to any other Property Additions included in the Expert's Certificate provided for in clause (ii) above and (Y) in case such Independent Expert's Certificate is being delivered in connection with the authentication and delivery of Securities, any property so used or operated which has been subjected to the Lien of this Indenture since the commencement of the then current calendar year as the basis for the authentication and delivery of Securities and as to which an Independent Expert's Certificate has not previously been furnished to the Trustee;

(iv) in case any Property Additions are shown by the Expert's Certificate provided for in clause (ii) above to have been acquired, made or constructed in whole or in part through the delivery of securities or other property, an Expert's Certificate stating, in the judgment of the signers, the fair market value in cash of such securities or other property at the time of delivery thereof in payment for or for the acquisition of such Property Additions;

(v) an Opinion of Counsel to the effect that:

(1) this Indenture constitutes, or, upon the delivery of, and/or the filing and/or recording in the proper places and manner of, the instruments of conveyance, assignment or transfer, if any, specified in said opinion, will constitute, a Lien on all the Property Additions to be made the basis of the authentication and delivery of such Securities, subject to no Lien thereon prior to the Lien of this Indenture except Permitted Liens;

(2) such Property Additions are not subject to the Lien of any Class A Mortgage; and

(3) the Company has corporate authority to operate such Property Additions; and

(vi) copies of the instruments of conveyance, assignment and transfer, if any, specified in the Opinion of Counsel provided for in clause (v) above.

SECTION 1604. Issuance of Securities on the Basis of Retired Securities.

(a) Subject to the provisions of subsection (c) of this Section, Securities of any one or more series may be authenticated and delivered on the basis of, and in an aggregate principal amount not exceeding the aggregate principal amount of, Retired Securities.

(b) Securities of any series shall be authenticated and delivered by the Trustee on the basis of Retired Securities upon receipt by the Trustee of:

(i) the documents with respect to the Securities of such series specified in Section 303; and

(ii) an Officer's Certificate stating that Retired Securities, specified by series, in an aggregate principal amount not less than the aggregate principal amount of Securities to be authenticated and delivered, have theretofore been authenticated and delivered and, as of the date of such Officer's Certificate, constitute Retired Securities and are the basis for the authentication and delivery of such Securities.

(c) No Securities shall be authenticated or delivered hereunder on the basis of any Retired Securities theretofore authenticated and delivered on the basis of Class A Bonds pursuant to Section 1602 until the Class A Mortgage under which such Class A Bonds were delivered has been discharged pursuant to the provisions thereof.

SECTION 1605. Issuance of Securities on the Basis of Deposit of Cash.

(a) Securities of any one or more series may be authenticated and delivered on the basis of, and in an aggregate principal not exceeding the amount of, any deposit with the Trustee of cash for such purpose.

(b) Securities of any series shall be authenticated and delivered by the Trustee on the basis of the deposit of cash when the Trustee shall have received, in addition to such deposit, the documents with respect to the Securities of such series specified in Section 303.

(c) All cash deposited with the Trustee under the provisions of this Section, and all cash required by Section 1702(a) to be applied in accordance with the provisions of this Section, shall be held by the Trustee as a part of the Mortgaged Property and may be withdrawn from time to time by the Company, upon application of the Company to the Trustee, in an amount equal to the aggregate principal amount of Securities to the authentication and delivery of which the Company shall be entitled under any of the provisions of this Indenture by virtue of compliance with all applicable provisions of this Indenture (except as hereinafter in this subsection (c) otherwise provided).

Upon any such application for withdrawal, the Company shall comply with all applicable provisions of this Article relating to the authentication and delivery of Securities except that the Company shall not in any event be required to deliver the documents specified in Section 303; provided, however, that (i) such withdrawal shall not be made on the basis of the delivery of Class A Bonds pursuant to Section 1602 unless an equal principal amount of Securities which were authenticated and delivered pursuant to this Section on the basis of the deposit of the cash then to be withdrawn (or Securities authenticated and delivered, directly or indirectly, on the basis of the retirement of such Securities) remain Outstanding and (ii) if such withdrawal is to be made on such basis, the requirements of Section 1602(b)(ii) with respect to such Class A Bonds shall be determined by reference to such Securities which remain Outstanding.

Any withdrawal of cash under this subsection (c) shall operate as a waiver by the Company of its right to the authentication and delivery of the Securities on which it is based and such Securities may not thereafter be authenticated and delivered hereunder. Any Property Additions which have been made the basis of any such right to the authentication and delivery of Securities so waived shall be deemed to have been made the basis of the withdrawal of such cash; any Retired Securities which have been made the basis of any such right to the authentication and delivery of Securities so waived shall be deemed to have been made the basis of the withdrawal of such cash; and any Class A Bonds which have been made the basis of any such right to the authentication and delivery of Securities so waived shall be deemed to have been made the basis of the authentication and delivery of the Securities which initially had been authenticated and delivered pursuant to this Section on the basis of the deposit of the cash so withdrawn (or Securities initially authenticated and delivered, directly or indirectly, on the basis of the retirement of such Securities) which remain Outstanding.

(d) If at any time the Company shall so direct, any sums deposited with the Trustee under the provisions of this Section may be used or applied to the purchase, payment or redemption of Securities in the manner and subject to the conditions provided in clauses (d) and (e) of Section 1806.

ARTICLE SEVENTEEN

Class A Bonds; Additional Class A Mortgages; Discharge of Class A Mortgage

SECTION 1701. Registration and Ownership of Class A Bonds.

Class A Bonds delivered to the Trustee pursuant to Section 1602 shall be registered in the name of the Trustee or its nominee and shall be owned and held by the Trustee, subject to the provisions of this Indenture, for the benefit of the Holders of all Securities from time to time Outstanding, and the Company shall have no interest therein. The Trustee shall be entitled to exercise all rights of securityholders under each Class A Mortgage either in its discretion or as otherwise provided in this Article or in Article Nine.

If, not withstanding the intention of the parties expressed in this Section 1701, it shall be finally determined by an appropriate court that the Company has any interest in the Class A Bonds held by the Trustee pursuant to this Indenture, the Company hereby, to the extent permitted by law, grants to the Trustee, for the benefit of the Holders of all Securities from time to time Outstanding, a security interest in such interest of the Company in such Class A Bonds.

SECTION 1702. Payments on Class A Bonds.

(a) Any payment by the Company of principal of or premium or interest on any Class A Bonds delivered to and held by the Trustee pursuant to Sections 1602 and 1701 shall be applied by the Trustee to the payment of any principal, premium or interest, as the case may be, in respect of the Securities which is then due, and, to the extent of such application, the obligation of the Company hereunder to make such payment in respect of the Securities shall be deemed to have been satisfied and discharged.

If, at the time of any such payment of principal of Class A Bonds delivered to and held by the Trustee pursuant to Sections 1602 and 1701, there shall be no principal then due in respect of the Securities, such payment in respect of such Class A Bonds shall be deemed to constitute Funded Cash and shall be held by the Trustee as part of the Mortgaged Property, to be withdrawn, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 1605(c); and thereafter the Securities authenticated and delivered on the basis of such Class A Bonds shall, to the extent of such payment of principal, be deemed to have been authenticated and delivered on the basis of the deposit of cash.

If, at the time of any such payment of premium or interest on Class A Bonds delivered to and held by the Trustee pursuant to Sections 1602 and 1701, there shall be no premium or interest, as the case may be, then due in respect of the Securities, such payment in respect of such Class A Bonds shall be remitted to the Company upon receipt by the Trustee of a Company Order requesting the same, together with an Officer's Certificate stating that no Event of Default has occurred and is continuing; provided, however, that, if an Event of Default shall have occurred and be continuing, such proceeds shall be held as part of the Mortgaged Property until such Event of Default shall have been cured or waived.

(b) Any payment by the Company hereunder of principal of or premium or interest on Securities which shall have been authenticated and delivered upon the basis of the delivery to the Trustee of Class A Bonds (other than by the application of the proceeds of a payment in respect of such Class A Bonds) shall, to the extent thereof, be deemed, for all purposes of this Indenture, to satisfy and discharge the obligation of the Company, if any, to make a payment of principal, premium or interest, as the case may be, in respect of such Class A Bonds which is then due.

(c) The Trustee hereby waives notice of any redemption of Class A Bonds delivered to it pursuant to Section 1602.

SECTION 1703. Surrender of Class A Bonds.

At the time any Securities which shall have been authenticated and delivered on the basis of the delivery to the Trustee of Class A Bonds cease to be Outstanding (other than as a result of the application of the proceeds of the payment or redemption of such Class A Bonds), the Trustee shall surrender to, or upon the order of, the Company an equal principal amount of such Class A Bonds. In the event that the principal of, and interest and premium, if any, on any Class A Bond, or portion thereof, has been paid, the Trustee shall promptly surrender such Class A Bond, or such portion, to or to the order of the Company for cancellation.

SECTION 1704. No Transfer of Class A Bonds.

Anything in this Indenture to the contrary notwithstanding, the Trustee shall not sell, assign or otherwise transfer any Class A Bonds delivered to and held by it pursuant to Sections 1602 and 1701 except to a successor trustee under this Indenture and except as provided in Section 1703. The Company may take such actions as it shall deem necessary, desirable or appropriate to effect compliance with such restrictions on transfer, including the placing of a legend on each such Class A Bond and the issuance of stop-transfer instructions to the trustee under the related Class A Mortgage or any other transfer agent thereunder.

SECTION 1705. Voting of Class A Bonds.

The Trustee shall, as the owner and holder of Class A Bonds delivered to and held by it pursuant to this Indenture, attend such meeting or meetings of bondholders under each Class A Mortgage or, at its option, deliver its proxy in connection therewith, as relate to matters with respect to which it, as such holder, is entitled to vote or consent. So long as no Event of Default hereunder shall have occurred and be continuing, either at any such meeting or meetings, or otherwise when the consent of the holders of the Class A Bonds Outstanding under any Class A Mortgage is sought without a meeting, the Trustee shall vote as holder of Class A Bonds Outstanding under such Class A Mortgage, or shall consent with respect thereto, as follows:

(a) the Trustee shall vote all such Class A Bonds, or shall consent with respect thereto, (i) in favor of any or all amendments or modifications of such Class A Mortgage of substantially the same tenor and effect as any or all of those set forth in Exhibit B to this Indenture and/or (ii) in favor of any amendment or modification of such Class A Mortgage (A) to conform any provision thereof in all material respects to the correlative provision of this Indenture, (B) to add thereto any provision not otherwise contained therein which conforms in all material respects to a provision contained in this Indenture and/or (C) to delete therefrom any provision thereof to which this Indenture contains no correlative provision and/or (iii) any combination of amendments and/or modifications described in clauses (i) and (ii) above; and/or

(b) with respect to any other amendments or modifications of such Class A Mortgage, the Trustee shall vote all such Class A Bonds, or shall consent with respect thereto, proportionately with the vote or consent of the holders of all other Class A Bonds Outstanding under such Class A Mortgage the holders of which are eligible to vote or consent, as indicated in a Class A Bondholder's Certificate delivered to the Trustee; provided, however, that the Trustee shall not so vote in favor of, or so consent to, any amendment or modification of a Class A Mortgage which, if it were an amendment or modification of this Indenture, would require the consent of any Holders of Securities obtained in the manner prescribed in Section 1302, without the prior consent of those Holders of Securities which would be required under said Section 1302 for such an amendment or modification of this Indenture;

provided, however, that as a condition to the Trustee voting or giving consent under Sections 1705(a) and/or (b), the Trustee shall have received an Officer's Certificate and an Opinion of Counsel stating that in the opinion of such signers said voting or consent is authorized or permitted by said subsections.

For purposes of this Section, **"Class A Bondholder's Certificate"** means a certificate signed by the temporary chairman, the temporary secretary, the permanent chairman, the permanent secretary, or an inspector of votes at any meeting or meetings of bondholders under a Class A Mortgage, or by the trustee under such Class A Mortgage in the case of consents of such bondholders which are sought without a meeting, which states what the signer thereof reasonably believes will be the proportionate votes or consents of the holders of all Class A Bonds (other than the Class A Bonds delivered to and held by the Trustee pursuant to Sections 1602 and 1701) outstanding under such Class A Mortgage and counted for the purposes of determining whether such bondholders have approved or consented to the matter put before them.

SECTION 1706. Designation of Additional Class A Mortgages.

(a) In the event that, after the Execution Date, a corporation which was the mortgagor under a mortgage, deed of trust or similar indenture shall have merged into or consolidated with the Company, or shall have conveyed or otherwise transferred property to the Company subject to the Lien of such a mortgage, deed of trust or similar indenture and the Company shall have duly assumed and agreed to perform and pay all the obligations of the mortgagor thereunder, such mortgage, deed of trust or similar indenture may be designated by the Company an additional Class A Mortgage upon delivery to the Trustee of the following:

(i) a Company Order authorizing the designation of such mortgage, deed of trust or similar indenture as an additional Class A Mortgage;

(ii) an Officer's Certificate (A) stating that no event of default has occurred and is continuing which entitles the trustee under such mortgage, deed of trust or similar indenture to accelerate the maturity of the obligations outstanding thereunder, (B) reciting the aggregate principal amount of obligations theretofore issued under such mortgage, deed of trust or similar indenture and the aggregate principal amount of obligations then outstanding thereunder and (C) either (1) stating that the terms of such mortgage, deed of trust or similar indenture, as then in effect, do not permit the issuance of obligations thereunder upon the basis of property additions in a principal amount exceeding sixty-six and two-thirds percentum (66 2/3%) of the balance of the cost or fair value of such property additions to the issuer thereof (whichever shall be less) after making deductions and additions similar to those provided for in Section 104, or (2) in the event that the statements contained in clause (1) above cannot be made, stating that the Company has irrevocably waived its right to the authentication and delivery of further obligations under such mortgage, deed of trust or similar indenture (I) on any basis, in a principal amount equal to the excess of (x) the aggregate principal amount of obligations then outstanding under such mortgage, deed of trust or similar indenture which were issued on the basis of property additions or on the basis of the retirement of obligations which were issued (whether directly or indirectly when considered in light of the successive issuance and retirement of obligations) on the basis of property additions over (y) an amount equal to sixty-six and two-thirds percentum (66 2/3%) of the aggregate Dollar amount of property additions certified as the basis for the issuance of such obligations then outstanding and (II) on the basis of property additions, in a principal amount exceeding sixty-six and two-thirds percentum (66 2/3%) of the balance of the Cost or Fair Value to the Company thereof (whichever shall be less) after making deductions and additions similar to those provided

for in Section 104; and

(iii) an Opinion or Opinions of Counsel to the effect that (A) the corporation that was the mortgagor under such mortgage, deed of trust or similar indenture has been duly and lawfully merged into or consolidated with the Company or has duly and lawfully conveyed or otherwise transferred property to the Company; (B) if required by applicable law, such mortgage, deed of trust or similar indenture is qualified under the Trust Indenture Act; (C) the Company has duly assumed and agreed to perform and pay the obligations of the mortgagor under such mortgage, deed of trust or similar indenture; (D) such mortgage, deed of trust or similar indenture constitutes a Lien upon the property described therein subject to no Lien prior thereto except Liens generally of the character of Permitted Liens; (E) this Indenture constitutes, or, upon the delivery of, and/or the filing and/or the recording in the proper places and manner of, the instruments of conveyance, assignment or transfer, if any, specified in such opinion, will constitute, a Lien on the property described in such mortgage, deed of trust or similar indenture which is generally of the character described, and is located in the States specified, in the Granting Clauses of this Indenture and which was acquired by the Company from such corporation by virtue of such merger, consolidation, conveyance or other transfer, subject to no Lien thereon prior to the Lien of this Indenture except the Lien of such mortgage, deed of trust or similar indenture and Permitted Liens; (F) the terms of such mortgage, deed of trust or similar indenture, as then in effect, do not permit the further issuance of obligations thereunder except on the basis of property additions generally of the character of Property Additions, the retirement or deposit of outstanding obligations, the deposit of prior Lien obligations or the deposit of cash; (G) either (1) the terms of such mortgage, deed of trust or similar indenture, as then in effect, do not permit the further issuance of obligations thereunder upon the basis of property additions in a principal amount exceeding sixty-six and two-thirds percentum (66 2/3%) of the balance of the Cost or the Fair Value to the Company thereof (whichever shall be less) after making deductions and additions similar to those provided for in Section 104, or, if such is not the case, (2) that the waivers contemplated by clause (ii)(C)(2) above have been duly made; (H) in the case of a conveyance or other transfer to the Company of property subject to the Lien of such mortgage, deed of trust or similar indenture, no Person (other than the Company) has the right to issue or redeem obligations secured by, or to obtain the release of property from the Lien of, such mortgage, deed of trust or similar indenture; and (I) the indenture supplemental hereto referred to in clause (i) of subsection (b) of this Section complies with the requirements of said clause (i), and the indenture supplemental to such mortgage, deed of trust or similar indenture referred to in clause (ii) of subsection (b) of this Section complies with the requirements of said clause (ii).

(b) At such time as there shall have been executed and delivered and properly recorded and filed:

(i) an indenture supplemental hereto (A) in which such mortgage, deed of trust or similar indenture has been designated as an additional Class A Mortgage and (B) by which the Company has specifically imposed the Lien of this Indenture upon properties of the character described, and located in the States specified, in the Granting Clauses of this Indenture which shall have been acquired by the Company from such corporation by virtue of the merger, consolidation, conveyance or other transfer (and later improvements,

extensions and additions thereto and renewals and replacements thereof) as contemplated by Section 1205(b) and

(ii) an indenture supplemental to such mortgage, deed of trust or similar indenture by which such mortgage, deed of trust or similar indenture has been amended to provide that, so long as the Trustee shall hold any obligations outstanding thereunder which were delivered to the Trustee as the basis for the authentication and delivery of Securities which remain Outstanding hereunder, an Event of Default hereunder shall constitute a matured event of default thereunder; provided, however, that the waiver or cure of such Event of Default hereunder and the rescission and annulment of the consequences thereof shall constitute a cure of the corresponding event of default under such mortgage, deed of trust or similar indenture and a rescission and annulment of the consequences thereof,

then such mortgage, deed of trust or similar indenture and all obligations issued and outstanding thereunder shall for all purposes hereof be treated as a Class A Mortgage and as Class A Bonds, respectively, to the full and same extent as if specifically identified in Article One.

SECTION 1707. Discharge of Class A Mortgage.

The Trustee shall surrender for cancellation to the trustee under any Class A Mortgage all Class A Bonds delivered to and then held by it pursuant to Sections 1602 and 1701 which were delivered under such Class A Mortgage upon receipt by the Trustee of:

(a) a Company Order requesting such surrender for cancellation of such Class A Bonds;

(b) an Officer's Certificate stating that no Event of Default has occurred and is continuing, and that no Class A Bonds are Outstanding under such Class A Mortgage other than Class A Bonds delivered to and held by the Trustee pursuant to Sections 1602 and 1701 and that promptly upon such surrender such Class A Mortgage will be satisfied and discharged pursuant to the terms thereof;

(c) an Expert's Certificate

(i) describing the property constituting Property Additions designated by the Company, in its discretion, to be deemed, on and after the date of such surrender for cancellation and for all purposes of this Indenture, to be Funded Property, such Property Additions to have, in the aggregate, a Cost (or as to Property Additions of which the Fair Value to the Company specified pursuant to subclause (viii) or clause (d) below is less than the Cost thereof, then such Fair Value in lieu of Cost) not less than one hundred fifty percentum (150%) of the aggregate principal amount of Securities which shall have been authenticated and delivered under Section 1602 on the basis of Class A Bonds authenticated and delivered under such Class A Mortgage and which, at such date, either remain Outstanding or constitute Retired Securities (such description of property to be made by reference, at the election of the Company, either to specified items, units and/or elements of property or portions thereof, on a percentage or Dollar basis, or to properties or portions thereof reflected in specified accounts or subaccounts in the Company's books of account, on a Dollar basis), and stating the Cost of such property;

(ii) stating that all such property constitutes Property Additions;

(iii) stating that such Property Additions are desirable for use in the conduct of the business, or one of the businesses, of the Company;

(iv) stating that such Property Additions, to the extent of the Cost (or as to Property Additions of which the Fair Value to the Company specified pursuant to subclause (viii) or clause (d) below is less than the Cost thereof, then such Fair Value in lieu of Cost) thereof to be deemed to be Funded Property pursuant to this Section, do not constitute Funded Property;

(v) stating, except as to Property Additions acquired, made or constructed wholly through the delivery of securities or other property, that the amount of cash forming all or part of the Cost thereof was equal to or more than an amount to be stated therein;

(vi) briefly describing, with respect to any Property Additions acquired, made or constructed in whole or in part through the delivery of securities or other property, the securities or other property so delivered and stating the date of such delivery;

(vii) stating what part, if any, of such Property Additions included property which within six (6) months prior to the date of acquisition thereof by the Company had been used or operated by others than the Company in a business similar to that in which it has been or is to be used or operated by the Company and stating whether or not, in the judgment of the signers, the Fair Value to the Company thereof, as of the date of such certificate, is less than Twenty-five Thousand Dollars ($25,000) and whether or not the Fair Value to the Company thereof, as of such date, is less than one percent (1%) of the aggregate principal amount of Securities then Outstanding;

(viii) stating, in the judgment of the signers, the Fair Value to the Company, as of the date of such certificate, of such Property Additions, except any thereof with respect to the Fair Value to the Company of which a statement is to be made in an Independent Expert's Certificate pursuant to clause (d) below; provided, however, that if any such Property Additions shall have theretofore been certified to the trustee under such Class A Mortgage in connection with the authentication and delivery of Class A Bonds thereunder, the release of property, the withdrawal of cash or the satisfaction of the requirements of any sinking, improvement, maintenance, replacement or similar fund or analogous provision, then there may be stated, in lieu of the Fair Value to the Company of such Property Additions as of the date of such certificate, the Fair Value to the Company thereof as so certified to the trustee under such Class A Mortgage; it being understood that the Company may make allocations on a pro-rata or other reasonable basis for purposes of determining whether or not, and/or the extent to which, any such Property Additions shall have theretofore been so certified to the trustee under a Class A Mortgage; and

(ix) if any property included in such Property Additions is subject to a Lien of the character described (I) in clause (f) of the definition of Permitted Liens, stating that such Lien does not, in the judgment of the signers, materially impair the use by the Company of the Mortgaged Property considered as a whole, or (II) in clause (i)(ii) of the

definition of Permitted Liens, stating that such Lien does not, in the judgment of the signers, materially impair the use by the Company of such property for the purposes for which it is held by the Company or (III) in clause (p)(ii) of the definition of Permitted Liens, stating that the enforcement of such Lien would not, in the judgment of the signers, adversely affect the interests of the Company in such property in any material respect;

(x) stating the lower of the Cost or the Fair Value to the Company of such Property Additions, as required to be stated in such Expert's Certificate pursuant to clauses (i) and (viii) above, respectively; and

(xi) stating the aggregate principal amount of the Securities referred to in clause (i) above (such amount not to exceed the amount stated pursuant to clause (x) above);

(d) in case any Property Additions are shown by the Expert's Certificate provided for in clause (c) above to include property which, within six months prior to the date of acquisition thereof by the Company, had been used or operated by others than the Company in a business similar to that in which it has been or is to be used or operated by the Company and such certificate does not show the Fair Value to the Company thereof, as of the date of such certificate, to be less than Twenty-five Thousand Dollars ($25,000) or less than one percent (1%) of the aggregate principal amount of Securities then Outstanding, an Independent Expert's Certificate stating, in the judgment of the signer, the Fair Value to the Company, as of the date of such Independent Expert's Certificate, of (x) such Property Additions which have been so used or operated and (at the option of the Company) as to any other Property Additions included in the Expert's Certificate provided for in clause (c) above and (y) any property so used or operated which has been subjected to the Lien of this Indenture since the commencement of the then current calendar year as the basis for the authentication and delivery of Securities and as to which an Independent Expert's Certificate has not previously been furnished to the Trustee;

(e) in case any Property Additions are shown by the Expert's Certificate provided for in clause (c) above to have been acquired, made or constructed in whole or in part through the delivery of securities or other property, an Expert's Certificate stating, in the judgment of the signers, the fair market value in cash of such securities or other property at the time of delivery thereof in payment for or for the acquisition of such Property Additions;

(f) an Opinion of Counsel to the effect that:

(i) this Indenture constitutes, or, upon (x) the satisfaction and discharge of such Class A Mortgage and/or (y) the delivery of, and/or the filing and/or recording in the proper places and manner of, the instruments of conveyance, assignment or transfer, if any, specified in said opinion, will constitute, a Lien on all the Property Additions to be deemed to be Funded Property in accordance with this Section, subject to no Lien thereon prior to the Lien of this Indenture except Permitted Liens; and

(ii) the Company has corporate authority to operate such Property Additions;

(g) an Opinion of Counsel to the effect that upon satisfaction and discharge of such Class A Mortgage the Lien of this Indenture on the property formerly subject to the Lien of such Class A

Mortgage, to the extent the same is part of the Mortgaged Property, will be subject to no Lien prior to the Lien of this Indenture, except Permitted Liens; and

(h) copies of the instruments of conveyance, assignment and transfer, if any, specified in the Opinion of Counsel provided for in clause (f) above.

ARTICLE EIGHTEEN

Possession, Use and Release of Mortgaged Property

SECTION 1801. Quiet Enjoyment.

Unless one or more Events of Default shall have occurred and be continuing, the Company shall be permitted to possess, use and enjoy the Mortgaged Property (except, to the extent not herein otherwise provided, such cash and securities as are expressly required to be deposited with the Trustee).

SECTION 1802. Dispositions without Release.

Unless an Event of Default shall have occurred and be continuing, the Company may at any time and from time to time, without any release or consent by, or report to, the Trustee:

(a) sell or otherwise dispose of, free from the Lien of this Indenture, any machinery, equipment, apparatus, towers, transformers, poles, lines, cables, conduits, ducts, conductors, meters, regulators, holders, tanks, retorts, purifiers, odorizers, scrubbers, compressors, valves, pumps, mains, pipes, service pipes, fittings, connections, services, tools, implements, or any other fixtures or personalty, then subject to the Lien hereof, which shall have become old, inadequate, obsolete, worn out, unfit, unadapted, unserviceable, undesirable or unnecessary for use in the operations of the Company upon replacing the same by, or substituting for the same, similar or analogous property, or other property performing a similar or analogous function or otherwise obviating the need therefor, having a Fair Value to the Company at least equal to that of the property sold or otherwise disposed of and subject to the Lien hereof, subject to no Liens prior hereto except Permitted Liens and any other Liens to which the property sold or otherwise disposed of was subject;

(b) cancel or make changes or alterations in or substitutions for any and all easements, servitudes, rights-of-way and similar rights and/or interests; and

(c) grant, free from the Lien of this Indenture, easements, ground leases or rights-of-way in, upon, over and/or across the property or rights-of-way of the Company for the purpose of roads, pipe lines, transmission lines, distribution lines, communication lines, railways, removal of coal or other minerals or timber, and other like purposes, or for the joint or common use of real property, rights-of-way, facilities and/or equipment; provided, however, that such grant shall not materially impair the use of the property or rights-of-way for the purposes for which such property or rights-of-way are held by the Company.

SECTION 1803. Release of Mortgaged Property.

Unless an Event of Default shall have occurred and be continuing, the Company may obtain the release of any part of the Mortgaged Property, or any interest therein, other than Funded Cash held by the Trustee, and the Trustee shall release all its right, title and interest in and to the same from the Lien hereof, upon receipt by the Trustee of:

(a) a Company Order requesting the release of such property and transmitting therewith a form of instrument or instruments to effect such release;

(b) an Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing;

(c) an Expert's Certificate made and dated not more than ninety (90) days prior to the date of such Company Order:

(i) describing the property to be released;

(ii) stating the Fair Value, in the judgment of the signers, of the property to be released;

(iii) stating the Cost of the property to be released (or, if the Fair Value to the Company of such property at the time the same became Funded Property was certified to be an amount less than the Cost thereof, then such Fair Value, as so certified, in lieu of Cost); and

(iv) stating that, in the judgment of the signers, such release will not impair the security under this Indenture in contravention of the provisions hereof;

(d) an amount in cash to be held by the Trustee as part of the Mortgaged Property, equal to the amount, if any, by which sixty-six and two-thirds percentum (66 2/3%) of the amount referred to in clause (c)(iii) above exceeds the aggregate of the following items:

(i) an amount equal to sixty-six and two-thirds percentum (66 2/3%) of the aggregate principal amount of any obligations secured by Purchase Money Lien delivered to the Trustee, to be held as part of the Mortgaged Property, subject to the limitations hereafter in this Section set forth;

(ii) an amount equal to sixty-six and two-thirds percentum (66 2/3%) of the Cost or Fair Value to the Company (whichever is less), after making any deductions and any additions pursuant to Section 104, of any Property Additions not constituting Funded Property described in an Expert's Certificate, dated not more than ninety (90) days prior to the date of the Company Order requesting such release and complying with clause (ii) and, to the extent applicable, clause (iii) in Section 1603(b), delivered to the Trustee; provided, however, that the deductions and additions contemplated by Section 104 shall not be required to be made if such Property Additions were acquired, made or constructed on or after the ninetieth (90th) day preceding the date of such Company Order;

(iii) the aggregate principal amount of Securities to the authentication and delivery of which the Company shall be entitled under the provisions of Section 1604, by virtue of compliance with all applicable provisions of Section 1604 (except as hereinafter in this Section otherwise provided); provided, however, that such release shall operate as a waiver by the Company of the right to the authentication and delivery of such Securities and, to such extent, no such Securities may thereafter be authenticated and delivered hereunder; and any Securities which were the basis of such right to the authentication and delivery of Securities so waived shall be deemed to have been made the basis of such release of property;

(iv) any amount in cash and/or an amount equal to sixty-six and two-thirds percentum (66 2/3%) of the aggregate principal amount of any obligations secured by Purchase Money Lien that, in either case, is evidenced to the Trustee by a certificate of the trustee or other holder of a Lien prior to the Lien of this Indenture to have been received by such trustee or other holder in accordance with the provisions of such Lien in consideration for the release of such property or any part thereof from such Lien, all subject to the limitations hereafter in this Section set forth;

(v) the aggregate principal amount of any Outstanding Securities delivered to the Trustee; and

(vi) any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released;

provided, however, that no obligations secured by Purchase Money Lien upon any property being released from the Lien hereof shall be used as a credit in connection with such release unless all obligations secured by such Purchase Money Lien shall be delivered to the Trustee or to the trustee or other holder of a Lien prior to the Lien of this Indenture;

(e) if the release is on the basis of Property Additions or on the basis of the right to the authentication and delivery of Securities under Section 1604, all documents contemplated below in this Section; and

(f) if the release is on the basis of the delivery to the Trustee or to the trustee or other holder of a prior Lien of obligations secured by Purchase Money Lien, all documents contemplated below in this Section, to the extent required.

If and to the extent that the release of property is, in whole or in part, based upon Property Additions (as permitted under the provisions of clause (d)(ii) in the first paragraph of this Section), the Company shall, subject to the provisions of said clause (d)(ii) and except as hereafter in this paragraph provided, comply with all applicable provisions of this Indenture as if such Property Additions were to be made the basis of the authentication and delivery of Securities equal in principal amount to sixty-six and two-thirds percentum (66 2/3%) of the Cost (or, as to property of which the Fair Value to the Company at the time the same became Funded Property was certified to be an amount less than the Cost thereof, such Fair Value, as so certified, in lieu of Cost) of that portion of the property to be released which is to be released on the basis of such Property Additions, as shown by the Expert's Certificate required by clause (c) in the first paragraph of this Section; provided, however, that the Cost of any Property Additions

received or to be received by the Company in whole or in part as consideration in exchange for the property to be released shall for all purposes of this Indenture be deemed to be the amount stated in the Expert's Certificate provided for in clause (c) in the first paragraph of this Section to be the Fair Value of the property to be released (x) plus the amount of any cash and the fair market value of any other consideration, further to be stated in such Expert's Certificate, paid and/or delivered or to be paid and/or delivered by, and the amount of any obligations assumed or to be assumed by, the Company in connection with such exchange as additional consideration for such Property Additions and/or (y) less the amount of any cash and the fair market value of any other consideration, which shall also be stated in such Expert's Certificate, received or to be received by the Company in connection with such exchange in addition to such Property Additions. If and to the extent that the release of property is in whole or in part based upon the right to the authentication and delivery of Securities under Section 1604 (as permitted under the provisions of clause (d)(iii) in the first paragraph of this Section), the Company shall, except as hereafter in this paragraph provided, comply with all applicable provisions of Section 1604 relating to such authentication and delivery. Notwithstanding the foregoing provisions of this paragraph, in no event shall the Company be required to deliver the documents specified in Section 303.

If the release of property is, in whole or in part, based upon the delivery to the Trustee or the trustee or other holder of a Lien prior to the Lien of this Indenture of obligations secured by Purchase Money Lien, the Company shall deliver to the Trustee:

(x) an Officer's Certificate (i) stating that no event has occurred and is continuing which entitles the holder of such Purchase Money Lien to accelerate the maturity of the obligations, if any, outstanding thereunder and (ii) reciting the aggregate principal amount of obligations, if any, then outstanding thereunder in addition to the obligations then being delivered in connection with the release of such property and the terms and conditions, if any, on which additional obligations secured by such Purchase Money Lien are permitted to be issued; and

(y) an Opinion of Counsel stating that, in the opinion of the signer, (i) such obligations are valid obligations, entitled to the benefit of such Purchase Money Lien equally and ratably with all other obligations, if any, then outstanding thereunder, (ii) that such Purchase Money Lien constitutes, or, upon the delivery of, and/or the filing and/or recording in the proper places and manner of, the instruments of conveyance, assignment or transfer, if any, specified in such opinion, will constitute, a Lien upon the property to be released, subject to no Lien prior thereto except Liens generally of the character of Permitted Liens and such Liens, if any, as shall have existed thereon immediately prior to such release as Liens prior to the Lien of this Indenture, (iii) if any obligations in addition to the obligations being delivered in connection with such release of property are then outstanding, or are permitted to be issued, under such Purchase Money Lien, (A) that such Purchase Money Lien constitutes, or, upon the delivery of, and/or the filing and/or recording in the proper places and manner of, the instruments of conveyance, assignment or transfer, if any, specified in such opinion, will constitute, a Lien upon all other property, if any, purporting to be subject thereto, subject to no Lien prior thereto except Liens generally of the character of Permitted Liens and (B) that the terms of such Purchase Money Lien, as then in effect, do not permit the issuance of obligations thereunder except on the basis of property generally of the character of Property Additions, the retirement or deposit of outstanding obligations, the deposit of prior Lien obligations or the deposit of cash.

If the Opinion of Counsel provided to the Trustee pursuant to clause (y) above is conditioned upon the filing and/or recording of any instruments of conveyance, assignment or transfer, the Company shall promptly cause such instruments to be filed and/or recorded in the proper places and manner

and shall deliver to the Trustee evidence of such filing and/or recording promptly upon receipt of such evidence by the Company.

If (a) any property to be released from the Lien of this Indenture under any provision of this Article (other than Section 1807) is subject to a Lien prior to the Lien hereof and is to be sold, exchanged, dedicated or otherwise disposed of subject to such prior Lien and (b) after such release, such prior Lien will not be a Lien on any property subject to the Lien hereof, then the Fair Value of such property to be released shall be deemed, for all purposes of this Indenture, to be the value thereof unencumbered by such prior Lien less the principal amount of the indebtedness secured by such prior Lien.

Any Outstanding Securities delivered to the Trustee pursuant to clause (d) in the first paragraph of this Section shall, upon receipt of a Company Order, forthwith be canceled by the Trustee. Any cash and/or obligations deposited with the Trustee pursuant to the provisions of this Section 1803, and the proceeds of any such obligations, shall be held as part of the Mortgaged Property and shall be withdrawn, released, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 1806.

Anything in this Indenture to the contrary notwithstanding, if property to be released constitutes Funded Property in part only, the Company shall obtain the release of the part of such property which constitutes Funded Property under this Section 1803 and obtain the release of the part of such property which does not constitute Funded Property under Section 1804. In such event, (a) the application of Property Additions in the release under this Section 1803 as contemplated in clause (d)(ii) in the first paragraph thereof shall be taken into account in clause (v) or clause (vi), whichever may be applicable, of the Expert's Certificate described in clause (c) in Section 1804 and (b) the Trustee shall, at the election of the Company, execute and deliver a separate instrument of release with respect to the property released under each of such Sections or a consolidated instrument of release with respect to the property released under both of such Sections considered as a whole.

SECTION 1804. Release of Property Not Constituting Funded Property.

Unless an Event of Default shall have occurred and be continuing, the Company may obtain the release of any part of the Mortgaged Property, or any interest therein, which does not constitute Funded Property, and the Trustee shall release all its right, title and interest in and to the same from the Lien hereof, upon receipt by the Trustee of:

(a) a Company Order requesting the release of such property and transmitting therewith a form of instrument or instruments to effect such release;

(b) an Officer's Certificate describing the property to be released and stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing;

(c) an Expert's Certificate, made and dated not more than ninety (90) days prior to the date of such Company Order:

(i) describing the property to be released;

(ii) stating the Fair Value, in the judgment of the signers, of the property to be

released;

(iii) stating the Cost of the property to be released;

(iv) stating that the property to be released does not constitute Funded Property;

(v) if true, stating either (A) that the aggregate amount of the Cost or Fair Value to the Company (whichever is less) of all Property Additions which do not constitute Funded Property (excluding the property to be released), after making deductions therefrom and additions thereto of the character contemplated by Section 104, is not less than zero (0) or (B) that the Cost or Fair Value (whichever is less) of the property to be released does not exceed the aggregate Cost or Fair Value to the Company (whichever is less) of Property Additions acquired, made or constructed on or after the ninetieth (90th) day prior to the date of the Company Order requesting such release;

(vi) if neither of the statements contemplated in subclause (v) above can be made, stating the amount by which zero (0) exceeds the amount referred to in subclause (v)(A) above (showing in reasonable detail the calculation thereof); and

(vii) stating that, in the judgment of the signers, such release will not impair the security under this Indenture in contravention of the provisions hereof; and

(d) if the Expert's Certificate required by clause (c) above contains neither of the statements contemplated in clause (c)(v) above, an amount in cash, to be held by the Trustee as part of the Mortgaged Property, equal to the amount, if any, by which the lower of (i) the Cost or Fair Value (whichever shall be less) of the property to be released and (ii) the amount shown in clause (c)(vi) above exceeds the aggregate of items of the character described in subclauses (iii) and (v) of clause (d) in the first paragraph of Section 1803 that the Company then elects to use as a credit under this Section 1804 (subject, however, to the same limitations and conditions with respect to such items as are set forth in Section 1803).

Any Outstanding Securities delivered to the Trustee pursuant to clause (d) above shall forthwith be canceled by the Trustee.

SECTION 1805. Release of Minor Properties.

Notwithstanding the provisions of Sections 1803 and 1804, unless an Event of Default shall have occurred and be continuing, the Company may obtain the release from the Lien hereof of any part of the Mortgaged Property, or any interest therein, and the Trustee shall whenever from time to time requested by the Company in a Company Order transmitting therewith a form of instrument or instruments to effect such release, and without requiring compliance with any of the provisions of Section 1803 or 1804, release from the Lien hereof all the right, title and interest of the Trustee in and to the same provided that the aggregate Fair Value of the property to be so released on any date in a given calendar year, together with all other property theretofore released pursuant to this Section 1805 in such calendar year, shall not exceed the greater of (a) Ten Million Dollars ($10,000,000) and (b) three percent (3%) of the sum of (i) the aggregate principal amount of Securities then Outstanding and (ii) the aggregate principal amount of Class A Bonds then Outstanding other than Class A Bonds delivered to and then held by the Trustee pursuant to

Sections 1602 and 1701. Prior to the granting of any such release, there shall be delivered to the Trustee (x) an Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing and (y) an Expert's Certificate stating, in the judgment of the signers, the Fair Value of the property to be released, the aggregate Fair Value of all other property theretofore released pursuant to this Section in such calendar year and, as to Funded Property, the Cost thereof (or, if the Fair Value to the Company of such property at the time the same became Funded Property was certified to be an amount less than the Cost thereof, then such Fair Value, as so certified, in lieu of Cost), and that, in the judgment of the signers, the release thereof will not impair the security under this Indenture in contravention of the provisions hereof. On or before December 31st of each calendar year, the Company shall deposit with the Trustee an amount in cash equal to sixty-six and two thirds percentum (66 ⅔%) of the aggregate Cost of the properties constituting Funded Property so released during such year (or, if the Fair Value to the Company of any particular property at the time the same became Funded Property was certified to be an amount less than the Cost thereof, then such Fair Value, as so certified, in lieu of Cost); provided, however, that no such deposit shall be required to be made hereunder to the extent that cash or other consideration shall, as indicated in an Officer's Certificate delivered to the Trustee, have been deposited with the trustee or other holder of a Class A Mortgage or other Lien prior to the Lien of this Indenture in accordance with the provisions thereof; and provided, further, that the amount of cash so required to be deposited may be reduced, at the election of the Company, by the items specified in clause (d) in the first paragraph of Section 1803, subject to all of the limitations and conditions specified in such Section, to the same extent as if such property were being released pursuant to Section 1803. Any cash deposited with the Trustee under this Section may thereafter be withdrawn, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 1806.

SECTION 1806. Withdrawal or Other Application of Funded Cash; Purchase Money Obligations.

Subject to the provisions of Section 1605 and Section 1702(a) and except as hereafter in this Section provided, unless an Event of Default shall have occurred and be continuing, any Funded Cash held by the Trustee, and any other cash which is required to be withdrawn, used or applied as provided in this Section,

(a) may be withdrawn from time to time by the Company to the extent of an amount equal to sixty-six and two-thirds percentum (66 ⅔%) of the Cost or the Fair Value to the Company (whichever is less) of Property Additions not constituting Funded Property, after making any deductions and additions pursuant to Section 104, described in an Expert's Certificate, dated not more than ninety (90) days prior to the date of the Company Order requesting such withdrawal and complying with clause (ii) and, to the extent applicable, clause (iii) in Section 1603(b), delivered to the Trustee; provided, however, that the deductions and additions contemplated by Section 104 shall not be required to be made if such Property Additions were acquired, made or constructed on or after the ninetieth (90th) day preceding the date of such Company Order;

(b) may be withdrawn from time to time by the Company in an amount equal to the aggregate principal amount of Securities to the authentication and delivery of which the Company shall be entitled under the provisions of Section 1604 hereof, by virtue of compliance with all applicable provisions of Section 1604 (except as hereinafter in this Section otherwise provided); provided, however, that such withdrawal of cash shall operate as a waiver by the Company of the right to the authentication and delivery of such Securities and, to such extent, no such Securities may thereafter be authenticated and delivered

hereunder; and any such Securities which were the basis of such right to the authentication and delivery of Securities so waived shall be deemed to have been made the basis of such withdrawal of cash;

(c) may be withdrawn from time to time by the Company in an amount equal to the aggregate principal amount of any Outstanding Securities delivered to the Trustee;

(d) may, upon the request of the Company, be used by the Trustee for the purchase of Securities in the manner, at the time or times, in the amount or amounts, at the price or prices and otherwise as directed or approved by the Company, all subject to the limitations hereafter in this Section set forth; or

(e) may, upon the request of the Company, be applied by the Trustee to the payment (or provision therefor pursuant to Article Eight) at Stated Maturity of any Securities or to the redemption (or similar provision therefor) of any Securities which are, by their terms, redeemable, in each case of such series as may be designated by the Company, any such redemption to be in the manner and as provided in Article Five, all subject to the limitations hereafter in this Section set forth.

Such moneys shall, from time to time, be paid or used or applied by the Trustee, as aforesaid, upon the request of the Company in a Company Order, and upon receipt by the Trustee of an Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing. If and to the extent that the withdrawal of cash is based upon Property Additions (as permitted under the provisions of clause (a) above), the Company shall, subject to the provisions of said clause (a) and except as hereafter in this paragraph provided, comply with all applicable provisions of this Indenture as if such Property Additions were made the basis for the authentication and delivery of Securities equal in principal amount to the cash so to be withdrawn. If and to the extent that the withdrawal of cash is based upon the right to the authentication and delivery of Securities (as permitted under the provisions of clause (b) above), the Company shall, except as hereafter in this paragraph provided, comply with all applicable provisions of Section 1604 relating to such authentication and delivery. Notwithstanding the foregoing provisions of this paragraph, in no event shall the Company be required to deliver the documents specified in Section 303.

Notwithstanding the generality of clauses (d) and (e) above, no cash to be applied pursuant to such clauses shall be applied to the payment of an amount in excess of the principal amount of any Securities to be purchased, paid or redeemed except to the extent that the aggregate principal amount of all Securities theretofore, and of all Securities then to be, purchased, paid or redeemed pursuant to such clauses is not less than the aggregate cost for principal of, premium, if any, and accrued interest, if any, on and brokerage commissions, if any, with respect to, such Securities.

Any Outstanding Securities delivered to the Trustee pursuant to clause (c) in the first paragraph of this Section shall, upon request by the Company, forthwith be canceled by the Trustee.

Any obligations secured by Purchase Money Lien delivered to the Trustee in consideration of the release of property from the Lien of this Indenture, together with any evidence of such Purchase Money Lien held by the Trustee, shall be released from the Lien of this Indenture and delivered to or upon the order of the Company upon payment by the Company to the Trustee of an amount in cash equal to the aggregate principal amount of such obligations less the aggregate amount theretofore paid to the Trustee (by the Company, the obligor or otherwise) in respect of the principal of such obligations.

The principal of and interest on any such obligations secured by Purchase Money Lien held by the Trustee shall be paid to the Trustee as and when the same become payable. The interest received by the Trustee on any such obligations shall be deemed not to constitute Funded Cash and shall be remitted to the Company; provided, however, that if an Event of Default shall have occurred and be continuing, such proceeds shall be held as part of the Mortgaged Property until such Event of Default shall have been cured or waived.

The Trustee shall have and may exercise all the rights and powers of any owner of such obligations and of all substitutions therefor and, without limiting the generality of the foregoing, may collect and receive all insurance moneys payable to it under any of the provisions thereof and apply the same in accordance with the provisions thereof, may consent to extensions thereof at a higher or lower rate of interest, may join in any plan or plans of voluntary or involuntary reorganization or readjustment or rearrangement and may accept and hold hereunder new obligations, stocks or other securities issued in exchange therefor under any such plan. Any discretionary action which the Trustee may be entitled to take in connection with any such obligations or substitutions therefor shall be taken, so long as no Event of Default shall have occurred and be continuing, in accordance with a Company Order, and, during the continuance of an Event of Default, in its own discretion.

Anything herein to the contrary notwithstanding, the Company may irrevocably waive all right to the withdrawal pursuant to this Section of, and any other rights with respect to, any obligations secured by Purchase Money Lien held by the Trustee, and the proceeds of any such obligations, by delivery to the Trustee of a Company Order:

(x) specifying such obligations and stating that the Company thereby waives all rights to the withdrawal thereof and of the proceeds thereof pursuant to this Section, and any other rights with respect thereto; and

(y) directing that the principal of such obligations be applied as provided in clause (e) in the first paragraph of this Section, specifying the Securities to be paid or redeemed or for the payment or redemption of which payment is to be made.

Following any such waiver, the interest on any such obligations shall be applied to the payment of interest, if any, on the Securities to be paid or redeemed or for the payment or redemption of which provision is to be made, as specified in the aforesaid Company Order, as and when such interest shall become due from time to time, and any excess funds remaining from time to time after such application shall be applied to the payment of interest on any other Securities as and when the same shall become due. Pending any such application, the interest on such obligations shall be invested in Investment Securities as shall be selected by the Company and specified in written instructions delivered to the Trustee. The principal of any such obligations shall be applied solely to the payment of principal of the Securities to be paid or redeemed or for the payment or redemption of which provision is to be made, as specified in the aforesaid Company Order. Pending such application, the principal of such obligations shall be invested in Eligible Obligations as shall be selected by the Company and specified in written instructions delivered to the Trustee. The obligation of the Company to pay the principal of such Securities when the same shall become due at maturity, shall be offset and reduced by the amount of the proceeds of such obligations then held, and to be applied, by the Trustee in accordance with this paragraph.

SECTION 1807. Release of Property Taken by Eminent Domain, etc.

Should any of the Mortgaged Property, or any interest therein, be taken by exercise of the power of eminent domain or be sold to an entity possessing the power of eminent domain under a threat to exercise the same, and should the Company elect not to obtain the release of such property pursuant to other provisions of this Article, the Trustee shall, upon request of the Company evidenced by a Company Order transmitting therewith a form of instrument or instruments to effect such release, release from the Lien hereof all its right, title and interest in and to the property so taken or sold (or with respect to an interest in property, subordinate the Lien hereof to such interest), upon receiving (a) an Opinion of Counsel to the effect that such property has been taken by exercise of the power of eminent domain or has been sold to an entity possessing the power of eminent domain under threat of an exercise of such power, (b) an Officer's Certificate stating the amount of net proceeds received or to be received for such property so taken or sold, and the amount so stated shall be deemed to be the Fair Value of such property for the purpose of any notice to the Holders of Securities, (c) if any portion of such property constitutes Funded Property, an Expert's Certificate stating the Cost thereof (or, if the Fair Value to the Company of such portion of such property at the time the same became Funded Property was certified to be an amount less than the Cost thereof, then such Fair Value, as so certified, in lieu of Cost) and (d) if any portion of such property constitutes Funded Property, a deposit by the Company of an amount in cash equal to sixty-six and two-thirds percentum (66 2/3%) of the Cost or Fair Value stated in the Expert's Certificate delivered pursuant to clause (c) above; provided, however, that the amount required to be so deposited shall not exceed the portion of the net proceeds received or to be received for such property so taken or sold which is allocable on a pro-rata or other reasonable basis to the portion of such property constituting Funded Property; and provided, further, that no such deposit shall be required to be made hereunder if the proceeds of such taking or sale shall, as indicated in an Officer's Certificate delivered to the Trustee, have been deposited with the trustee or other holder of a Class A Mortgage or other Lien prior to the Lien of this Indenture. Any cash deposited with the Trustee under this Section may thereafter be withdrawn, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 1806.

SECTION 1808. Alternative Release Provision.

Anything in this Indenture to the contrary notwithstanding, unless an Event of Default shall have occurred and be continuing, the Company may obtain the release of any part of the Mortgaged Property which is subject to the Lien of a Class A Mortgage, and the Trustee shall release all of its right, title and interest in and to the same from the Lien of this Indenture, by delivery to the Trustee of an Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing, an Expert's Certificate as to the Fair Value of the property to be released and stating that, in the judgment of the signers, such release will not impair the security under this Indenture in contravention of the provisions hereof, and a copy of a release of such part of the Mortgaged Property from the Lien of such Class A Mortgage executed by the trustee thereunder; provided, however, that this Section shall not apply with respect to any release of Mortgaged Property from the Lien of any Class A Mortgage in connection with the discharge of such Class A Mortgage as contemplated by Section 1707.

SECTION 1809. Disclaimer or Quitclaim.

In case the Company has sold, exchanged, dedicated or otherwise disposed of, or has agreed or intends to sell, exchange, dedicate or otherwise dispose of, or a Governmental Authority has ordered the Company to divest itself of, any Excepted Property or any other property not subject to the Lien

hereof, or the Company desires to disclaim or quitclaim title to property to which the Company does not purport to have title, the Trustee shall, from time to time, disclaim or quitclaim such property upon receipt by the Trustee of the following:

(a) a Company Order requesting such disclaimer or quitclaim and transmitting therewith a form of instrument to effect such disclaimer or quitclaim;

(b) an Officer's Certificate describing the property to be disclaimed or quitclaimed; and

(c) an Opinion of Counsel stating the signer's opinion that such property is not subject to the Lien hereof or required to be subject thereto by any of the provisions hereof and complying with the requirements of Section 105 of this Indenture.

SECTION 1810. Miscellaneous.

(a) The Expert's Certificate as to the Fair Value of property to be released from the Lien of this Indenture in accordance with any provision of this Article, and as to the nonimpairment, by reason of such release, of the security under this Indenture in contravention of the provisions hereof, shall be made by an Independent Expert if the Fair Value of such property and of all other property released since the commencement of the then current calendar year, as set forth in the certificates required by this Indenture, is ten percent (10%) or more of the aggregate principal amount of the Securities at the time Outstanding; but such Expert's Certificate shall not be required to be made by an Independent Expert in the case of any release of property if the Fair Value thereof, as set forth in the certificates required by this Indenture, is less than Twenty-five Thousand Dollars ($25,000) or less than one percent (1%) of the aggregate principal amount of the Securities at the time Outstanding. To the extent that the Fair Value of any property to be released from the Lien of this Indenture shall be stated in an Independent Expert's Certificate, such Fair Value shall not be required to be stated in any other Expert's Certificate delivered in connection with such release.

(b) No release of property from the Lien of this Indenture effected in accordance with the provisions, and in compliance with the conditions, set forth in this Article and in Sections 105 and 106 shall be deemed to impair the security of this Indenture in contravention of any provision hereof.

(c) If the Mortgaged Property shall be in the possession of a receiver or trustee, lawfully appointed, the powers hereinbefore conferred upon the Company with respect to the release of any part of the Mortgaged Property or any interest therein or the withdrawal of cash may be exercised, with the approval of the Trustee, by such receiver or trustee, notwithstanding that an Event of Default may have occurred and be continuing, and any request, certificate, appointment or approval made or signed by such receiver or trustee for such purposes shall be as effective as if made by the Company or any of its officers or appointees in the manner herein provided; and if the Trustee shall be in possession of the Mortgaged Property under any provision of this Indenture, then such powers may be exercised by the Trustee in its discretion notwithstanding that an Event of Default may have occurred and be continuing.

(d) If the Company shall retain any interest in any property released from the Lien of this Indenture as provided in Section 1803, 1804 or 1805, this Indenture shall not become or be, or be required to become or be, a Lien upon such property or such interest therein or any improvements, extensions or additions to such property or renewals, replacements or substitutions of or for such property or any part or

parts thereof unless the Company shall execute and deliver to the Trustee an indenture supplemental hereto, in recordable form, containing a grant, conveyance, transfer and mortgage thereof. As used in this subsection, the terms "improvements", "extensions" and "additions" shall be limited as set forth in Section 1201.

(e) Notwithstanding the occurrence and continuance of an Event of Default, the Trustee, in its discretion, may release from the Lien hereof any part of the Mortgaged Property or permit the withdrawal of cash, upon compliance with the other conditions specified in this Article in respect thereof.

(f) No purchaser or grantee of property purporting to have been released hereunder shall be bound to ascertain the authority of the Trustee to execute the instrument or instruments of release, or to inquire as to any facts required by the provisions hereof for the exercise of such authority; nor shall any purchaser or grantee of any property or rights permitted by this Article to be sold, granted, exchanged, dedicated or otherwise disposed of, be under obligation to ascertain or inquire into the authority of the Company to make any such sale, grant, exchange, dedication or other disposition.

SECTION 1811. Establishment of the Release Date.

The date upon which the Lien of this Indenture shall be discharged, canceled, terminated or satisfied (the "Release Date") shall be deemed to occur for all purposes under this Indenture upon the date chosen by the Company and specified in a Company Order delivered to the Trustee, which date shall not be earlier than the date of delivery by the Company to the Trustee of the following:

(a) A Company Order requesting execution and delivery by the Trustee of a supplemental indenture and such instruments as the Company may deem necessary or desirable to discharge, cancel, terminate or satisfy the Lien of this Indenture;

(b) An Officer's Certificate stating that:

(i) To the knowledge of the signer, no Event of Default has occurred and is continuing; and

(ii) All Class A Mortgages have been satisfied and discharged;

(c) Any other documents required by the terms of any then Outstanding Securities; and

(d) An Opinion of Counsel to the effect that none of the Company's Electric Utility Property, other than Excepted Property, is subject to any Lien other than the Lien of this Indenture and Permitted Liens.

Upon the occurrence of a Release Date, the Trustee shall execute and deliver to the order of the Company the supplemental indenture and instruments described above to discharge, cancel, terminate or satisfy the Lien of this Indenture.

SECTION 1812. Preservation of Lien.

Until the Release Date, the Company shall maintain and preserve the Lien of this Indenture so long as any Securities shall remain Outstanding, subject, however, to the provisions of Article Eighteen and Article Thirteen.

SECTION 1813. Maintenance of Properties.

Until the Release Date, the Company shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) the Mortgaged Property, considered as a whole, to be maintained and kept in good condition, repair and working order and shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) to be made such repairs, renewals, replacements, betterments and improvements thereof, as, in the judgment of the Company, may be necessary in order that the operation of the Mortgaged Property, considered as a whole, may be conducted in accordance with common industry practice; provided, however, that nothing in this Section shall prevent the Company from discontinuing, or causing the discontinuance of, the operation and maintenance of any portion of the Mortgaged Property if such discontinuance is in the judgment of the Company desirable in the conduct of its business; and provided, further, that nothing in this Section shall prevent the Company from selling, transferring or otherwise disposing of, or causing the sale, transfer or other disposition of, any portion of the Mortgaged Property in compliance with the other Articles of this Indenture.

SECTION 1814. Payment of Taxes; Discharge of Liens.

Until the Release Date, the Company shall pay all taxes and assessments and other governmental charges lawfully levied or assessed upon the Mortgaged Property, or upon any part thereof, or upon the interest of the Trustee in the Mortgaged Property, before the same shall become delinquent, and shall observe and conform in all material respects to all valid requirements of any Governmental Authority relative to the Mortgaged Property and all covenants, terms and conditions upon or under which any of the Mortgaged Property is held; and the Company shall not suffer any Lien to be created upon the Mortgaged Property, or any part thereof, prior to the Lien hereof, other than Permitted Liens and the Liens of Class A Mortgages and other than, in the case of property hereafter acquired, Purchase Money Liens and any other Liens existing or placed thereon at the time of the acquisition thereof (including, but not limited to, the Lien of any Class A Mortgage); provided, however, that nothing in this Section contained shall require the Company (i) to observe or conform to any requirement of Governmental Authority or to cause to be paid or discharged, or to make provision for, any such Lien, or to pay any such tax, assessment or governmental charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, (ii) to pay, discharge or make provisions for any tax, assessment or other governmental charge, the validity of which shall not be so contested if adequate security for the payment of such tax, assessment or other governmental charge and for any penalties or interest which may reasonably be anticipated from failure to pay the same shall be given to the Trustee or (iii) to pay, discharge or make provisions for any Liens existing on the Mortgaged Property at the Execution Date; and provided, further, that nothing in this Section shall prohibit the issuance or other incurrence of additional indebtedness, or the refunding of outstanding indebtedness, secured by any Lien prior to the Lien hereof which is permitted under this Section to continue to exist.

SECTION 1815. Insurance.

(a) Until the Release Date, the Company shall (i) keep or cause to be kept all the property subject to the Lien of this Indenture insured against loss by fire, to the extent that property of similar character is usually so insured by companies similarly situated and operating like properties, to a reasonable amount, by reputable insurance companies, the proceeds of such insurance (except as to any loss of Excepted Property and except as to any particular loss less than the greater of (A) Ten Million Dollars ($10,000,000) and (B) three percent (3%) of the sum of (1) the principal amount of Securities Outstanding on the date of such particular loss and (2) the principal amount of the Class A Bonds Outstanding on the date of such particular loss, other than Class A Bonds delivered to and held by the Trustee pursuant to Sections 1602 and 1701) to be made payable, subject to applicable law, to the Trustee as the interest of the Trustee may appear, to the trustee of a Class A Mortgage, or to the trustee or other holder of any other Lien prior hereto upon property subject to the Lien hereof, if the terms thereof require such payment or (ii) in lieu of or supplementing such insurance in whole or in part, adopt some other method or plan of protection against loss by fire at least equal in protection to the method or plan of protection against loss by fire of companies similarly situated and operating properties subject to similar fire hazards or properties on which an equal primary fire insurance rate has been set by reputable insurance companies; and if the Company shall adopt such other method or plan of protection, it shall, subject to applicable law (and except as to any loss of Excepted Property and except as to any particular loss less than the greater of (X) Ten Million Dollars ($10,000,000) and (Y) three percent (3%) of the sum of (1) the principal amount of Securities Outstanding on the date of such particular loss and (2) the principal amount of the Class A Bonds Outstanding on the date of such particular loss, other than Class A Bonds delivered to and held by the Trustee pursuant to Sections 1602 and 1701) pay to the Trustee on account of any loss covered by such method or plan an amount in cash equal to the amount of such loss less any amounts otherwise paid to the Trustee in respect of such loss or paid to the trustee under a Class A Mortgage or to the trustee or other holder of any other Lien prior hereto upon property subject to the Lien hereof in respect of such loss if the terms thereof require such payment. Any cash so required to be paid by the Company pursuant to any such method or plan shall for the purposes of this Indenture be deemed to be proceeds of insurance. In case of the adoption of such other method or plan of protection, the Company shall furnish to the Trustee a certificate of an actuary or other qualified person appointed by the Company with respect to the adequacy of such method or plan.

Anything herein to the contrary notwithstanding, the Company may have fire insurance policies with (i) a deductible provision in a dollar amount per occurrence not exceeding the greater of (A) Ten Million Dollars ($10,000,000) and (B) three percent (3%) of the sum of (1) the principal amount of the Securities Outstanding on the date such policy goes into effect and (2) the principal amount of the Class A Bonds Outstanding on the date such policy goes into effect, other than Class A Bonds delivered to and held by the Trustee pursuant to Sections 1602 and 1701, and/or (ii) co-insurance or self insurance provisions with a dollar amount per occurrence not exceeding thirty percent (30%) of the loss proceeds otherwise payable; provided, however, that the dollar amount described in clause (i) above may be exceeded to the extent such dollar amount per occurrence is below the deductible amount in effect as to fire insurance (X) on property of similar character insured by companies similarly situated and operating like property or (Y) on property as to which an equal primary fire insurance rate has been set by reputable insurance companies.

(b) All moneys paid to the Trustee by the Company in accordance with this Section or received by the Trustee as proceeds of any insurance, in either case on account of a loss on or with respect

to Funded Property, shall, subject to the requirements of any Class A Mortgage or other Lien prior hereto upon property subject to the Lien hereof, be held by the Trustee and, subject as aforesaid, shall be paid by it to the Company to reimburse the Company for an equal amount expended or committed for expenditure in the rebuilding, renewal and/or replacement of or substitution for the property destroyed or damaged, upon receipt by the Trustee of:

(i) a Company Request requesting such payment,

(ii) an Expert's Certificate:

(A) describing the property so damaged or destroyed;

(B) stating the Cost of such property (or, if the Fair Value to the Company of such property at the time the same became Funded Property was certified to be an amount less than the Cost thereof, then such Fair Value, as so certified, in lieu of Cost) or, if such damage or destruction shall have affected only a portion of such property, stating the allocable portion of such Cost or Fair Value;

(C) stating the amounts so expended or committed for expenditure in the rebuilding, renewal, replacement of and/or substitution for such property; and

(D) stating the Fair Value to the Company of such property as rebuilt or renewed or as to be rebuilt or renewed and/or of the replacement or substituted property, and if

(a) within six months prior to the date of acquisition thereof by the Company, such property has been used or operated, by a person or persons other than the Company, in a business similar to that in which it has been or is to be used or operated by the Company, and

(b) the Fair Value to the Company of such property as set forth in such Expert's Certificate is not less than Twenty-five Thousand Dollars ($25,000) and not less than one percent (1%) of the aggregate principal amount of the Securities at the time Outstanding,

the Expert making the statement required by this clause (D) shall be an Independent Expert, and

(iii) an Opinion of Counsel stating that, in the opinion of the signer, the property so rebuilt or renewed or to be rebuilt or renewed, and/or the replacement property, is or will be subject to the Lien hereof to the same extent as was the property so destroyed or damaged.

Any such moneys not so applied within thirty-six (36) months after its receipt by the Trustee, or in respect of which notice in writing of intention to apply the same to the work of rebuilding, renewal, replacement or substitution then in progress and uncompleted shall not have been given to the Trustee by the Company within such thirty-six (36) months, or which the Company shall at any time notify

the Trustee is not to be so applied, shall thereafter be withdrawn, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 1806; provided, however, that if the amount of such moneys shall exceed sixty-six and two-thirds percentum (66 2/3%) of the amount stated pursuant to clause (B) in the Expert's Certificate referred to above, the amount of such excess shall not be deemed to be Funded Cash, shall not be subject to Section 1806 and shall be remitted to or upon the order of the Company upon the withdrawal, use or application of the balance of such moneys pursuant to Section 1806.

Anything in this Indenture to the contrary notwithstanding, if property on or with respect to which a loss occurs constitutes Funded Property in part only, the Company may, at its election, obtain the reimbursement of insurance proceeds attributable to the part of such property which constitutes Funded Property under this subsection (b) and obtain the reimbursement of insurance proceeds attributable to the part of such property which does not constitute Funded Property under subsection (c) of this Section 1815.

(c) All moneys paid to the Trustee by the Company in accordance with this Section or received by the Trustee as proceeds of any insurance, in either case on account of a loss on or with respect to property which does not constitute Funded Property, shall, subject to the requirements of any Class A Mortgage or other Lien prior hereto upon property subject to the Lien hereof, be held by the Trustee and, subject as aforesaid, shall be paid by it to the Company upon receipt by the Trustee of:

(i) a Company Request requesting such payment;

(ii) an Expert's Certificate stating:

(A) that such moneys were paid to or received by the Trustee on account of a loss on or with respect to property which does not constitute Funded Property; and

(B) if true, either (I) that the aggregate amount of the Cost or Fair Value to the Company (whichever is less) of all Property Additions which do not constitute Funded Property (excluding, to the extent of such loss, the property on or with respect to which such loss was incurred), after making deductions therefrom and additions thereto of the character contemplated by Section 104, is not less than zero (0) or (II) that the amount of such loss does not exceed the aggregate Cost or Fair Value to the Company (whichever is less) of Property Additions acquired, made or constructed on or after the ninetieth (90th) day prior to the date of the Company Request requesting such payment; or

(C) if neither of the statements contemplated in subclause (B) above can be made, the amount by which zero (0) exceeds the amount referred to in subclause (B)(I) above (showing in reasonable detail the calculation thereof); and

(iii) if the Expert's Certificate required by clause (ii) above contains neither of the statements contemplated in clause (ii)(B) above, an amount in cash, to be held by the Trustee as part of the Mortgaged Property, equal to the amount shown in clause (ii)(C) above.

To the extent that the Company shall be entitled to withdraw proceeds of insurance pursuant to this subsection (c), such proceeds shall be deemed not to constitute Funded Cash.

(d) Whenever under the provisions of this Section the Company is required to deliver moneys to the Trustee and at the same time shall have satisfied the conditions set forth herein for payment of moneys by the Trustee to the Company, there shall be paid to or retained by the Trustee or paid to the Company, as the case may be, only the net amount.

(e) Upon the occurrence of the Release Date, this Section shall cease to be in effect and the Trustee shall promptly return to the Company all moneys held by the Trustee pursuant to this Section.

SECTION 1816. Recording, Filing, etc.

Until the Release Date, the Company shall cause this Indenture and all indentures and instruments supplemental hereto (or notices, memoranda or financing statements as may be recorded or filed to place third parties on notice thereof) to be promptly recorded and filed and re-recorded and re-filed in such manner and in such places, as may be required by law in order fully to preserve and protect the security of the Holders of the Securities and all rights of the Trustee, and shall furnish to the Trustee:

(a) promptly after the execution and delivery of this Indenture and of each supplemental indenture, an Opinion of Counsel either stating that in the opinion of such counsel this Indenture or such supplemental indenture (or any other instrument, resolution, certificate, notice, memorandum or financing statement in connection therewith) has been properly recorded and filed, so as to make effective the Lien intended to be created hereby or thereby, and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to make such Lien effective. The Company shall be deemed to be in compliance with this subsection (a) if (i) the Opinion of Counsel herein required to be delivered to the Trustee shall state that this Indenture or such supplemental indenture (or any other instrument, resolution, certificate notice, memorandum or financing statement in connection therewith) has been received for record or filing in each jurisdiction in which it is required to be recorded or filed and that, in the opinion of such counsel (if such is the case), such receipt for record or filing makes effective the Lien intended to be created by this Indenture or such supplemental indenture, and (ii) such opinion is delivered to the Trustee within such time, following the Execution Date or such supplemental indenture, as shall be practicable having due regard to the number and distance of the jurisdictions in which this Indenture or such supplemental indenture (or such other instrument, resolution, certificate, notice, memorandum or financing statement in connection therewith) is required to be recorded or filed; and

(b) on or before December 1 of each year, beginning December 1, 2001, an Opinion of Counsel stating either (i) that in the opinion of such counsel such action has been taken, since the date of the most recent Opinion of Counsel furnished pursuant to this subsection (b) or the first Opinion of Counsel furnished pursuant to subsection (a) of this Section, with respect to the recording, filing, re-recording, and re-filing of this Indenture and of each indenture supplemental to this Indenture (or any other instrument, resolution, certificate, notice, memorandum or financing statement in connection therewith), as is necessary to maintain the effectiveness of the Lien hereof, and reciting the details of such action, or (ii) that in the opinion of such counsel no such action is necessary to maintain the effectiveness of such Lien.

Until the Release Date, the Company shall execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as may be necessary or proper to carry

out the purposes of this Indenture and to make subject to the Lien hereof any property hereafter acquired, made or constructed and intended to be subject to the Lien hereof, and to transfer to any new trustee or trustees or co-trustee or co-trustees, the estate, powers, instruments or funds held in trust hereunder.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

PPL ELECTRIC UTILITIES CORPORATION

By:_____
Name: Tadd J. Henninger
Title: Senior Vice President and Treasurer

[SEAL]

ATTEST:

_____
Secretary

THE BANK OF NEW YORK MELLON,
as Trustee

By:_____
Name:
Title:

[SEAL]

ATTEST

_____

Trust Officer

COMMONWEALTH OF PENNSYLVANIA)
) ss.:
COUNTY OF LEHIGH)

On this 25th day of September, 2025, before me, a notary public, the undersigned officer, personally appeared Tadd J. Henninger, who acknowledged himself to be the Senior Vice President and Treasurer of PPL ELECTRIC UTILITIES CORPORATION, a corporation of the Commonwealth of Pennsylvania and that he, as such Senior Vice President and Treasurer, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Senior Vice President and Treasurer.

In witness whereof, I hereunto set my hand and official seal.

By: Shelbie F. Bayda

NOTARIAL SEAL

Commonwealth of Pennsylvania - Notary Seal
Shelbie F. Bayda, Notary Public
Lehigh County
My commission expires February 28, 2029
Commission number 1456753
Member, Pennsylvania Association of Notaries

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

PPL ELECTRIC UTILITIES CORPORATION

By:_____
Name: Tadd J. Henninger
Title: Senior Vice President and Treasurer

[SEAL]

ATTEST:

_____
Secretary

THE BANK OF NEW YORK MELLON,
as Trustee

By:_____
Name: Stacey B. Poindexter
Title: Vice President

[SEAL]

ATTEST

Melissa Matthews
Trust Officer

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 15th day of September, 2025, before me, a notary public, the undersigned officer, personally appeared Stacey B. Poindexter, who acknowledged himself/herself to be a Vice President of THE BANK OF NEW YORK MELLON, a corporation and that he/she, as such Vice President, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as Vice President.

In witness whereof, I hereunto set my hand and official seal.

RAFAL BAR
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BA6293822
Qualified in Kings County
My Commission Expires: 01/31/2026

By: _____
Notary Public, State of New York

The Bank of New York Mellon, hereby certifies that its precise name and address as Trustee hereunder are:

The Bank of New York Mellon

240 Greenwich Street
New York, New York 10286
Attn: Corporate Trust Administration

THE BANK OF NEW YORK MELLON

By: _____
Vice President

Exhibit A

Description of Real Property that is Mortgaged Property as of the Execution Date

All real property owned by PPL Electric Utilities Corporation (the "Company") on the Execution Date (as defined in the Indenture), other than Excepted Property (as defined in the Indenture).

The Mortgaged Property that is real property is identified by reference to the Grantee Index and the Grantor Index kept in each county in which the Company owns real property and by the uniform parcel identifier in those of such counties that have adopted the uniform parcel identifier system.

The Mortgaged Property includes all real property owned by the Company on the Execution Date and recorded on or before the Execution Date under any of the following names:

- PPL Electric Utilities Corporation,
- Pennsylvania Power & Light Company or
- PP&L, Inc.

in the following counties of the Commonwealth of Pennsylvania:

ADAMS

ARMSTRONG

BEDFORD

BERKS

BLAIR

BUCKS

CAMBRIA

CARBON

CENTRE

CHESTER

CLINTON

COLUMBIA

CUMBERLAND

DAUPHIN

FRANKLIN

HUNTINGDON

INDIANA

JUNIATA

LACKAWANNA

LANCASTER
LEBANON
LEHIGH
LUZERNE
LYCOMING
MONROE
MONTGOMERY
MONTOUR
NORTHAMPTON
NORTHUMBERLAND
PERRY
PIKE
SCHUYLKILL
SNYDER
SUSQUEHANNA
UNION
WAYNE
WESTMORELAND
WYOMING
YORK

other than Excepted Property.

Mortgaged Property does not include any real property that was transferred by the Company prior to the Execution Date even if the transfer is recorded after the Execution Date.

EXHIBIT B

MODIFICATIONS OF CLASS A MORTGAGES

1. The deletion of any provisions in any Class A Mortgage limiting the payment of dividends or distributions on the common stock of the Company or purchases of the Company's common stock, including the deletion of Section 39(III) of the PPL 1945 Mortgage and all references thereto.

2. The deletion of any provisions in any Class A Mortgage that require a sale, exchange or other disposition, or an agreement to sell, exchange or dispose, of property to be released from the Lien of a Class A Mortgage, including the deletion of the text of clause (a) of subdivision (3) of the first paragraph of Section 59 of the PPL 1945 Mortgage.

3. The modification of any provisions in any Class A Mortgage that require insurance proceeds or other payments be paid to the trustee under such Class A Mortgage in case of any loss so that such proceeds or payments need not be paid to such trustee with respect to any loss less than the greater of (A) Ten Million Dollars ($10,000,000) and (B) three percent (3%) of the sum of (1) the principal amount of Securities Outstanding on the date of such particular loss and (2) the principal amount of the Class A Bonds Outstanding on the date of such particular loss, other than Class A Bonds delivered to and held by the Trustee under the Indenture.

4. The modification of any Class A Mortgage to provide that the term "corporation" as used in such Class A Mortgage shall mean "corporation, limited liability company, partnership, or trust or other legal entity" and to provide that any provision requiring the Company to maintain its "corporate existence" shall be not be interpreted to prevent the Company from changing from a corporation, limited liability company, partnership, trust or other legal entity to a corporation, limited liability company, a partnership, a trust or any other legal entity, including, but not limited to, Sections 35, 41, 84, 85, 86, 87, 99 and 105 of the PPL 1945 Mortgage. Any provision of such Class A Mortgage referring to "stockholders", or any class of stockholders, shall be deemed to include comparable members if the Company becomes a limited liability company, or the owners of comparable equity interests in the Company if the Company becomes another type of legal entity.

5. The modification of any provision in any Class A Mortgage that requires the computation of the annual interest requirements for any series of bonds that bears interest at a variable rate shall be computed as follows:

   a. By multiplying the principal amount of such bonds outstanding on the date of the certificate or opinion containing such computation by the average annual rate in effect for such series during the period (or any portion thereof in which bonds of such series were outstanding) being used for the calculation of adjusted net earnings if such bonds were outstanding during such period;

   b. By multiplying the principal amount of such bonds outstanding or applied for on the date of the certificate or opinion containing such computation by the initial interest rate upon issuance if such bonds were or are to be issued after the period being used for the calculation of adjusted net earnings.

6. The deletion of any provision in any Class A Mortgage that requires a net earnings test or net earnings certificate as a condition precedent to the issuance or authentication of Class A Bonds under such Class A Mortgage.

SCHEDULE A – Securities Issued Hereunder

Supplemental Indenture No.	Dated as of	Series	Series Designation	Principal Amount Authorized	Principal Amount Issued	Principal Amount Outstanding[1]
1	August 1, 2001	First	Senior Secured Bonds, 5 7/8% Series due 2007	$300,000,000	$300,000,000	None
1	August 1, 2001	Second	Senior Secured bonds, 6 ¼% Series due 2009	$500,000,000	$500,000,000	None
2	February 1, 2003	Third	Senior Secured Bonds, 3.125% Pollution Control Series due 2008	$90,000,000	$90,000,000	None
3	May 1, 2003	Fourth	Senior Secured Bonds, 4.30% Series due 2013	$100,000,000	$100,000,000	None
4	February 1, 2005	Fifth	Senior Secured Bonds, 4.70% Pollution Control Series due 2029	$115,500,000	$115,500,000	None
5	May 1, 2005	Sixth	Senior Secured Bonds, 4.75% Pollution Control Series due 2027	$108,250,000	$108,250,000	None
6	December 1, 2005	Seventh	Senior Secured Bonds, 4.95% Series due 2015	$100,000,000	$100,000,000	None
6	December 1, 2005	Eighth	Senior Secured Bonds, 5.15% Series due 2020	$100,000,000	$100,000,000	None
7	August 1, 2007	Ninth	Senior Secured Bonds, 6.45% Series due 2037	$250,000,000	$250,000,000	$250,000,000
8	October 1, 2008	Tenth	Senior Secured Bonds, 7.125% Series due 2013	$400,000,000	$400,000,000	None
9	October 1, 2008	Eleventh	Senior Secured Bonds, Variable Rate Pollution Control Series 2008	$90,000,000	$90,000,000	None
10	May 1, 2009	Twelfth	First Mortgage Bonds, 6.25% Series due 2039	$300,000,000	$300,000,000	$300,000,000
11	July 1, 2011[2]	—	—	—	—	—
12	July 1, 2011	Thirteenth	First Mortgage Bonds, 5.20% Series due 2041	$250,000,000	$250,000,000	$250,000,000
13	August 1, 2011	Fourteenth	First Mortgage Bonds, 3.00% Series due 2021	$400,000,000	$400,000,000	None
14	August 1, 2012	Fifteenth	First Mortgage Bonds, 2.50% Series due 2022	$250,000,000	$250,000,000	None
15	July 1, 2013	Sixteenth	First Mortgage Bonds, 4.75% Series due 2043	$350,000,000	$350,000,000	$350,000,000
16	June 1, 2014	Seventeenth	First Mortgage Bonds, 4.125% Series due 2044	$300,000,000	$300,000,000	$300,000,000

[1] As of September 15, 2025.

[2] Supplemental Indenture No. 11 provided for certain amendments to the Original Indenture and did not provide for the establishment of any series of Securities.

17	October 1, 2015	Eighteenth	First Mortgage Bonds, 4.15% Series due 2045	$350,000,000	$350,000,000	$350,000,000
18	March 1, 2016	Nineteenth	First Mortgage Bonds, Pollution Control Series 2016A	$115,500,000	$115,500,000	$115,500,000
18	March 1, 2016	Twentieth	First Mortgage Bonds, Pollution Control Series 2016B	$108,250,000	$108,250,000	$108,250,000
19	May 1, 2017	Twenty-First	First Mortgage Bonds, 3.950% Series due 2047	$475,000,000	$475,000,000	$475,000,000
20	June 1, 2018	Twenty-Second	First Mortgage Bonds, 4.15% Series due 2048	$400,000,000	$400,000,000	$400,000,000
21	September 1, 2019	Twenty-Third	First Mortgage Bonds, 3.00% Series due 2049	$400,000,000	$400,000,000	$400,000,000
22	September 15, 2020	Twenty-Fourth	First Mortgage Bonds, Floating Rate Series due 2023	$250,000,000	$250,000,000	None
23	June 15, 2021	Twenty-Fifth	First Mortgage Bonds, Floating Rate Series due 2024	$650,000,000	$650,000,000	None
24	March 1, 2023	Twenty-Sixth	First Mortgage Bonds, 5% Series due 2033	$600,000,000	$600,000,000	$600,000,000
24	March 1, 2023	Twenty-Seventh	First Mortgage Bonds, 5.25% Series due 2053	$750,000,000	$750,000,000	$750,000,000
25	January 1, 2024	Twenty-Eighth	First Mortgage Bonds, 4.85% Series due 2034	$650,000,000	$650,000,000	$650,000,000
26	August 1, 2025	Twenty-Ninth	First Mortgage Bonds, 5.55% Series due 2055	$500,000,000	$500,000,000	$500,000,000

Exhibit 10(a)

PPL
EXECUTIVE DEFERRED COMPENSATION PLAN

AMENDED AND RESTATED
EFFECTIVE JANUARY 1, 2025

PPL
EXECUTIVE DEFERRED COMPENSATION PLAN
(Amended and Restated January 1, 2025)

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ARTICLE I
PURPOSE

PPL Services Corporation ("PPL" or the "Company") sponsors and maintains this PPL Executive Deferred Compensation Plan (the "Plan") for the benefit of certain executive officers, senior management employees and eligible highly compensated employees of PPL and other Participating Companies. The purpose of this Plan is to provide eligible employees a financially advantageous method to defer earned income.

This Plan received account balances from the terminated PPL Montana Officers Deferred Compensation Plan and the terminated PPL Global Officers Deferred Compensation Plan, effective November 1, 2003, by reason of the merger of those two terminated plans into this Plan as of that date.

The Plan was originally effective July 1, 1985, and is restated effective January 1, 2025 to incorporate all amendments to that date and to add the following entities as Participating Companies: Kentucky Utilities Company, LG&E and KU Services Company, and Louisville Gas and Electric Company.

ARTICLE II
DEFINITIONS

"Account" means a bookkeeping account representing the total of all amounts credited for the benefit of a Participant under the Plan. A Participant's Account tracks the amount of Deferred Base Compensation, Deferred Cash Awards, and Deferred Company Contributions. An Account may also include the balance of any account from the PPL Global Officers Deferred Compensation Plan and/or the PPL Montana Officers Deferred Compensation Plan as of the date those Plans were terminated and merged into this Plan. Each Account will have sub-accounts for each Plan Year a Participant participates in the Plan for (i) Deferred Base Compensation, (ii) Deferred Cash Awards, and (iii) Deferred Company Contributions. Each Account will classify each sub-account as either Pre-2005 Amounts or Post-2004 Amounts. Reference to an Account means any Account, sub-account or all Accounts and sub-accounts, as the context requires.

"Affiliated Company" or "Affiliated Companies" means any parent or subsidiaries of PPL (or companies under common control with PPL) that are members of the same controlled group of corporations (within the meaning of Code Section 1563(a)) as PPL or which are under common control with PPL (within the meaning of Code Section 414(c)).

"Base Compensation" means Cash Compensation other than a Cash Award.

"Beneficiary" means any person, trust or other entity designated by a Participant as the party who is or may become entitled to receive a benefit under the Plan upon the Participant's death.

"Cash Award" means annual short-term incentive pay.

"Cash Compensation" means eligible compensation as defined under the applicable Savings Plan but excluding any overtime pay and without regard to any Code Section 401(a)(17) limit.

"CLC" means Corporate Leadership Council, the members of which are named by the Chairman and Chief Executive Officer of PPL Corporation.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Deferral Election" means an election made and filed by a Participant, in the form and manner prescribed by the CLC, specifying the amount of the Participant's Base Compensation and/or Cash Award to be deferred, the Participant's deemed investment elections, and the payment timing and form applicable to those deferral elections.

"Deferred Base Compensation" means the Base Compensation of a Participant deferred under this Plan.

"Deferred Cash Award" means the Cash Award of a Participant deferred under this Plan.

"Deferred Company Contributions" means Matching Contributions and/or Employer Contributions credited to a Participant's Account under this Plan.

"Deferred Compensation" means Deferred Base Compensation and/or Deferred Cash Award.

"Disability" or "Disabled" means a Participant who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Participant's employer.

"**Eligible Employee**" means any employee of a Participating Company in career levels T1, T2, P6, M4 or M5. Notwithstanding the foregoing to the contrary, any employee of a Participating Company in career level P5 who elected to defer Cash Compensation in 2023 will remain an Eligible Employee if the employee remains employed with a Participating Company in career level P5 or any other eligible career level. For purposes of the annual Base Compensation deferral window, whether an individual, other than an employee in career levels T1 and T2, qualifies as an Eligible Employee will be determined by the October 15th immediately preceding the deferral window.

"Employer Contributions" means the company contributions credited to a Participant's Account under this Plan pursuant to Section 3.3.

"ESOP" means the PPL Employee Stock Ownership Plan.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Matching Contribution" means the company contributions credited to a Participant's Account pursuant to Section 3.2.

"Participant" means an Eligible Employee who has executed a Deferral Election and returned it to the CLC as provided in Section 3.1 or who becomes eligible for a Deferred Company Contribution or any other person with an Account, regardless of whether the individual continues to be an Eligible Employee.

"Participating Company" means PPL and any other Affiliated Company that is designated by the Board of Directors of PPL. Participating Companies are listed in Appendix A.

"Plan" means this PPL Executive Deferred Compensation Plan as set forth herein and as hereafter amended from time to time.

"**Plan Year**" means the accounting year of the Plan, which is the twelve-consecutive month period commencing on each January 1 and ending on the following December 31.

"Post-2004 Amount" means the Participant's Account attributable to Deferred Compensation and Deferred Company Contributions after December 31, 2004, plus applicable earnings.

"Pre-2005 Amount" means the Participant's Account as of December 31, 2004, plus applicable earnings.

"PPL" means PPL Services Corporation.

"PPL Corporation" means PPL Corporation.

"**Savings Plan**" means any qualified defined contribution retirement plan with a 401(k) arrangement sponsored by a Participating Company, each as amended from time to time, as applicable with respect to each Participant at the relevant time.

"Section 409A" means Section 409A of the Code, as amended, and the final Treasury Regulations issued thereunder.

"Separation from Service" means a "separation from service" as defined in Section 409A.

"SERP" means the PPL Supplemental Executive Retirement Plan.

"Unforeseeable Emergency" means an "unforeseeable emergency" as defined in Section 409A.

ARTICLE III
DEFERRAL ELECTION; COMPANY CONTRIBUTIONS

3.1 Deferral Elections

An Eligible Employee may elect to participate for each Plan Year by making a Deferral Election within the time periods prescribed below.

(a) Base Compensation. To be effective for a Plan Year, a Deferral Election to defer a portion of Base Compensation must be returned by the deadline set by the CLC, which in no event will be later than the December 31 immediately preceding the applicable Plan Year. All Deferral Elections are irrevocable for the Plan Year for which the Deferral Election is made and cannot be changed or revoked after the deadline set by the CLC, which in no event will be later than the December 31 immediately preceding the Plan Year except as otherwise provided in the Plan.

(b) Cash Awards. An irrevocable Deferral Election to defer a portion of a Cash Award may be made on or before June 30 of the performance period, i.e., the calendar year a Participant performs services for a Participating Company to which the Cash Award relates, if:

(1) the individual is an Eligible Employee and performs services continuously from the later of (a) the beginning of the performance period or (b) the date the performance criteria are established through the date an election is made under this subsection;

(2) the individual becomes an Eligible Employee no later than May 15 of the applicable performance period; and

(3) the Cash Award has not become readily ascertainable.

(c) First Year Eligibility. An Eligible Employee who first becomes eligible to participate in the Plan during a Plan Year due to becoming designated as an employee in career levels T1 or T2, may make a Deferral Election within thirty (30) days after the designation to defer Base Compensation that will be paid for services to be performed after the election. If an Eligible Employee first becomes eligible to participate in the Plan during a Plan Year for a reason other than becoming designated as an employee in career levels T1 or T2, they may make a Deferral Election to defer Base Compensation pursuant to subsection (a) above. An Eligible Employee who first becomes eligible to participate in the Plan during a Plan Year may make a Deferral Election as to a Cash Award if eligible under and pursuant to subsection (b) above.

(d) Form and Time of Payment. A Deferral Election will provide the Eligible Employee with the opportunity to elect the following with regard to the applicable Plan Year's deferrals and associated Deferred Company Contributions: (i) the time and form of payment upon their Separation from Service, (ii) the form of payment upon their becoming Disabled but without incurring a Separation from Service, and (iii) the time and form of payment on a specified date, which must be at least twelve (12) months after the Deferral Election becomes irrevocable. A Participant may elect a different payment form for each payment event specified above.

3.2 Matching Contributions

If an Eligible Employee contributes Deferred Compensation for the Plan Year, the Eligible Employee will also receive a Matching Contribution amount based on the amount of their Deferred Compensation and the matching contribution formula the Eligible Employee is eligible for under the applicable Savings Plan.

3.3 Employer Contributions

If an Eligible Employee is eligible to receive a nonelective employer contribution under the applicable Savings Plan, the Eligible Employee will receive an Employer Contribution based on the same percentage provided under the applicable Savings Plan of the Eligible Employee's Cash Compensation paid for the Plan Year minus the amount of the nonelective employer contribution made to the Eligible Employee's account in the applicable Savings Plan for that Plan Year.

ARTICLE IV
ACCOUNT

4.1 Accounts

All Deferred Compensation and Deferred Company Contributions, plus applicable earnings, will be credited to a Participant's Account.

4.2 Investment of Accounts

The portion of a Participant's Account maintained in dollars will be deemed to be invested in the investment options selected by the Participant, in the percentages elected by the Participant for each Account. The CLC will determine and communicate to Participants the investment options available under the Plan. If a Participant fails to make an investment election, their Account(s) will be deemed to be invested in the qualified default investment alternative (QDIA) for the Savings Plan in which the Participant is eligible at that time. The Account(s) will be adjusted to reflect the earnings, gains and losses, reduced by any allocable costs or expenses, such Account(s) would have experienced had it actually been invested in the specific funds at the relevant times.

Participants may change their deemed investment elections under the Plan in the form and manner prescribed by the CLC. The Company is not obligated to actually invest any assets in the investment funds selected by the Participant.

ARTICLE V
PAYMENT OF ACCOUNT

5.1 Time of Payment

(a) Pre-2005 Amounts. Payments for Pre-2005 Amounts will commence immediately when the Participant's employment with a Participating Company terminates for any reason, including retirement.

(b) Post-2004 Amounts. Payment of the Participant's Post-2004 Amounts for a particular Plan Year will begin in accordance with the Participant's Deferral Election associated with the first to occur of: (1) the Participant's Separation from Service, (2) the Participant's Disability or (3) the specified date, as elected by the Participant, if applicable.

(1) Separation from Service Timing. With respect to a particular Plan Year's Deferred Compensation and Deferred Company Contributions, a Participant may elect to begin to receive their Post-2004 Amounts in the event of a Separation from Service on one of the following dates: (A) the date that is six (6) months after Separation from Service, (B) the first anniversary of Separation from Service, (C) the second anniversary of Separation from Service, (D) the third anniversary of Separation from Service, (E) the fourth anniversary of Separation from Service, or (F) the fifth anniversary of Separation from Service.

(2) Disability Timing. In the event a Participant's Post-2004 Amounts are payable due to a Disability, payment will begin within thirty (30) days of the Participant's Disability.

(3) Participant Election Timing. A Participant may elect to receive their Post-2004 Amounts on a specified date in accordance with their Deferral Election.

If there is not a valid election on file with respect to any Post-2004 Amount, amounts will be paid on the date that is six (6) months after the Participant's Separation from Service.

5.2 Form of Payment

(a) (1) Pre-2005 Amounts. The Pre-2005 Amounts will be paid to a Participant in a lump sum or in annual installments up to a maximum of fifteen (15) years, as elected by the Participant. The election must have been made before the applicable Cash Compensation and/or Cash Award was deferred and may not be changed. Any Pre-2005 Amounts for which the Participant did not make a valid election will be paid in the form of a lump sum.

(2) Post-2004 Amounts. Post-2004 Amounts will be paid as elected in accordance with the Participant's Deferral Election in a lump sum or in annual installments up to a maximum of fifteen (15) years. Any Post-2004 Amounts for which the Participant did not make a valid election will be paid in the form of a lump sum.

(b) Solely with respect to Pre-2005 Amounts, all annual installment payments will, except for the final payment, be not less than $5,000. To the extent necessary, the number of annual installments may be reduced to ensure that each annual installment payment is at least $5,000.

5.3 Death of Participant

(a) If a Participant dies while employed by PPL or an Affiliated Company or before any and all payments have been paid under this Article, payments will be made to the Beneficiary designated in writing by the Participant. A Participant may change their Beneficiary designation and designate a new Beneficiary at any time prior to the Participant's death in the form and manner prescribed by the CLC The person named as the Participant's Beneficiary need not consent or approve of a change in Beneficiary designation. In the event the designated Beneficiary does not survive the Participant, payment will be made to an alternate Beneficiary designated in writing by the Participant. If no such designation is in effect at the time of the Participant's death, or if the alternate Beneficiary does not survive the Participant, payment will be made to the Participant's estate.

(b) Payments made to a Participant's designated Beneficiary will be made in a lump sum on or before the first day of the second month following the date of the Participant's death.

5.4 Unforeseeable Emergency Withdrawal

Upon the Participant's request, the CLC may determine, in its sole discretion, that an amount will be paid to a Participant or a Beneficiary upon an Unforeseeable Emergency. In such case, a lump sum payment will be made upon the occurrence of the Unforeseeable Emergency equal to the amount necessary to satisfy the emergency need, including amounts to pay any Federal, state, local or foreign taxes or penalties reasonably anticipated to result from the distribution. A distribution pursuant to this paragraph will not be made to the extent that an Unforeseeable Emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, or by liquidation of the Participant's assets to the extent the liquidation does not itself cause severe financial hardship, or by cessation of future deferrals under the Plan.

5.5 Incompetence

If the person to receive payment is a minor or is deemed by the CLC or is adjudged to be legally incompetent, the payments will be made to the duly appointed guardian or committee of such minor or incompetent, or they may be made to such person or persons the CLC believes are caring for or supporting such minors or incompetents.

ARTICLE VI
ADMINISTRATION

6.1 Plan Administration

The Plan will be administered by the CLC. The CLC or its delegate will have the discretionary authority and final right to interpret, construe and make benefit determinations (including eligibility and amount) under the Plan. The decisions of the CLC are final and conclusive for all purposes. If one or more members of the CLC are disqualified by personal interest from taking part in a particular decision, the remaining member or members of the CLC (although less than a quorum) will have full authority to act on the matter. The CLC will have authority to delegate specified duties and responsibilities to specific members of the CLC, other PPL Committees, or other PPL management employees.

6.2 Expenses

All expenses and costs in connection with administration of the Plan will be borne by PPL.

6.3 Maintenance of Separate Accounts

All payments from this Plan to a Participant or a Beneficiary will be made from the general assets of the applicable Participating Company. This Plan will not require any Participating Company or an Affiliated Company to set aside, segregate, earmark, pay into trust or special account or otherwise restrict the use of its assets in the operation of the business. A Participant or Beneficiary will have no greater right or status than an unsecured general creditor of a Participating Company with respect to any amounts owed to the Participant or Beneficiary hereunder.

ARTICLE VII
MISCELLANEOUS

7.1 Employment Rights

Nothing in this Plan will confer any right on any Participant to continue in a participating Company's or an Affiliated Company's employ or to receive compensation therefrom, nor will anything in this Plan affect in any way the right of a Participating Company or an Affiliated Company to terminate any Participant's employment at any time.

7.2 Governing Law

To the extent federal law, including Code Section 409A, does not apply, the Plan will be construed, administered and enforced according to the laws of the Commonwealth of Pennsylvania.

7.3 Assignment

All payments to persons entitled to benefits hereunder will not be grantable, transferable, pledged or otherwise assignable in anticipation of payment thereof, or subject to attachment, alienation, garnishment, levy, execution or other legal or equitable process in whole or in part, by the voluntary or involuntary acts of any such persons, or by operation of law, and will not be liable or taken for any obligation of such person. Each Participating Company will observe the terms of the Plan unless and until ordered to do otherwise by a state or federal court. As a condition of participation, a Participant agrees to hold a Participating Company harmless from any claim that arises out of the Participating Company obeying any such order whether such order effects a judgment of such court or is issued to enforce a judgment or order of another court.

7.4 Section 409A Compliance

This Plan is intended to comply with Code Section 409A or an exemption thereunder and will be construed and administered in accordance with Code Section 409A. Notwithstanding any other provision of this Plan, payments provided under this Plan may only be made upon an event and in a manner that complies with Code Section 409A or an applicable exemption. Except as otherwise specifically provided herein, for purposes of Code Section 409A, each installment payment provided under this Plan will be treated as a separate payment. Any payments to be made under this Plan upon a termination of employment will only be made if such termination of employment constitutes a "separation from service" under Code Section 409A.

7.5 Terms

Titles of Articles and Sections hereof are for general information only and the Plan will not be construed by reference thereto.

ARTICLE VIII
TERMINATION OR AMENDMENT

The CLC or the Chief Human Resources Officer of PPL (and any successor officer or individual performing substantially similar duties) may amend or terminate the Plan at any time in accordance with Code Section 409A. Each amendment to the Plan will be binding on each Participating Company to which it applies.

No termination or amendment of the Plan will, without a Participant's consent, alter: (a) a Participant's right to payments of amounts previously credited to a Participant's Account, which amounts will continue to be adjusted for earnings and losses as provided herein as though the Plan termination or amendment had not occurred, (b) the amount or times of payment of such amounts which have commenced prior to the effective date of such Plan termination or amendment, or (c) a Participant's right to designate Beneficiaries in the event of a Participant's death.

Executed this ____ day of 12/20/2024 2024.

PPL SERVICES CORPORATION

Angela Gosman
Angela Gosman (Dec 20, 2024 11:55 EST)

Angela K. Gosman
Executive Vice President &
Chief Human Resources Officer

APPENDIX A
PARTICIPATING COMPANIES

1. Kentucky Utilities Company
2. LG&E and KU Services Company
3. Louisville Gas and Electric Company
4. PPL Electric Utilities
5. PPL Services Corporation
6. The Narragansett Company d/b/a Rhode Island Energy

PPL EXECUTIVE DEFERRED COMPENSATION PLAN
(As Amended and Restated Effective as of January 1, 2025)

First Amendment

WHEREAS, PPL Services Corporation ("PPL") sponsors the PPL Executive Deferred Compensation Plan, as amended and restated effective January 1, 2025 ("Plan");

WHEREAS, pursuant to Article VIII of the Plan, the Chief Human Resources Officer of PPL ("CHRO") has the authority to amend the Plan; and

WHEREAS, the CHRO desires to amend the Plan to (1) clarify language addressing unforeseeable emergency withdrawals, (2) clarify language addressing matching contributions, and (3) include claims and appeals language in the Plan document.

NOW, THEREFORE, effective January 1, 2025, the Plan is hereby amended as follows:

1. Article II of the Plan, **DEFINITIONS**, is hereby amended to add a new definition "**ERISA**" to read as follows:

> "**"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended from time to time."

2. The definition of **"Unforeseeable Emergency"** in Article II of the Plan, **DEFINITIONS**, is hereby amended in its entirety to read as follows:

> "**"Unforeseeable Emergency"** means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant's spouse, or a dependent (as defined in Code Section 152(a)) of the Participant; loss of the Participant's property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant as defined in Section 409A. The following may constitute an unforeseeable emergency: the imminent foreclosure of or eviction from the Participant's primary residence; the need to pay for medical expenses, including non-refundable deductibles, and the costs of prescription drug medication; and the need to pay for the funeral expenses of a spouse, a beneficiary, or a dependent."

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3. Section 3.2 of the Plan, **Matching Contributions**, is hereby amended in its entirety to read as follows:

"**3.2 Matching Contributions**

If an Eligible Employee contributes Deferred Compensation for the Plan Year, the Eligible Employee will also receive a Matching Contribution amount based on the amount of their Deferred Compensation and the matching contribution formula the Eligible Employee is eligible for under the applicable Savings Plan, except the maximum Matching Contribution will be up to the applicable percentage of the Deferral Election and not the percentage of Cash Compensation. If an Eligible Employee is deferring Base Compensation when the Eligible Employee's matching contributions in the applicable Savings Plan cease due to a Code limitation, then the Eligible Employee's Matching Contributions will increase to be up to the applicable percentage of Cash Compensation.

Notwithstanding the foregoing, if an Eligible Employee receives an annual true-up matching contribution in their applicable Savings Plan, their Matching Contribution for the same year will be reduced so that, between their matching contributions received in the Plan and in the applicable Savings Plan, the Eligible Employee does not receive more than the maximum possible matching contribution, as determined using Cash Compensation, that year."

4. Article VII of the Plan, **MISCELLANEOUS**, is hereby amended to add a new Section 7.6 to read as follows:

"**7.6 Claims and Appeals Procedure**

(a) The CLC is responsible for determining a Participant's rights under the Plan. A Participant may make a claim for benefits by submitting a written claim to the CLC or its designee. The Participant's submission should state the reasons supporting their claim and should include any supporting records or documentation.

(b) The Participant will receive a written determination of their claim from the CLC or its designee within ninety (90) days from the receipt of the claim (180 days if special circumstances apply and the Participant is notified). If the claim involves a determination of disability, the decision will be made within forty-five (45) days (105 days if special circumstances apply and the Participant is notified). The determination will include:

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(1) The reasons for the denial, with specific reference to the Plan provisions on which the denial is based;

(2) A description of any additional material or information required and an explanation of why it is necessary;

(3) An explanation of the Plan's claim review procedure; and

(4) With respect only to a claim that involves a determination of disability:

(i) A discussion of the decision, including an explanation of the basis for disagreeing with or not following (1) the views presented by the Participant to the Plan of health care professionals treating the Participant and vocational professionals who evaluated the Participant, (2) the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the Participant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination and (3) a disability determination regarding the Participant presented by the Participant to the Plan and made by the Social Security Administration;

(ii) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist;

(iii) a statement that the Participant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Participant's claim for benefits; and

(iv) In addition, any such notice of an adverse benefit determination with respect to a claim that involves a determination of disability will be provided in a culturally and linguistically appropriate manner.

(c) If the claim is denied, the Participant may request a review of the denied claim by submitting a written appeal to the CLC or its designee within sixty (60) days (or, if the claim involves a determination of disability, 180 days) of the date that the Participant receives the denial notice. The Participant's appeal should state the reasons why they disagree with the denial and should include any supporting records or documentation.

Additionally, in the case of a claim involving a determination of disability, the CLC will provide the Participant, free of charge, with any new or additional evidence considered, relied upon or generated by the Plan, the CLC or other person making the benefit determination (or at the direction of the Plan, the CLC, or such other person) in connection with the Participant's appeal as soon as possible and sufficiently in advance of the date on which it provides the Participant with notice of its determination on appeal, so that the Participant will have a reasonable opportunity to respond prior to that date. If the denial of the Participant's appeal is based on a new or additional rationale, the CLC will provide the Participant, free of charge, with the new or additional rationale as soon as possible and sufficiently in advance of the date on which it provides the Participant with notice of its determination on appeal, so that the Participant will have a reasonable opportunity to respond prior to that date.

(d) The CLC or its designee will notify the Participant of its decision within sixty (60) days of receiving the appeal (120 days if special circumstances apply and the Participant is notified). If the claim involves a determination of disability, the decision will be made within forty-five (45) days (90 days if special circumstances apply and the Participant is notified).

(1) The notice will be in writing and will state (A) the reasons for the decision and reference relevant Plan provisions, (B) a statement that the Participant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits and (C) a statement describing the Participant's right to bring an action under ERISA Section 502(a).

(2) With respect to a claim that involves a determination of disability, the Participant will receive, in a manner reasonably calculated to be understood by the Participant, a written notice from the CLC which will set forth:

(i) a statement describing any applicable contractual limitations period that applies to the Participant's right to bring a civil action under ERISA Section 502(a), including the calendar date on which the contractual limitations period expires;

(ii) discussion of the decision, including an explanation of the basis for disagreeing with or not following (1) the views presented by the Participant to the Plan of health care professionals treating the Participant and vocational professionals who evaluated the Participant, (2) the views of medical or

vocational experts whose advice was obtained on behalf of the Plan in connection with the Participant's adverse benefit determination, without regard to whether the advice was relied upon in making the benefit determination and (3) a disability determination regarding the Participant presented by the Participant to the Plan and made by the Social Security Administration; and

(iii) either the specific internal rules, guidelines, protocols, standards or other similar criteria of the Plan relied upon in making the adverse determination or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist.

Any such notice of an adverse benefit determination with respect to a claim that involves a determination of disability will be provided in a culturally and linguistically appropriate manner. In addition, upon request, the CLC will provide the Participant with a statement identifying those medical or vocational experts whose advice was obtained in connection with the appeal.

(e) The CLC has discretionary authority to determine eligibility for benefits and to interpret the terms of the Plan. The decisions of the CLC are final and conclusive for all purposes."

IN WITNESS WHEREOF, this First Amendment is executed as of August 25, 2025.

PPL SERVICES CORPORATION

Angela Gosman
Executive Vice President & Chief Human Resources Officer

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Exhibit 31(a)

CERTIFICATION

I, VINCENT SORGI, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ Vincent Sorgi

Vincent Sorgi
President and Chief Executive Officer
(Principal Executive Officer)
PPL Corporation

Exhibit 31(b)

CERTIFICATION

I, JOSEPH P. BERGSTEIN, JR., certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ Joseph P. Bergstein, Jr.
Joseph P. Bergstein, Jr.
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
PPL Corporation

Exhibit 31(c)

CERTIFICATION

I, CHRISTINE M. MARTIN, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ Christine M. Martin
Christine M. Martin
President
(Principal Executive Officer)
PPL Electric Utilities Corporation

Exhibit 31(d)

CERTIFICATION

I, MARLENE C. BEERS, certify that:

1. I have reviewed this quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ Marlene C. Beers

Marlene C. Beers
Vice President and Controller
(Principal Financial Officer)
PPL Electric Utilities Corporation

Exhibit 31(e)

CERTIFICATION

I, JOHN R. CROCKETT III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ John R. Crockett III
John R. Crockett III
President
(Principal Executive Officer)
Louisville Gas and Electric Company

Exhibit 31(f)

CERTIFICATION

I, CHRISTOPHER M. GARRETT, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ Christopher M. Garrett
Christopher M. Garrett
Vice President-Finance and Accounting
(Principal Financial Officer)
Louisville Gas and Electric Company

Exhibit 31(g)

CERTIFICATION

I, JOHN R. CROCKETT III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kentucky Utilities Company (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ John R. Crockett III
John R. Crockett III
President
(Principal Executive Officer)
Kentucky Utilities Company

Exhibit 31(h)

CERTIFICATION

I, CHRISTOPHER M. GARRETT, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Kentucky Utilities Company (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2025

/s/ Christopher M. Garrett
Christopher M. Garrett
Vice President-Finance and Accounting
(Principal Financial Officer)
Kentucky Utilities Company

Exhibit 32(a)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR PPL CORPORATION'S FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2025

In connection with the quarterly report on Form 10-Q of PPL Corporation (the "Company") for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, Vincent Sorgi, the Principal Executive Officer of the Company, and Joseph P. Bergstein, Jr., the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2025

/s/ Vincent Sorgi
Vincent Sorgi
President and Chief Executive Officer
(Principal Executive Officer)
PPL Corporation

/s/ Joseph P. Bergstein, Jr.
Joseph P. Bergstein, Jr.
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
PPL Corporation

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(b)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR PPL ELECTRIC UTILITIES CORPORATION'S FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2025

In connection with the quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "Company") for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, Christine M. Martin, the Principal Executive Officer of the Company, and Marlene C. Beers, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2025

/s/ Christine M. Martin
Christine M. Martin
President
(Principal Executive Officer)
PPL Electric Utilities Corporation

/s/ Marlene C. Beers
Marlene C. Beers
Vice President and Controller
(Principal Financial Officer)
PPL Electric Utilities Corporation

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(c)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR LOUISVILLE GAS AND ELECTRIC COMPANY'S FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2025

In connection with the quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "Company") for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, John R. Crockett III, the Principal Executive Officer of the Company, and Christopher M. Garrett, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2025

/s/ John R. Crockett III
John R. Crockett III
President
(Principal Executive Officer)
Louisville Gas and Electric Company

/s/ Christopher M. Garrett
Christopher M. Garrett
Vice President-Finance and Accounting
(Principal Financial Officer)
Louisville Gas and Electric Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(d)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR KENTUCKY UTILITIES COMPANY'S FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2025

In connection with the quarterly report on Form 10-Q of Kentucky Utilities Company (the "Company") for the quarter ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, John R. Crockett III, the Principal Executive Officer of the Company, and Christopher M. Garrett, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2025

/s/ John R. Crockett III
John R. Crockett III
President
(Principal Executive Officer)
Kentucky Utilities Company

/s/ Christopher M. Garrett
Christopher M. Garrett
Vice President-Finance and Accounting
(Principal Financial Officer)
Kentucky Utilities Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the fiscal year ended December 31, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from _____ to _____

Commission File Number	Registrant; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
1-11459	**PPL Corporation** (Exact name of Registrant as specified in its charter) Pennsylvania 645 Hamilton Street Allentown, PA 18101 (610) 774-5151	23-2758192
1-905	**PPL Electric Utilities Corporation** (Exact name of Registrant as specified in its charter) Pennsylvania 827 Hausman Road Allentown, PA 18104-9392 (610) 774-5151	23-0959590
1-2893	**Louisville Gas and Electric Company** (Exact name of Registrant as specified in its charter) Kentucky 820 West Broadway Louisville, KY 40202 (502) 627-2000	61-0264150
1-3464	**Kentucky Utilities Company** (Exact name of Registrant as specified in its charter) Kentucky and Virginia One Quality Street Lexington, KY 40507-1462 (502) 627-2000	61-0247570

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Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s):	Name of each exchange on which registered
Common Stock of PPL Corporation	PPL	New York Stock Exchange
Junior Subordinated Notes of PPL Capital Funding, Inc. 2007 Series A due 2067	PPL/67	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Common Stock of PPL Electric Utilities Corporation

Indicate by check mark if the registrants are a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

PPL Corporation	Yes	☒	No	☐
PPL Electric Utilities Corporation	Yes	☒	No	☐
Louisville Gas and Electric Company	Yes	☒	No	☐
Kentucky Utilities Company	Yes	☒	No	☐

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

PPL Corporation	Yes	☐	No	☒
PPL Electric Utilities Corporation	Yes	☐	No	☒
Louisville Gas and Electric Company	Yes	☐	No	☒
Kentucky Utilities Company	Yes	☐	No	☒

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

PPL Corporation	Yes	☒	No	☐
PPL Electric Utilities Corporation	Yes	☒	No	☐
Louisville Gas and Electric Company	Yes	☒	No	☐
Kentucky Utilities Company	Yes	☒	No	☐

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit such files).

PPL Corporation	Yes	☒	No	☐
PPL Electric Utilities Corporation	Yes	☒	No	☐
Louisville Gas and Electric Company	Yes	☒	No	☐
Kentucky Utilities Company	Yes	☒	No	☐

Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers, smaller reporting companies or emerging growth companies. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
PPL Corporation	☒	☐	☐	☐	☐
PPL Electric Utilities Corporation	☐	☐	☒	☐	☐
Louisville Gas and Electric Company	☐	☐	☒	☐	☐
Kentucky Utilities Company	☐	☐	☒	☐	☐

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If emerging growth companies, indicate by check mark if the registrants have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

PPL Corporation	☐
PPL Electric Utilities Corporation	☐
Louisville Gas and Electric Company	☐
Kentucky Utilities Company	☐

Indicate by check mark whether each registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

PPL Corporation	☒
PPL Electric Utilities Corporation	☐
Louisville Gas and Electric Company	☐
Kentucky Utilities Company	☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrants included in the filing reflect the correction of an error to previously issued financial statements.

PPL Corporation	☐
PPL Electric Utilities Corporation	☐
Louisville Gas and Electric Company	☐
Kentucky Utilities Company	☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrants' executive officers during the relevant recovery period pursuant to §240.10D-1(b).

PPL Corporation	☐
PPL Electric Utilities Corporation	☐
Louisville Gas and Electric Company	☐
Kentucky Utilities Company	☐

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).

PPL Corporation	Yes	☐	No	☒
PPL Electric Utilities Corporation	Yes	☐	No	☒
Louisville Gas and Electric Company	Yes	☐	No	☒
Kentucky Utilities Company	Yes	☐	No	☒

As of June 30, 2025, PPL Corporation had 739,306,310 shares of its $0.01 par value Common Stock outstanding. The aggregate market value of these common shares (based upon the closing price of these shares on the New York Stock Exchange on that date) held by non-affiliates was $25,055,090,846. As of January 30, 2026, PPL Corporation had 751,306,792 shares of its $0.01 par value Common Stock outstanding.

As of January 30, 2026, PPL Corporation held all 66,368,056 outstanding common shares, no par value, of PPL Electric Utilities Corporation.

As of January 30, 2026, LG&E and KU Energy LLC held all 21,294,223 outstanding common shares, no par value, of Louisville Gas and Electric Company.

As of January 30, 2026, LG&E and KU Energy LLC held all 37,817,878 outstanding common shares, no par value, of Kentucky Utilities Company.

PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company meet the conditions set forth in General Instructions (I)(1)(a) and (b) of Form 10-K and are therefore filing this form with the reduced disclosure format.

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Documents incorporated by reference:

PPL Corporation has incorporated herein by reference certain sections of PPL Corporation's 2026 Notice of Annual Meeting and Proxy Statement, which will be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2025 and which will provide the information required by Part III of this Report.

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PPL CORPORATION
PPL ELECTRIC UTILITIES CORPORATION
LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY

FORM 10-K ANNUAL REPORT TO
THE SECURITIES AND EXCHANGE COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2025

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This combined Form 10-K is separately filed by the following Registrants in their individual capacity: PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company. Information contained herein relating to any individual Registrant is filed by such Registrant solely on its own behalf and no Registrant makes any representation as to information relating to any other Registrant, except that information under "Forward-Looking Information" relating to subsidiaries of PPL Corporation is also attributed to PPL Corporation.

Unless otherwise specified, references in this Report, individually, to PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company are references to such entities directly or to one or more of their subsidiaries, as the case may be, the financial results of which subsidiaries are consolidated into such Registrants' financial statements in accordance with GAAP. This presentation has been applied where identification of particular subsidiaries is not material to the matter being disclosed, and to conform narrative disclosures to the presentation of financial information on a consolidated basis.

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GLOSSARY OF TERMS AND ABBREVIATIONS

PPL Corporation and its subsidiaries

CEP Reserves - CEP Reserves, Inc., a cash management subsidiary of PPL that maintains cash reserves for the balance sheet management of PPL and certain subsidiaries.

KU - Kentucky Utilities Company, a public utility subsidiary of LKE engaged in the regulated generation, transmission, distribution and sale of electricity, primarily in Kentucky.

LG&E - Louisville Gas and Electric Company, a public utility subsidiary of LKE engaged in the regulated generation, transmission, distribution and sale of electricity and the distribution and sale of natural gas in Kentucky.

LKE - LG&E and KU Energy LLC, a subsidiary of PPL and the parent of LG&E, KU and other subsidiaries.

LKS - LG&E and KU Services Company, a subsidiary of LKE that provides administrative, management and support services primarily to LG&E and KU, as well as to LKE and its other subsidiaries.

Narragansett Electric - The Narragansett Electric Company, an entity that serves electric and natural gas customers in Rhode Island. Narragansett Electric is sometimes referred to as Rhode Island Energy or RIE.

PPL - PPL Corporation, the ultimate parent holding company of PPL Electric, PPL Energy Funding, PPL Capital Funding, LKE, RIE and other subsidiaries.

PPL Capital Funding - PPL Capital Funding, Inc., a financing subsidiary of PPL that provides financing for the operations of PPL and certain subsidiaries. Debt issued by PPL Capital Funding is fully and unconditionally guaranteed as to payment by PPL.

PPL Electric - PPL Electric Utilities Corporation, a public utility subsidiary of PPL engaged in the regulated transmission and distribution of electricity in its Pennsylvania service area and that provides electricity supply to its retail customers in this area as a PLR.

PPL Energy Holdings - PPL Energy Holdings, LLC, a subsidiary of PPL and the parent holding company of PPL Energy Funding, LKE, PPL Electric, PPL Rhode Island Holdings, PPL Services and other subsidiaries.

PPL Rhode Island Holdings - PPL Rhode Island Holdings, LLC, a subsidiary of PPL Energy Holdings formed for the purpose of acquiring Narragansett Electric to which certain interests of PPL Energy Holdings in the Narragansett Stock Purchase Agreement were assigned.

PPL Services - PPL Services Corporation, a subsidiary of PPL that provides administrative, management and support services to PPL and its subsidiaries.

PPL WPD Limited - Prior to the sale of the U.K. utility business on June 14, 2021, PPL WPD Limited was an indirect parent to WPD. PPL WPD Limited was not included in the sale of the U.K. utility business on June 14, 2021. PPL WPD Limited was dissolved June 17, 2025.

RIE - Rhode Island Energy, the name under which Narragansett Electric provides gas and electric services to customers in Rhode Island.

Other terms and abbreviations

£ - British pound sterling.

401(h) account(s) - a sub account established within a qualified pension trust to provide for the payment of retiree medical costs.

2024 Form 10-K - Annual Report filed with the SEC on Form 10-K for the year ended December 31, 2024.

Act 11 - Act 11 of 2012 that became effective on April 16, 2012. The Pennsylvania legislation authorized the PAPUC to approve two specific ratemaking mechanisms: the use of a fully projected future test year in base rate proceedings and, subject to certain conditions, a DSIC.

Act 129 - Act 129 of 2008 that became effective in October 2008. The law amended the Pennsylvania Public Utility Code and created an energy efficiency and conservation program and smart metering technology requirements, adopted new PLR electricity supply procurement rules, provided remedies for market misconduct and changed the Alternative Energy Portfolio Standard (AEPS).

AFUDC - allowance for funds used during construction. The cost of equity and debt funds used to finance construction projects of regulated businesses, which is capitalized as part of construction costs.

AOCI - accumulated other comprehensive income or loss.

ARO - asset retirement obligation.

ATM Program - at-the-market stock offering program.

Bcf - billion cubic feet. A unit of measure commonly used in quoting volumes of natural gas.

CCR(s) - coal combustion residual(s). CCRs include fly ash, bottom ash and sulfur dioxide scrubber wastes.

CLC - Corporate Leadership Council - executive management committee that is comprised of the President and Chief Executive Officer, Chief Technology and Innovation Officer, Chief Financial Officer, Chief Human Resources Officer, Chief Legal Officer, Chief Operating Officer-Utilities, Executive Vice President of Engineering, Construction and Generation.

Clean Air Act - federal legislation enacted to address certain environmental issues related to air emissions, including acid rain, ozone and toxic air emissions.

Clean Water Act - federal legislation enacted to address certain environmental issues relating to water quality including effluent discharges, cooling water intake, and dredge and fill activities.

CPCN - Certificate of Public Convenience and Necessity. Authority granted by the KPSC pursuant to Kentucky Revised Statute 278.020 to provide utility service to or for the public or the construction of certain plant, equipment, property or facilities for furnishing of utility service to the public. A CPCN is required for any capital addition, subject to KPSC jurisdiction, in excess of $100 million.

Customer Choice Act - the Pennsylvania Electricity Generation Customer Choice and Competition Act, legislation enacted to restructure the state's electric utility industry to create retail access to a competitive market for generation of electricity.

DDCP - Directors Deferred Compensation Plan.

DER - Distributed Energy Resources.

DRIP - PPL Amended and Restated Dividend Reinvestment and Direct Stock Purchase Plan.

DSIC - Distribution System Improvement Charge. Authorized under Act 11, which is an alternative ratemaking mechanism providing more-timely cost recovery of qualifying distribution system capital expenditures.

DSM - Demand Side Management. Pursuant to Kentucky Revised Statute 278.285, the KPSC may determine the reasonableness of DSM programs proposed by any utility under its jurisdiction. DSM programs consist of energy efficiency programs intended to reduce peak demand and delay the investment in additional power plant construction, provide customers with tools and information regarding their energy usage and support energy efficiency.

Earnings from Ongoing Operations - a non-GAAP financial measure of earnings adjusted for the impact of special items and used in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" (MD&A).

EBPB - Employee Benefit Plan Board. The administrator of PPL's U.S. qualified retirement plans, which is charged with the fiduciary responsibility to oversee and manage those plans and the investments associated with those plans.

ECR - Environmental Cost Recovery. Pursuant to Kentucky Revised Statute 278.183, Kentucky electric utilities are entitled to the current recovery of costs of complying with the Clean Air Act, as amended, and those federal, state or local environmental requirements that apply to coal combustion wastes and byproducts from the production of energy from coal.

ELG(s) - Effluent Limitation Guidelines, regulations promulgated by the EPA.

Environmental Response Fund - Established in RIPUC Docket No. 2930. Created to satisfy remedial and clean-up obligations of RIE arising from the past ownership and/or operation of manufactured gas plants and sites associated with the operation and disposal activities of such gas plants.

EPA - Environmental Protection Agency, a U.S. government agency.

EPS - earnings per share.

FERC - Federal Energy Regulatory Commission, the U.S. federal agency that regulates, among other things, interstate transmission and wholesale sales of electricity, hydroelectric power projects and related matters.

FY - fiscal year.

GAAP - Generally Accepted Accounting Principles in the U.S.

GHG(s) - greenhouse gas(es).

GWh - gigawatt-hour, one million kilowatt hours.

ICPKE - The PPL Incentive Compensation Plan for Key Employees. The ICPKE provides for incentive compensation to certain employees below the level of senior executive.

If-Converted Method - A method applied to calculate diluted EPS for a company with outstanding convertible debt. This method generally adds back the interest charges, net of tax, of the debt to net income and the convertible debt is assumed to have been converted to equity at the beginning of the period, and the resulting common shares are treated as outstanding shares for diluted EPS calculations.

IRA - Inflation Reduction Act, a U.S. federal law, which aims to curb inflation by possibly reducing the federal government budget deficit, lowering prescription drug prices, and investing in domestic energy production while promoting clean energy.

IRS - Internal Revenue Service, a U.S. government agency.

ISO - Independent System Operator.

ISR - Infrastructure, safety and reliability.

KPSC - Kentucky Public Service Commission, the state agency that has jurisdiction over the regulation of rates and service of utilities in Kentucky.

KU 2010 Mortgage Indenture - KU's indenture, dated as of October 1, 2010, to the Bank of New York Mellon, as supplemented.

kVA - kilovolt ampere.

kWh - kilowatt hour, basic unit of electrical energy.

LCIDA - Lehigh County Industrial Development Authority.

LG&E 2010 Mortgage Indenture - LG&E's indenture, dated as of October 1, 2010, to the Bank of New York Mellon, as supplemented.

LRS - Last Resort Service, the role of RIE in providing default electricity supply within its delivery area to all customers who have not elected to receive their electric supply from a non-regulated power producer or any customer who, for any reason, has stopped receiving generation service from a non-regulated power producer.

McF - one thousand cubic feet, a unit of measure for natural gas.

MMBtu - one million British Thermal Units.

Moody's - Moody's Ratings, a division of Moody's Corporation, a credit rating agency.

MW - megawatt, one thousand kilowatts.

MWac - megawatt, alternating current. The measure of the power output from a solar installation.

NAAQS - National Ambient Air Quality Standards periodically adopted pursuant to the Clean Air Act.

National Grid USA - National Grid USA is a wholly-owned subsidiary of National Grid plc, a British multinational electricity and gas utility company headquartered in London, England.

NERC - North American Electric Reliability Corporation.

NGCC - Natural gas combined cycle.

NPNS - the normal purchases and normal sales exception as permitted by derivative accounting rules. Derivatives that qualify for this exception may receive accrual accounting treatment.

OCI - other comprehensive income or loss.

OVEC - Ohio Valley Electric Corporation, located in Piketon, Ohio, an entity in which LG&E owns a 5.63% interest and KU owns a 2.50% interest, which are recorded at cost. OVEC owns and operates two coal-fired power plants, the Kyger Creek plant in Ohio and the Clifty Creek plant in Indiana, with combined capacities of 2,120 MW.

PAPUC - Pennsylvania Public Utility Commission, the state agency that regulates certain ratemaking, services, accounting and operations of Pennsylvania utilities.

Performance unit - stock-based compensation award that represents a variable number of shares of PPL common stock that a recipient may receive based on PPL's attainment of (i) relative total shareowner return (TSR) as compared to companies in the PHLX Utility Sector Index; (ii) corporate return on equity (ROE); (iii) corporate earnings growth (EG); and (iv) corporate environmental, social and governance (ESG) metrics.

PHMSA - Pipeline and Hazardous Materials Safety Administration.

PJM - PJM Interconnection, L.L.C., operator of the electricity transmission network and electricity energy market in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia.

PLR - Provider of Last Resort, the role of PPL Electric in providing default electricity supply within its delivery area to retail customers who have not chosen to select an alternative electricity supplier under the Customer Choice Act.

PP&E - property, plant and equipment.

PPA(s) - power purchase agreement(s).

PPL EU Services - PPL EU Services Corporation, a former subsidiary of PPL that, prior to being merged into PPL Services on December 31, 2021, provided administrative, management and support services primarily to PPL Electric.

PPL WPD Investments Limited - PPL WPD Investments Limited, which was, prior to the sale of the U.K. utility business on June 14, 2021, a subsidiary of PPL WPD Limited and parent to WPD plc. PPL WPD Investments Limited was included in the sale of the U.K. utility business on June 14, 2021.

RAR - Retired Asset Recovery rider, established by KPSC orders in 2021 to provide for recovery of and return on the remaining investment in certain electric generating units upon their retirement over a ten-year period following retirement.

Registrant(s) - refers to the Registrants named on the cover of this Report (each a "Registrant" and collectively, the "Registrants").

RIPUC - Rhode Island Public Utilities Commission, a three-member quasi-judicial tribunal with jurisdiction, powers, and duties to implement and enforce the standards of conduct under R.I. Gen. Laws § 39-1-27.6 and to hold investigations and hearings involving the rates, tariffs, tolls, and charges, and the sufficiency and reasonableness of facilities and accommodations of public utilities.

Rhode Island Division of Public Utilities and Carriers - the Rhode Island Division of Public Utilities and Carriers, which is headed by an Administrator who is not a Commissioner of the RIPUC, exercises the jurisdiction, supervision, power, and duties not specifically assigned to the RIPUC.

RTO - Regional Transmission Operator, an electric power transmission system operator that coordinates, controls and monitors a multi-state electric grid.

ROE - Return on equity.

Safari - Safari Energy, LLC, which was, prior to the sale of Safari Holdings on November 1, 2022, a subsidiary of Safari Holdings that provided solar energy solutions for commercial customers in the U.S.

Safari Holdings - Safari Holdings, LLC, which was, prior to its sale on November 1, 2022, a subsidiary of PPL and parent holding company of Safari.

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.

SIP - PPL Corporation's Amended and Restated 2012 Stock Incentive Plan.

Smart metering technology - technology that can measure, among other things, time of electricity consumption to permit offering rate incentives for usage during lower cost or demand intervals. The use of this technology also has the potential to strengthen network reliability.

SOFR - Secured Overnight Financing Rate, a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities.

S&P - S&P Global Ratings, a credit rating agency.

Superfund - federal environmental statute that addresses remediation of contaminated sites; states also have similar statutes.

TCJA - Tax Cuts and Jobs Act. Comprehensive U.S. federal tax legislation enacted on December 22, 2017.

Total shareowner return - the change in market value of a share of the company's common stock plus the value of all dividends paid on a share of the common stock during the applicable performance period, divided by the price of the common stock as of the beginning of the performance period. The price used for purposes of this calculation is the average share price for the 20 trading days at the beginning and end of the applicable period.

Treasury Stock Method - a method applied to calculate diluted EPS that assumes any proceeds that could be obtained upon exercise of options and warrants (and their equivalents) would be used to purchase common stock at the average market price during the relevant period.

U.K. utility business - PPL WPD Investments Limited and its subsidiaries, including, notably, WPD plc and the four distribution network operators, which substantially represented PPL's U.K. Regulated segment. The U.K. utility business was sold on June 14, 2021.

VEBA - Voluntary Employee Beneficiary Association, a tax-exempt trust under the Internal Revenue Code Section 501 (c)(9) used by employers to fund and pay eligible medical, life and similar benefits.

VSCC - Virginia State Corporation Commission, the state agency that has jurisdiction over the regulation of Virginia corporations, including utilities.

WPD - Prior to the sale of the U.K. utility business on June 14, 2021, refers to PPL WPD Investments Limited and its subsidiaries. WPD was included in the sale of the U.K. utility business on June 14, 2021.

WPD plc - Western Power Distribution plc, prior to the sale of the U.K utility business, a U.K. indirect subsidiary of PPL WPD Limited. Its principal indirectly owned subsidiaries are WPD (East Midlands), WPD (South Wales), WPD (South West) and WPD (West Midlands). WPD plc was included in the sale of the U.K. utility business on June 14, 2021.

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Forward-looking Information

Statements contained in this Annual Report concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact are "forward-looking statements" within the meaning of the federal securities laws. Although the Registrants believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially from the results discussed in forward-looking statements. In addition to the specific factors discussed in "Item 1A. Risk Factors" and in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report, the following are among the important factors that could cause actual results to differ materially and adversely from the forward-looking statements:

- weather and other conditions affecting generation, transmission and distribution operations, operating costs and customer energy use;
- strategic acquisitions, dispositions, joint-ventures or similar transactions and our ability to consummate these business transactions, integrate the acquired entities or realize expected benefits from them;
- the outcome of rate cases or other cost recovery, revenue or regulatory proceedings;
- catastrophic events such as epidemic or pandemic health events, wildfires, earthquakes, explosions, floods, droughts, tornadoes, hurricanes and other extreme weather-related events (including events potentially caused or exacerbated by climate change) and their impact on economic conditions, financial markets and supply chains;
- capital market conditions, including the availability of capital, credit or insurance, changes in interest rates and certain economic indices, and decisions regarding capital structure;
- volatility in or the impact of other changes in financial markets, commodity prices and economic conditions, including inflation;
- the direct or indirect effects on PPL or its subsidiaries or business systems of cyber-based intrusion or the threat of cyberattacks;
- development, adoption and use of artificial intelligence by us, our customers and our third-party vendors;
- the effect of existing trade policies (including tariffs and other trade measures), the establishment of additional trade policies or subsequent changes to trade policies once announced or implemented, on the cost or availability of imported goods;
- significant changes in the demand for electricity, including uncertainties related to projected rapid growth in electricity demand driven primarily by data centers and other large load customers and the related requirement for substantial new generation and transmission investment, which may create capital access, revenue recovery and customer affordability risks;
- expansion of alternative and distributed sources of electricity generation and storage;
- the effectiveness of our risk management programs, including commodity and interest rate hedging;
- prolonged or recurring US federal government shutdowns;
- defaults by counterparties or suppliers for energy, capacity, coal, natural gas or key commodities, goods or services;
- a material decline in the market value of PPL's equity;
- significant decreases in the fair value of debt and equity securities and their impact on the value of assets in defined benefit plans, and the related cash funding requirements if the fair value of those assets decline;
- interest rates and their effect on pension and retiree medical liabilities, ARO liabilities, interest payable on certain debt securities, and the general economy;
- the potential impact of any unrecorded commitments and liabilities of the Registrants and their subsidiaries;
- new accounting requirements or new interpretations or applications of existing requirements;
- adverse changes in the corporate credit ratings or securities analyst rankings of the Registrants and their securities;
- any requirement to record impairment charges pursuant to GAAP with respect to any of our significant investments;
- laws or regulations to reduce emissions of GHGs or the physical effects of climate change;
- the availability of electricity and natural gas, and any consequences of a perceived or actual inability to serve demand reliably;
- continuing ability to access fuel supply for LG&E and KU, as well as the ability to recover fuel costs and environmental expenditures in a timely manner at LG&E and KU and natural gas supply costs at LG&E and RIE;
- war, armed conflicts, terrorist attacks, or similar disruptive events, including the ongoing conflicts in Ukraine and the Middle East;
- changes in political, regulatory or economic conditions in states or regions where the Registrants or their subsidiaries conduct business;
- the ability to obtain necessary governmental permits and approvals;
- changes in state or federal tax laws or regulations;
- changes in state, federal or foreign legislation or regulatory developments;

- the impact of any state, federal or foreign investigations applicable to the Registrants, their subsidiaries or the energy industry;
- our ability to attract and retain qualified employees;
- the effect of changing expectations and demands of our customers, regulators, investors and stakeholders, including differing views on environmental, social and governance concerns;
- the effect of any business or industry restructuring;
- the ability to control costs and avoid cost and schedule overruns during the development, construction and operation of significant projects, including generation and battery storage facilities and IT infrastructure;
- development of new projects, markets and technologies, including the potential impact of advancing technologies on the electricity demand required by data centers and other large load customers;
- collective labor bargaining negotiations and labor costs;
- risks related to wildfires, including costs of potential regulatory penalties and other liabilities, and the cost and availability of insurance and damages in excess of insurance liability coverage; and
- the outcome of litigation involving the Registrants and their subsidiaries.

Any forward-looking statements should be considered in light of these important factors and in conjunction with other documents of the Registrants on file with the SEC.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for the Registrants to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and the Registrants undertake no obligation to update the information contained in the statement to reflect subsequent developments or information.

Investors should note that PPL announces material financial information in SEC filings, press releases and public conference calls. In accordance with SEC guidelines, PPL also uses the Investors section of its website, www.pplweb.com, to communicate with investors. It is possible that the financial and other information posted there could be deemed to be material information. The information on PPL's website is not part of this document.

PART I

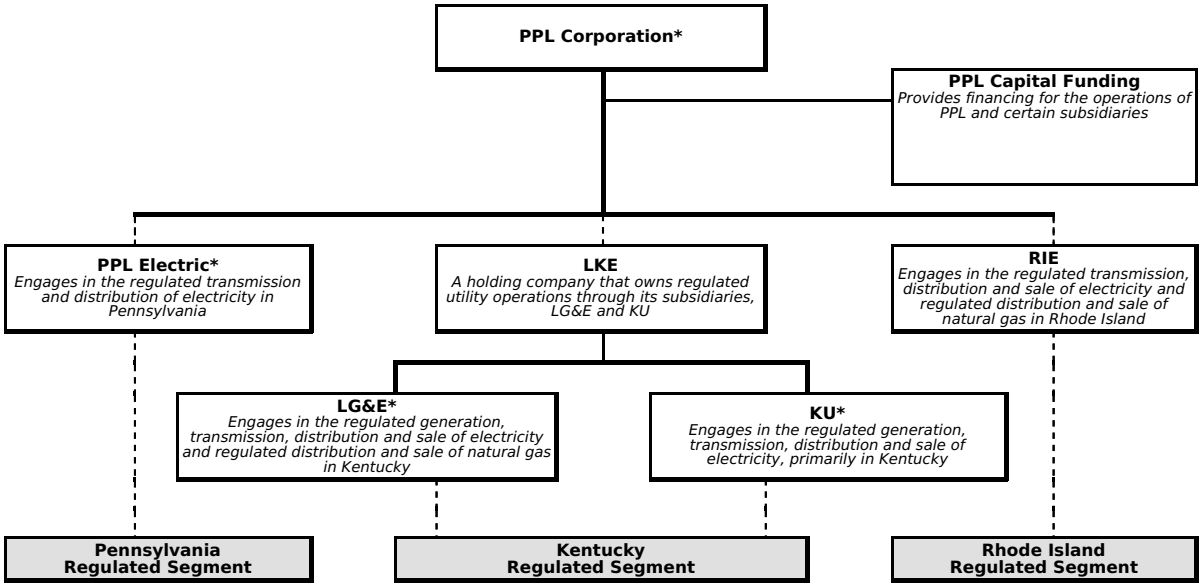
ITEM 1. BUSINESS

General

(All Registrants)

PPL, headquartered in Allentown, Pennsylvania, is a utility holding company, incorporated in 1994. PPL, through its regulated utility subsidiaries, delivers electricity to customers in Pennsylvania, Kentucky, Virginia, and Rhode Island; delivers natural gas to customers in Kentucky and Rhode Island; and generates electricity from power plants in Kentucky.

PPL's principal subsidiaries at December 31, 2025 are shown below (* denotes a Registrant).



In addition to PPL, the other Registrants included in this filing are as follows.

PPL Electric, headquartered in Allentown, Pennsylvania, is a wholly-owned subsidiary of PPL and a regulated public utility that is an electricity transmission and distribution service provider in eastern and central Pennsylvania. PPL Electric is subject to regulation as a public utility by the PAPUC, and certain of its transmission activities are subject to the jurisdiction of the FERC under the Federal Power Act. PPL Electric delivers electricity in its Pennsylvania service area and provides electricity supply to retail customers in that area as a PLR under the Customer Choice Act. PPL Electric was organized in 1920 as Pennsylvania Power & Light Company.

LG&E, headquartered in Louisville, Kentucky, is a wholly-owned subsidiary of LKE and a regulated utility engaged in the generation, transmission, distribution and sale of electricity and distribution and sale of natural gas in Kentucky. LG&E is subject to regulation as a public utility by the KPSC, and certain of its transmission activities are subject to the jurisdiction of the FERC under the Federal Power Act. LG&E was incorporated in 1913.

KU, headquartered in Lexington, Kentucky, is a wholly-owned subsidiary of LKE and a regulated utility engaged in the generation, transmission, distribution and sale of electricity in Kentucky and Virginia. KU is subject to regulation as a public utility by the KPSC and the VSCC, and certain of its transmission and wholesale power activities are subject to the jurisdiction of the FERC under the Federal Power Act. KU serves its Kentucky customers under the KU name and its Virginia customers under the Old Dominion Power name. KU was incorporated in Kentucky in 1912 and in Virginia in 1991.

Segment Information

(PPL)

PPL is organized into three reportable segments as depicted in the chart above: Kentucky Regulated, which primarily represents the results of LG&E and KU, Pennsylvania Regulated, which primarily represents the results of PPL Electric, and Rhode Island Regulated, which primarily represents the results of RIE. "Corporate and Other" primarily includes corporate level financing costs, certain unallocated corporate costs, and certain non-recoverable costs incurred in conjunction with the acquisition of RIE.

A comparison of PPL's Regulated segments is shown below.

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated
For the year ended December 31, 2025:			
Operating Revenues (in billions)	$ 3.8	$ 3.1	$ 2.2
Net Income (in millions)	$ 674	$ 639	$ 85
Electricity delivered (GWh)	31,368	37,186	7,165
Natural gas delivered (Bcf)	47	—	40
At December 31, 2025:			
Regulatory Asset Base (in billions) (a)	$ 13.6	$ 11.1	$ 4.3
Service area (in square miles)	8,000	10,000	1,200
Customers (in millions)	1.4	1.5	0.8

(a) Represents capitalization for Kentucky Regulated and rate base for Pennsylvania Regulated and Rhode Island Regulated. The amount for Pennsylvania Regulated reflects estimated 2025 year-end rate base for Pennsylvania electric distribution. The amount for Rhode Island Regulated excludes acquisition-related adjustments for non-earning assets.

See Note 2 to the Financial Statements for additional financial information by segment. See Note 3 to the Financial Statements for additional revenue information.

(PPL Electric, LG&E and KU)

PPL Electric has two operating segments, distribution and transmission, which are aggregated into a single reportable segment. Each of LG&E and KU operates as a single operating and reportable segment.

Kentucky Regulated Segment *(PPL)*

The Kentucky Regulated segment consists primarily of the regulated electricity generation, transmission and distribution operations conducted by LG&E and KU, as well as LG&E's regulated distribution and sale of natural gas.

(PPL, LG&E and KU)

LG&E and KU are engaged in the regulated generation, transmission, distribution and sale of electricity in Kentucky and, in KU's case, also Virginia. LG&E also engages in the distribution and sale of natural gas in Kentucky. LG&E provides electric service to approximately 443,000 customers and provides natural gas service to approximately 336,000 customers in Louisville and 16 surrounding counties, covering approximately 700 square miles. KU provides electric service to approximately 553,000 customers in 77 counties in central, southeastern and western Kentucky and approximately 28,000 customers in five counties in southwestern Virginia, covering approximately 4,800 non-contiguous square miles. KU also sells wholesale electricity to two municipalities in Kentucky under load following contracts.

Franchises and Licenses

LG&E and KU provide electricity delivery service, and LG&E provides natural gas distribution service, in their respective service territories pursuant to certain franchises, licenses, statutory service areas, easements and other rights or permissions granted by state legislatures, cities or municipalities or other entities.

Competition

There are currently no other electric public utilities operating within the electric service areas of LG&E and KU. From time to time, bills are introduced into the Kentucky General Assembly which seek to authorize, promote or mandate increased distributed generation, customer choice or other developments. Neither the Kentucky General Assembly nor the KPSC has adopted or approved a plan or timetable for retail electric industry competition in Kentucky. The nature or timing of legislative or regulatory actions, if any, regarding industry restructuring and their impact on LG&E and KU, which may be significant, cannot currently be predicted. Virginia, formerly a deregulated jurisdiction, has enacted legislation that implemented a hybrid model of cost-based regulation. KU's operations in Virginia have been and remain regulated.

Alternative energy sources such as electricity, oil, propane and other fuels indirectly impact LG&E's natural gas revenues. Marketers may also compete to sell natural gas to certain large end-users. LG&E's natural gas tariffs include gas price pass-through mechanisms relating to its sale of natural gas as a commodity. Therefore, customer natural gas purchases from alternative suppliers do not generally impact LG&E's profitability. Some large industrial and commercial customers, however, may physically bypass LG&E's facilities and seek delivery service directly from interstate pipelines or other natural gas distribution systems.

Power Supply

At December 31, 2025, LG&E owned generating capacity of 2,466 MW and KU owned generating capacity of 4,798 MW. See "Item 2. Properties - Kentucky Regulated Segment" for a complete list of generating facilities.

The system capacity of LG&E's and KU's owned generation is based upon several factors, including the operating experience and physical condition of the units, and may be revised periodically to reflect changes in circumstances.

During 2025, LG&E's and KU's power plants generated the following amounts of electricity:

	GWh	
Fuel Source	**LG&E**	**KU**
Coal	10,331	14,738
Gas	1,613	4,899
Hydro	220	105
Solar	8	12
Total (a)	12,172	19,754

(a) This generation represents an increase for LG&E of 3% and an increase for KU of 5% from 2024 output.

The majority of LG&E's and KU's generated electricity was used to supply their retail customer bases.

LG&E and KU jointly dispatch their generation units with the lowest cost generation used to serve their customers. When LG&E has excess generation capacity after serving its own customers and its generation cost is lower than that of KU, KU purchases electricity from LG&E and vice versa.

Due to environmental requirements, energy efficiency measures, and the relative cost of replacement resources, as of December 31, 2025, LG&E and KU have retired approximately 1,500 MW of coal-fired generation plants since 2010.

LG&E and KU received approval from the KPSC to develop a 4 MW Solar Share facility to service a Solar Share program. The Solar Share program is a voluntary program that allows customers to subscribe capacity in the Solar Share facility. Construction commences, in 500-kilowatt phases, when subscription is complete. Through December 31, 2025, construction of five 500-kilowatt phases was completed. LG&E and KU continue to market the program and are accepting subscriptions for the sixth 500-kilowatt phase.

On November 6, 2023, the KPSC issued an order approving LG&E's and KU's December 15, 2022 CPCN requests (i) to construct a 645 MW net summer rating NGCC combustion turbine at LG&E's Mill Creek Generating Station in Jefferson County, Kentucky, (ii) to construct a 120 MWac solar photovoltaic electric generating facility in Mercer County, Kentucky, (iii) to acquire a 120 MWac solar facility to be built by a third-party solar developer in Marion County, Kentucky and (iv) to construct a 125 MW, 4-hour battery energy storage system facility at KU's E.W. Brown Generating Station. The order also authorized LG&E's and KU's entry into four potential solar PPAs, subject to certain conditions, but deferred for future proceedings specific decisions on cost recovery treatment or mechanisms. Agreements related to two of the four potential solar PPAs have been terminated. One PPA agreement was terminated by the developer due to land control issues. The second agreement terminated contractually due to a PPA price increase that was not acceptable to LG&E and KU. Further, the order approved the new, adjusted or expanded energy efficiency programs contained in the requested 2024-2030 DSM plan.

The KPSC order included approval of the requested retirements of two existing coal-fired generation units, LG&E's Mill Creek Unit 1 (300 MW) in 2024, which occurred on December 31, 2024, and Mill Creek Unit 2 (297 MW) in 2027, subject to certain conditions, and three small gas-fired units. LG&E subsequently requested for Mill Creek Unit 2 to remain operational past the 2027 date. The order denied approval of the retirement of KU's E.W. Brown 3 Unit (412 MW) and Ghent Unit 2 (486 MW) in 2028 at this time, citing the need for additional clarity regarding environmental compliance regulations.

The new NGCC facility will be jointly owned by LG&E (31%) and KU (69%) and the solar units will be jointly owned by LG&E (37%) and KU (63%), the battery storage unit will be owned by LG&E, and the proposed PPA transactions and DSM programs will be entered into or conducted jointly by LG&E and KU, consistent with LG&E and KU's shared dispatch, cost allocation, tariff or other frameworks.

In February 2024, LG&E and KU entered into agreements to begin construction of Mill Creek Unit 5. Total project costs are estimated at approximately $1.0 billion, including AFUDC. Commercial operation of the facility is anticipated to begin in mid-2027.

See "2025 CPCN" and "Rate Case Proceedings" in Note 7 to the Financial Statements for additional information on the 2025 application filed with the KPSC regarding certain future plans for new generation and generation-related construction matters.

Fuel Supply

Coal and natural gas are expected to be the predominant fuels used by LG&E and KU for generation for the foreseeable future. Natural gas used for generation is purchased using contractual arrangements separate from LG&E's natural gas distribution operations. Natural gas and oil are also used for intermediate and peaking capacity and flame stabilization in coal-fired boilers.

Fuel inventory is maintained at levels estimated to be necessary to avoid operational disruptions at coal-fired generating units. Reliability of coal deliveries can be affected from time to time by several factors including fluctuations in demand, coal mine production issues, high or low river level events, lock outages and other supplier or transporter operating or financial difficulties.

LG&E and KU have entered into coal supply agreements with various suppliers for coal deliveries through 2030 and augment their coal supply agreements with spot market purchases, as needed.

For their existing units, LG&E and KU expect, for the foreseeable future, to purchase most of their coal from western Kentucky, southern Indiana, southern Illinois, northern West Virginia and western Pennsylvania. LG&E and KU continue to purchase certain quantities of ultra-low sulfur content coal from Wyoming for blending at Trimble County Unit 2. Coal is delivered to the generating plants primarily by barge and rail.

To enhance the reliability of natural gas supply, LG&E and KU have secured firm long-term pipeline transport capacity services with contracts of various durations through 2056 on the interstate pipeline serving Cane Run Unit 7, six simple cycle combustion turbines at the Trimble County site, and the future Mill Creek Unit 5. This pipeline also serves the two simple cycle units at the Paddy's Run site. For the seven simple cycle combustion turbines at the E.W. Brown facility, no firm long-term pipeline transport capacity has been purchased due to the facility's connection to two interstate pipelines and some of the units having dual fuel capability.

LG&E and KU have firm contracts for a portion of the natural gas fuel for Cane Run Unit 7 through 2027. The bulk of the natural gas fuel is expected to be purchased on the spot market.

(PPL and LG&E)

Natural Gas Distribution Supply

Four underground natural gas storage fields in service, with a current working natural gas capacity of approximately 11 Bcf, are used to provide natural gas service to LG&E's firm sales customers. Natural gas is stored during the summer season for withdrawal during the following winter heating season. Without this storage capacity, LG&E would need to purchase additional natural gas and pipeline transportation services during winter months when customer demand increases, and the cost of natural gas supply and pipeline transportation services are expected to be higher. At December 31, 2025, LG&E had 9.7 Bcf of natural gas stored underground with a carrying value of $33 million.

LG&E has a portfolio of supply arrangements of varying terms that provide competitively priced natural gas designed to meet its firm sales obligations. These natural gas supply arrangements include pricing provisions that are market-responsive. In tandem with pipeline transportation services, these natural gas supplies provide the reliability and flexibility necessary to serve LG&E's natural gas customers.

LG&E purchases natural gas supply transportation services from two pipelines. LG&E has a set of contracts with one pipeline that are subject to termination by LG&E between 2028 and 2031. Total winter season capacity under these contracts is 184,900 MMBtu/day and summer season capacity is 60,000 MMBtu/day. LG&E has two additional contracts with this same pipeline. One contract is for pipeline capacity through 2031 for 60,000 MMBtu/day during both the winter and summer seasons. The other contract is for pipeline capacity through 2028 for 30,000 MMBtu/day during the winter season. LG&E has two contracts with a second pipeline with a total capacity of 40,000 MMBtu/day during both the winter and summer seasons that expire in 2030.

LG&E expects to purchase natural gas supplies for its gas distribution operations from onshore producing regions in South Texas, East Texas, North Louisiana and Arkansas, as well as gas originating in the Marcellus and Utica production areas.

(PPL, LG&E and KU)

Transmission

LG&E and KU contract with the Tennessee Valley Authority to act as their transmission reliability coordinator and contract with TranServ International, Inc. to act as their independent transmission organization.

Rates

LG&E is subject to the jurisdiction of the KPSC and the FERC, and KU is subject to the jurisdiction of the KPSC, the VSCC and the FERC. LG&E and KU operate under a FERC-approved open access transmission tariff.

Prior to January 1, 2026, LG&E's and KU's Kentucky base rates were calculated based on a return on capitalization (common equity, long-term debt and short-term debt) including adjustments for certain net investments and costs recovered separately through other means. Effective January 1, 2026, pursuant to the KPSC rate case, Kentucky base rates are calculated based on a return on rate base (net utility plant plus certain regulatory assets and working capital less accumulated deferred income taxes and certain regulatory liabilities) and include recovery of applicable operations and maintenance expenses.

KU's Virginia base rates are calculated based on a return on rate base (net utility plant plus certain regulatory assets and working capital less accumulated deferred income taxes, certain regulatory liabilities and miscellaneous deductions) and include recovery of applicable operations and maintenance expenses.

KU's rates to two municipal customers for wholesale power requirements are calculated based on annual updates to a formula rate that utilizes a return on rate base (net utility plant plus working capital less accumulated deferred income taxes and miscellaneous deductions) and include recovery of applicable operations and maintenance expenses.

See "Financial and Operational Developments" in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 7 to the Financial Statements for additional information on current rate proceedings, regulatory matters and rate mechanisms.

Pennsylvania Regulated Segment *(PPL)*

The Pennsylvania Regulated segment consists of PPL Electric, a regulated public utility engaged in the distribution and transmission of electricity.

(PPL and PPL Electric)

PPL Electric delivers electricity to approximately 1.5 million customers in a 10,000-square mile territory in 29 counties within eastern and central Pennsylvania. PPL Electric also provides electricity to retail customers in this territory as a PLR under the Customer Choice Act.

Franchises and Licenses

PPL Electric provides electricity delivery service in its service territory pursuant to certain franchises, licenses, statutory service areas, easements and other rights or permissions granted by the Pennsylvania state legislature, cities or municipalities or other entities.

Competition

Pursuant to authorizations from the Commonwealth of Pennsylvania and the PAPUC, PPL Electric operates a regulated distribution monopoly in its service area. Accordingly, PPL Electric does not face competition in its electricity distribution business. Pursuant to the Customer Choice Act, generation of electricity is a competitive business in Pennsylvania, and PPL Electric does not own or operate any generation facilities.

The PPL Electric transmission business, operating under a FERC-approved PJM Open Access Transmission Tariff, is subject to competition pursuant to FERC Order 1000 from entities that are not incumbent PJM transmission owners with respect to the construction and ownership of transmission facilities within PJM.

Rates and Regulation

Transmission

PPL Electric's transmission facilities are within PJM, which operates the electricity transmission network and electric energy market in the Mid-Atlantic and Midwest regions of the U.S.

PJM serves as a FERC-approved Regional Transmission Operator (RTO) to promote greater participation and competition in the region it serves. In addition to operating the electricity transmission network, PJM also administers regional markets for energy, capacity and ancillary services. A primary objective of any RTO is to separate the operation of, and access to, the transmission grid from market participants that buy or sell electricity in the same markets. Electric utilities continue to own the transmission assets and to receive their share of transmission revenues, but the RTO directs the control and operation of the transmission facilities. Certain types of transmission investments are subject to competitive processes outlined in the PJM tariff.

PPL Electric's transmission revenues are billed in accordance with a FERC-approved Open Access Transmission Tariff that utilizes a formula-based rate recovery mechanism. Under this formula, rates are put into effect on January 1st of each year based upon actual expenditures from the most recently filed FERC Form 1, forecasted capital additions, and other data based on PPL Electric's books and records. Rates are compared during the year to the estimated annual expenses and capital additions that will be filed in PPL Electric's annual FERC Form 1, filed under the FERC's Uniform System of Accounts. Under the mechanism, any difference between the revenue requirement in effect and actual expenditures incurred for that year is recorded as a regulatory asset or regulatory liability, and the regulatory asset or regulatory liability is to be recovered from or returned to customers starting one year after the conclusion of the rate year.

As a PLR, PPL Electric also purchases transmission services from PJM. See "PLR" below.

Distribution

PPL Electric's distribution base rates are calculated based on a return on rate base (net utility plant plus a cash working capital allowance less plant-related deferred taxes and other miscellaneous additions and deductions). All regulatory assets and liabilities, except accumulated deferred income taxes, are excluded from the return on rate base. Therefore, no return is earned on the related assets unless specifically provided for by the PAPUC. Currently, PPL Electric's Smart Meter rider and the DSIC are the only riders authorized to earn a return. Certain operating expenses are also included in PPL Electric's distribution base rates including wages and benefits, other operation and maintenance expenses, depreciation and taxes.

Pennsylvania's Alternative Energy Portfolio Standard (AEPS) requires electric distribution companies and electricity generation suppliers to obtain from alternative energy resources a portion of the electricity sold to retail customers in Pennsylvania. Under the default service procurement plans approved by the PAPUC, PPL Electric purchases all of the alternative energy generation supply it needs to comply with the AEPS.

Act 129 created an energy efficiency and conservation program, a demand side management program, smart metering technology requirements, new PLR generation supply procurement rules, remedies for market misconduct and changes to the existing AEPS.

Act 11 authorizes the PAPUC to approve two specific ratemaking mechanisms: the use of a fully projected future test year in base rate proceedings and, subject to certain conditions, the use of a DSIC. Such alternative ratemaking procedures and mechanisms provide opportunity for accelerated cost-recovery and, therefore, are important to PPL Electric as it is in a period of significant capital investment to maintain and enhance the reliability of its delivery system, including the replacement of aging assets. PPL Electric utilized the fully projected future test year mechanism in its 2015 base rate proceeding. PPL has had the ability to utilize the DSIC recovery mechanism since July 2013.

See "Financial and Operational Developments" in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 7 to the Financial Statements for additional information on current rate proceedings, regulatory matters and rate mechanisms.

PLR

The Customer Choice Act requires electric distribution companies, including PPL Electric, or an alternative supplier approved by the PAPUC, to act as a PLR of electricity supply for customers who do not choose to shop for supply with a competitive supplier and provides that electricity supply costs will be recovered by the PLR pursuant to PAPUC regulations. In 2025, the following average percentages of PPL Electric's customer load were provided by competitive suppliers: 40% of residential, 81% of small commercial and industrial and 98% of large commercial and industrial customers.

PPL Electric's electricity generation costs are established based upon the results of a competitive solicitation process. In November 2024, the PAPUC approved PPL Electric's default service plan for the period of June 1, 2025 through May 31, 2029, which included a total of eight solicitations for electricity supply held semiannually in February and July. Through December 31, 2025, two auctions of the plan were completed. The plan also included solicitations for alternative energy credits held annually in July with the first solicitation in 2025 and the final solicitation in 2029. Through December 31, 2025, one alternative energy credit solicitation has been completed.

Pursuant to the plans, PPL Electric contracts for all electricity supply for residential, commercial and industrial customers who elect to take default service from PPL Electric. These solicitations contain a mix of products including 10-year block energy contracts for residential customers, 12- and 24-month fixed-price load-following contracts for residential and small commercial and industrial customers, 12-month real-time pricing contracts for large commercial and industrial customers, and alternative energy credit contracts for residential, commercial and industrial customers. These contracts fulfill PPL Electric's obligation to provide customer electricity supply as a PLR.

Numerous alternative suppliers have offered to provide generation supply in PPL Electric's service area. As the cost of generation supply is a pass-through cost for PPL Electric, its financial results are not impacted if its customers purchase electricity supply from these alternative suppliers.

Rhode Island Regulated Segment *(PPL)*

The Rhode Island Regulated segment consists primarily of the regulated electricity transmission and distribution operations and regulated distribution and sale of natural gas conducted by RIE.

RIE is engaged in the regulated transmission, distribution and sale of electricity and regulated distribution and sale of natural gas in Rhode Island. RIE provides electric service to approximately 515,000 customers and natural gas service to approximately 280,000 customers. RIE's service area covers substantially all of Rhode Island.

Franchises and Licenses

RIE provides electricity delivery service and natural gas distribution service in its service territory pursuant to certain franchises, licenses, statutory service areas, easements and other rights or permissions granted by the Rhode Island state legislature, cities or municipalities or other entities.

Competition

There are currently no other electric or gas public utilities operating within the service area of RIE.

Alternative energy sources such as electricity, oil, propane and other fuels indirectly impact RIE's natural gas revenues. Marketers may also compete to sell natural gas to certain large end-users. RIE's natural gas tariffs include gas price pass-through mechanisms relating to its sale of natural gas as a commodity. Therefore, customer natural gas purchases from alternative suppliers do not generally impact RIE's profitability. Some large industrial and commercial customers, however, may physically bypass RIE's facilities and seek delivery service directly from interstate pipelines or other natural gas distribution systems.

Rates and Regulation

In general, RIE operates subject to the jurisdiction of the FERC, the RIPUC and the Rhode Island Division of Public Utilities and Carriers.

Distribution

RIE owns and maintains electric and natural gas distribution networks in Rhode Island. Distribution revenues are primarily from the sale of electricity, natural gas, and related services to retail customers. Distribution sales are regulated by the RIPUC, which is responsible for approving the rates and other terms of services as part of the rate making process. Natural gas and electric distribution revenues are derived from the regulated sale and distribution of electricity and natural gas to residential, commercial, and industrial customers within RIE's service territory under the tariff rates. The tariff rates approved by the RIPUC are designed to recover the costs incurred by RIE for products and services provided, along with a return on investment.

RIE's distribution base rates are calculated based on a return on rate base (net utility plant plus a cash working capital allowance less plant-related deferred taxes and other miscellaneous additions and deductions). All regulatory assets and liabilities, except accumulated deferred income taxes, are excluded from the return on rate base. Therefore, no return is earned on the related assets unless specifically provided for by the RIPUC. Currently, RIE's ISR and Renewable Energy Growth Program adjustment mechanisms are the only mechanisms authorized to earn a return. Certain operating expenses are also included in RIE's distribution base rates including wages and benefits, other operation and maintenance expenses, depreciation, and taxes.

Transmission

RIE owns an electric transmission system in Rhode Island. RIE's transmission services are regulated by the FERC and coordinated with ISO – New England.

Deferral Mechanisms

RIE records revenues in accordance with accounting principles for rate-regulated operations for arrangements between RIE and the applicable regulator. These include various deferral mechanisms such as capital trackers, energy efficiency programs, and other programs that qualify as Alternative Revenue Programs (ARPs). ARPs enable RIE to adjust rates in the future, in response to past activities or completed events. RIE's electric and gas distribution rates both have a revenue decoupling mechanism, which allows for annual adjustments to the RIE's delivery rates, as a result of the reconciliation between allowed revenue and billed revenue. RIE also has other ARPs related to the achievement of certain objectives, demand side management initiatives, and certain other rate making mechanisms. RIE recognizes ARPs with a corresponding offset to a regulatory asset or liability account when the regulatory specified events or conditions have been met, when the amounts are determinable, and are probable of recovery (or payment) through future rate adjustments.

LRS

RIE is required by the RIPUC and by statute to provide LRS to all customers who have not elected to receive their electric supply from a non-regulated power producer or any customer who, for any reason, has stopped receiving generation service from a non-regulated power producer.

The charge for LRS is the sum of the applicable LRS charges in addition to all appropriate Retail Delivery charges as stated in the applicable tariff. The monthly charge for LRS also includes the costs incurred by RIE to comply with the Renewable Energy Standard, established in Rhode Island General Laws Section 39-26-1 and the costs to comply with the RIPUC's Rules Governing Energy Source Disclosure. The charge for LRS includes the administrative costs associated with the procurement of LRS, including an adjustment for uncollectible accounts as approved by the RIPUC.

Numerous alternative suppliers have offered to provide generation supply in RIE's service area. As the cost of generation supply is a pass-through cost for RIE, its financial results are not impacted if its customers purchase electricity supply from these alternative suppliers.

See "Financial and Operational Developments" in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 7 to the Financial Statements for additional information on current rate proceedings, regulatory matters and rate mechanisms.

Natural Gas Distribution Supply

To meet the projected annual gas supply requirements of approximately 35 Bcf, RIE has a portfolio of gas supply arrangements of varying contractual terms and durations to provide service to its customers. These natural gas supply arrangements include contracts with natural gas producers and marketers that reflect market price signals. RIE also has firm pipeline and underground storage capacity contracts to support the delivery of natural gas supplies to its customers. To manage the winter peak requirements for RIE customers, RIE contracts for liquified natural gas (LNG) service and owns and operates certain LNG storage facilities.

The RIE gas supply portfolio includes contracts for firm transportation service with eleven interstate pipeline companies and natural gas storage operators. These contracts have various termination dates with certain contracts being subject to evergreen renewal provisions providing RIE with flexibility in managing its upstream resource portfolio.

RIE has purchased and expects to continue to purchase natural gas supplies for its gas distribution operations from onshore producing regions accessed by its pipeline capacity portfolio in South Texas, East Texas, and Louisiana, as well as gas originating in the Marcellus and Utica production areas. RIE expects to purchase certain natural gas supplies that originate in Canada and from regional LNG import terminals.

Corporate and Other *(PPL)*

PPL Services provides PPL subsidiaries with administrative, management and support services. The costs of these services are charged directly to the respective recipients for the services provided or indirectly charged to applicable recipients based on an average of the recipients' relative invested capital, operation and maintenance expenses and number of employees or a ratio of overall direct and indirect costs.

PPL Capital Funding provides financing for the operations of PPL and certain subsidiaries. PPL's growth in rate-regulated businesses provides the organization with an enhanced corporate level financing alternative, through PPL Capital Funding, that enables PPL to cost effectively support targeted credit profiles across all of PPL's rated companies. As a result, PPL utilizes PPL Capital Funding as a source of capital in financings, in addition to continued direct financing by certain operating subsidiaries. Unlike those of PPL Services, PPL Capital Funding's costs are not generally charged to PPL subsidiaries. Costs are charged directly to PPL.

ENVIRONMENTAL MATTERS

(All Registrants)

The Registrants are subject to certain existing and developing federal, regional, state and local laws and regulations with respect to air and water quality, land use and other environmental matters, and may be subject to different and more stringent laws and regulations enacted in the future. The EPA and other federal agencies with jurisdiction over environmental matters have issued numerous environmental regulations relating to air, water and waste that directly affect the electric power industry. Due to these environmental issues, it may be necessary for the Registrants to modify or cease certain operations or operation of certain facilities to comply with statutes, regulations and other requirements of regulatory bodies or courts. In addition, legal challenges to environmental permits or rules add uncertainty to estimating future costs of complying with such permits and rules. The Registrants are monitoring executive orders and other ongoing actions by the new Presidential administration, but are unable to predict changes in regulations, regulatory guidance, legal interpretations, policy positions, and implementation actions that may result.

See "Legal Matters" in Note 12 to the Financial Statements for a discussion of environmental commitments and contingencies. See Note 18 to the Financial Statements for information related to the impacts of CCRs on AROs.

LG&E and KU are entitled to recover, through the ECR mechanism, certain costs of complying with the Clean Air Act, as amended, and other federal, state and local environmental requirements applicable to coal combustion wastes and by-products from coal-fired generating facilities upon KPSC review. Costs not covered by the ECR mechanism for LG&E and KU and all such costs for PPL Electric and RIE are subject to rate recovery at the discretion of the companies' respective state regulatory authorities, or the FERC, if applicable. Because PPL Electric and RIE do not own any generating plants, they have less exposure to related environmental compliance costs. The Registrants can provide no assurances as to the ultimate outcome of future proceedings before regulatory authorities.

(PPL, LG&E and KU)

EPA Deregulatory Initiative

On March 12, 2025, the EPA announced a plan to reconsider 31 environmental rules including the Section 111 performance standards and emissions limits for greenhouse gases, the endangerment finding for greenhouse gases, the Good Neighbor Plan, the Mercury and Air Toxics Standards, revisions to the fine particulate matter standard, the ELGs, and the CCRs Rule. Supplementing previous Executive Orders directing various regulatory changes, on April 9, 2025, President Trump issued an Executive Order and Presidential Memorandum directing review of existing rules, repeal of unlawful rules, and initiation of a zero-based budgeting process by which certain rules would automatically expire unless extended. While the current Presidential administration may seek to implement some regulatory changes outside of the rulemaking process, changes to existing rules are generally expected to require formal rulemaking proceedings. Any final EPA actions repealing or revising current rules will likely result in legal challenges. PPL, LG&E, and KU are unable to predict future regulatory changes, if any, that may result from the EPA's deregulatory plan or the outcome of any associated legal challenges. PPL, LG&E, and KU are closely monitoring the ongoing EPA initiative and any related litigation for the impact to our business including planned capital expenditures to comply with the EPA rules.

Air

NAAQS

Applicable regulations require each state to identify areas within its boundaries that fail to meet the NAAQS, (known as nonattainment areas), and develop a state implementation plan to achieve and maintain compliance. States that are found to contribute significantly to another state's nonattainment with ozone standards are required to establish "good neighbor" state implementation plans. In addition, for attainment of ozone and fine particulates standards, certain states, including Kentucky, are subject to a regional EPA program known as the Cross-State Air Pollution Rule (CSAPR).

The Clean Air Act has a significant impact on the operation of fossil fuel generation plants. The Clean Air Act requires the EPA periodically to establish and review NAAQS for six pollutants including ozone (contributed to by nitrogen oxide emissions) and particulate matter, which are particularly relevant for fossil fuel generation plants. On February 2, 2024, the D.C. Circuit Court granted the EPA's motion for voluntary remand, without vacatur, of the ozone rule, which was under legal challenge. The EPA will complete a new review to incorporate new studies and updated analyses to determine the adequacy of the existing ozone standard. On March 6, 2024, the EPA finalized revisions to the particulate matter standard that lowers the primary standard for fine particulates. Several states and trade groups challenged the EPA's finalized revisions to the particulate matter standard in the D.C. Circuit Court. In March 2025, the EPA announced that it would reconsider the revised fine particulate standard. On November 25, 2025, the EPA filed a motion in the D.C. Circuit Court to vacate the fine particulate standard. The D.C. Circuit Court has not responded to the motion and environmental groups have filed responses against the motion. Nonattainment designations for counties in which LG&E and KU generation is located, including Jefferson County, Kentucky, could potentially require additional particulate matter and nitrogen oxide reductions from sources including LG&E's Mill Creek Station, and more stringent requirements for new generation. PPL, LG&E, and KU are unable to predict future implementation actions or the outcome of future evaluations by the EPA and the states with respect to the NAAQS standards.

In March 2021, the EPA released final revisions to the Cross-State Air Pollution Rule (CSAPR), aimed at ensuring compliance with the 2008 ozone NAAQS and providing for reductions in ozone season nitrogen oxide emissions for 2021 and subsequent years. In March 2023, the EPA released a final Federal Implementation Plan under the Good Neighbor provisions of the Clean Air Act providing for significant additional nitrogen oxide emission reductions for compliance with the revised 2015 ozone NAAQS. The reductions in Kentucky state-wide nitrogen oxide budgets were scheduled to commence in 2023, with the largest reductions planned for 2026. The rules provide for reduced availability of nitrogen oxide allowances that have historically permitted operational flexibility for fossil units and could potentially result in constraints that may require implementation of additional emission controls or accelerate implementation of lower emission generation technologies. In June 2024, the U.S. Supreme Court issued a stay of the Good Neighbor Plan while the D.C. Circuit Court considers legal challenges to the rule. On December 10, 2024, EPA published in the Federal Register a supplement to the record. On December 6, 2024, the U.S. Court of Appeals for the Sixth Circuit vacated and remanded the EPA's disapproval of Kentucky's state implementation plan for the ozone NAAQS. In March 2025, the EPA announced that it would reconsider the Good Neighbor Plan. On January 27, 2026, the EPA released proposed Phase I Good Neighbor Plan revisions providing for approval of certain state implementation plans including that of Kentucky and withdrawing several prior disapprovals and error corrections. PPL, LG&E, and KU are monitoring ongoing legal and regulatory developments.

PPL, LG&E, and KU are unable to predict the ultimate outcome of pending litigation or future emission reductions that may be required by future federal rules or state implementation actions. Compliance with the NAAQS, CSAPR, Good Neighbor Plan, and related requirements may require installation of additional pollution controls or other compliance actions, inclusive of retirements, the costs of which PPL, LG&E and KU believe would be subject to rate recovery.

Modification of Mercury and Air Toxics Standards

In 2012, the EPA issued the Mercury and Air Toxics Standards (MATS) rule requiring reductions in mercury and other hazardous air pollutants from fossil fuel-fired power plants. LG&E and KU installed significant controls to achieve compliance with MATS and other rules. On May 7, 2024, the EPA issued a final rule increasing the stringency of MATS and further reducing emissions of certain hazardous air pollutants to reflect perceived developments in control technologies. Legal challenges to the rule have been filed in the D.C. Circuit Court. PPL, LG&E, and KU have reviewed the final rule and do not expect significant operational changes or additional controls to be required. On June 17, 2025, the EPA proposed in the Federal Register to repeal the 2024 MATS revisions except for the Particulate Matter Continuous Emission Monitoring System testing criteria.

Greenhouse Gas Standards

On May 9, 2024, the EPA issued a final rule under Section 111 of the Clean Air Act, which establishes performance standards and emissions limits aimed at reducing GHG emissions from certain new, existing, and modified fossil fuel-fired electric generating units (EGUs). In the final rule, the EPA announced it would set performance standards for existing natural gas-fired turbines in a future rule. The standards require phased implementation of carbon mitigation technologies including state-of-the-art efficiency requirements, carbon capture and sequestration, and natural gas co-firing. New natural gas EGUs would be immediately subject to the stricter efficiency standard. Legal challenges to the rule have been filed in the D.C. Circuit Court. PPL, LG&E, and KU are unable to predict the impact of new GHG reduction requirements until completion of a comprehensive review and resolution of related legal and regulatory proceedings. While the impact of new GHG reduction requirements on operations and financial results of operations could potentially be substantial, the cost of complying with such requirements is expected to be subject to rate recovery. On June 17, 2025, the EPA proposed in the Federal Register two options for repeal of the 2024 standard. In the first proposal, the EPA would determine that EGU emissions of greenhouse gases do not pose an endangerment to the health and welfare of the public and repeal the 2024 and 2015 standards for EGUs. Under an alternate proposal, the EPA would repeal the 2024 standards for existing coal, natural-gas and oil-fired steam generating units along with most standards for new combustion turbines. On February 12, 2026, the EPA issued a final reconsideration determination repealing the 2009 endangerment finding for GHG emissions from motor vehicles, which provided support for the regulation of GHG emissions. While the action has no immediate impact on regulation of GHG emissions from electric generating units, the EPA is expected to take additional regulatory actions with respect to that industrial sector. PPL, LG&E, and KU are unable to determine the exact impact on operations until resolution of pending regulatory actions and litigation.

Climate Change (All Registrants)

In recent years the federal government has undertaken various efforts aimed at addressing climate change, which could have far-reaching impacts on PPL's business operations, products, and services. In 2022, the U.S. Supreme Court ruled that provisions of the EPA's Clean Power Plan, premised on generation shifting from coal-fired plants to lower emitting natural gas-fired plants and renewables, exceeded the authority granted to the EPA under the Clean Air Act. While the EPA contends that the new GHG emissions rule discussed above is consistent with the provisions of the Clean Air Act, it is uncertain how a ruling from the D.C. Circuit Court or, if appealed, the U.S. Supreme Court may affect the new GHG emissions rule and any future EPA rulemaking on GHG emissions. The current Presidential administration has issued various executive orders regarding climate change initiatives and is expected to continue to consider changes in regulations, regulatory guidance, legal interpretations, policy positions and implementation actions, but the Registrants are unable to predict the changes that may ultimately be adopted. These developments are generally preliminary or ongoing in nature and the Registrants cannot predict the final outcome or ultimate impact on operations.

PPL has adopted a goal of net-zero carbon emissions by 2050, which PPL expects will include continuing to retire uneconomic generation, deploying newer generation technology and investing in research and innovation that will help to achieve this goal, while maintaining reliable and affordable energy in our service territories. The net-zero goal relates to direct and indirect carbon emissions consistent with Greenhouse Gas Protocol guidance and referenced by the EPA Center for Corporate Climate Leadership. Achievement of our emissions goal may be affected by factors that are outside of our control including potential load growth, especially from large load customers, energy policy and regulations at the state and federal level, technological developments, and the cost of new generation technology.

PPL is aware of the various risks associated with climate change, including increased frequency and severity of severe weather. To address these risks, PPL continues to work to advance grid modernization and improve the company's equipment to help mitigate the impacts of extreme weather events and improve reliability.

Water/Waste *(PPL, LG&E and KU)*

Clean Water Act

Regulations under the federal Clean Water Act dictate permitting and mitigation requirements for facilities and construction projects that impact "Waters of the United States". Many other requirements relate to power plant operations, including the treatment of pollutants in effluents prior to discharge, the temperature of effluent discharges and the location, design and construction of cooling water intake structures at generating facilities, and standards intended to protect aquatic organisms that become trapped at or pulled through cooling water intake structures at generating facilities. These requirements could impose significant costs for LG&E and KU, which are expected to be subject to rate recovery. A proposed rule definition revision was issued in November 2025. A final rule is expected by the end of 2026.

Clean Water Act Jurisdiction

Environmental groups and others have claimed that discharges to groundwater from leaking CCR impoundments at power plants are subject to Clean Water Act permitting. On April 12, 2019, the EPA released regulatory clarification finding that Clean Water Act jurisdiction does not cover such discharges to groundwater. On January 23, 2020, the EPA announced a final rule modifying the jurisdictional scope of the Clean Water Act. The announced rule revises the definition of the "Waters of the United States," including a revision to exclude groundwater from the definition. In April 2020, the U.S. Supreme Court issued a ruling that Clean Water Act jurisdiction may apply to certain discharges to groundwater that result in the functional equivalent of a direct discharge to navigable waters. In a December 2025 proposed revision to the definition of "Waters of the United States", the EPA clarified groundwater exclusions and a final rule is expected by the end of 2026. PPL, LG&E, and KU are unaware of any unpermitted releases from their facilities that are subject to Clean Water Act jurisdiction, but future regulatory developments and judicial rulings could potentially subject certain releases from CCR impoundments and landfills to additional permitting and remediation requirements, which could impose substantial costs. Any associated costs are expected to be subject to rate recovery. PPL, LG&E and KU are unable to predict the outcome or financial impact of future regulatory proceedings and litigation.

Waters of the U.S.

PPL, LG&E, and KU are subject to permitting and mitigation requirements for certain construction activities that impact "Waters of the United States." On April 21, 2020, the EPA and U.S. Army Corps of Engineers published a final rule revising the definition of "Waters of the United States" to exclude jurisdiction over certain surface waters. On August 30, 2021, a U.S. District Court in Arizona vacated and remanded the rule. On December 7, 2021, the EPA and U.S. Army Corps of Engineers proposed to repeal the rule and restore the definition of "Waters of the United States" that was in place prior to 2015. On January 18, 2023, the EPA and U.S. Army Corps of Engineers published a final revision to the rule broadening the definition of Waters of the United States and reverting to the pre-2015 regulatory framework. Although the broader definition incorporates additional water bodies, any resulting permitting, construction, and operational expenses are expected to be immaterial and subject to rate recovery.

On May 25, 2023, the U.S. Supreme Court issued an opinion in Sackett v. EPA holding that the government's jurisdiction to regulate wetlands under the Clean Water Act extends to wetlands with a continuous surface connection to bodies that are "Waters of the United States." On September 8, 2023, the EPA issued a conforming rule that incorporated the holding of *Sackett* into federal definitions of waters of the United States; some states and industry groups have challenged the conforming rule as well. By limiting water bodies that fall within the jurisdiction of the Clean Water Act, the U.S. Supreme Court's decision could reduce the number of projects or the scope of project activities subject to federal permitting for wetlands. A proposed rule regarding revision of the definition was issued in December 2025. A final rule is expected by the end of 2026. PPL, LG&E and KU are unable to predict the outcome of current or future litigation or regulatory proceedings, but do not expect a material impact on operations.

Superfund and Other Remediation *(All Registrants)*

From time to time, PPL's subsidiaries undertake testing, monitoring or remedial action in response to spills or other releases at various on-site and off-site locations, negotiate with the EPA and state and local agencies regarding actions necessary to comply with applicable requirements, negotiate with property owners and other third parties alleging impacts from PPL's operations and undertake similar actions necessary to resolve environmental matters that arise in the course of normal operations. Based on analyses to date, resolution of these environmental matters is not expected to have a significant adverse impact on the operations of PPL, PPL Electric, LG&E, KU and RIE.

Future cleanup or remediation work at sites not yet identified may result in significant additional costs for the Registrants. Insurance policies maintained by LKE may be available to cover certain costs or other obligations related to these matters for LG&E or KU, but the amount of insurance coverage or reimbursement cannot be estimated or assured.

See "Legal Matters" in Note 12 to the Financial Statements for additional information.

(All Registrants)

SEASONALITY

The demand for and market prices of electricity and natural gas are affected by weather. As a result, the Registrants' operating results in the future may fluctuate substantially on a seasonal basis, especially when unpredictable weather conditions make such fluctuations more pronounced. The pattern of this fluctuation may change depending on the type and location of the facilities owned.

FINANCIAL CONDITION

See "Financial Condition" in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" for this information.

CAPITAL EXPENDITURE REQUIREMENTS

See "Financial Condition - Liquidity and Capital Resources - Forecasted Uses of Cash - Capital Expenditures" in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" for information concerning projected capital expenditure requirements for 2026 through 2028. See "Item 1. Business - Environmental Matters" for additional information concerning the potential impact on capital expenditures from environmental matters.

HUMAN CAPITAL

PPL, together with its subsidiaries, is committed to fostering an exceptional workplace for employees. PPL pledges to enable the success of its current and future workforce by ensuring a safe and healthy work environment, cultivating a supportive, empowering and collaborative culture, encouraging employee engagement and fostering professional development. Matters related to these priorities and corporate culture are overseen by PPL's senior management, which provides updates to the PPL Board of Directors (the Board). Pursuant to its charter, the People and Compensation Committee of the Board also periodically reviews and assesses the company's strategy for human capital management. PPL's investment in the success of its workforce is embodied in the following areas with dedicated leadership and Board oversight:

- Safety and Compliance - PPL is committed to maintaining an ethical and safe workplace culture for employees and contractors. Additional steps to ensure the Board has oversight in these areas include:
    - Safety - PPL implements programs focused on health and safety, including emergency preparedness, vehicle safety and accident prevention. Employees receive safety training and are encouraged to share, implement, and follow best practices. PPL requires contractor work practices to meet or exceed PPL safety requirements and all applicable safety standards. Senior management receives monthly safety data updates to determine whether additional safety measures should be implemented. The Board reviews the company's safety programs and results several times a year. The Board is also immediately engaged in the event of a fatality.
    - Compliance - The Corporate Compliance Committee, including senior executives, meets quarterly to discuss metrics and other matters related to the compliance and ethics culture. Among the items discussed are statistics regarding Ethics Helpline reports and employee concerns. This information is also reviewed with the Audit Committee of the Board quarterly and with the Board annually.
- Corporate culture - Foster a supportive, empowering and collaborative workplace culture in which employees with various backgrounds can thrive. Senior management reviews workforce metrics, culture related objectives and associated programs semi-annually. The Board also receives periodic updates from senior management on PPL's strategy and initiatives that drive corporate culture.
- Employee engagement - Create a workplace that fosters an engaged, high-quality workforce. PPL's operating companies regularly conduct assessments related to employee engagement, safety and culture. Senior management reviews employee engagement efforts with the Board at least annually.
- Professional development - Invest in the current and future workforce through training and development, succession planning and creation of a pipeline for internal advancement. Senior management reviews succession planning with the People and Compensation Committee of the Board on an annual basis.

- Comprehensive benefits - In addition to challenging careers and competitive salaries, PPL offers competitive benefits programs to attract and retain talent and support employees' well-being. PPL offers competitive vacation time, expanded leave for new parents, retirement programs, and internal and external development opportunities, including tuition reimbursement offerings for undergraduate and certain graduate degrees. Senior management conducts annual benchmarking of employee compensation and benefits.

PPL will continue to engage with employees and to assess these priorities as we work to best position individuals and the company for future success. PPL had a turnover rate of 10.83% for the year ended December 31, 2025. Looking forward, PPL will maintain a strong focus on workforce planning to address future talent needs.

At December 31, 2025, the Registrants had the following full-time employees and employees represented by labor unions:

	Total Full-Time Employees	Number of Union Employees	Percentage of Total Workforce
PPL	6,546	2,368	36 %
PPL Electric	1,378	902	65 %
LG&E	908	578	64 %
KU	720	107	15 %

(PPL)

In May 2025, PPL and the Rhode Island United Steelworkers (USW) Local 12431 reached a five-year tentative agreement that was ratified and effective from June 2, 2025, through June 2, 2030. The agreement currently covers approximately 300 employees.

(PPL and LG&E)

LG&E's current collective bargaining agreement with IBEW Local 2100, which covers approximately 600 employees, is scheduled to expire October 1, 2026. It is expected that the parties will be engaging in negotiations for a new contract prior to that date.

AVAILABLE INFORMATION

PPL's Internet website is www.pplweb.com. Under the Investors heading of that website, PPL provides access to SEC filings of the Registrants (including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(d) or 15(d)) free of charge, as soon as reasonably practicable after filing with the SEC. The information contained on, or available through, PPL's Internet website is not, and shall not be deemed to be, incorporated by reference into this report. Additionally, the Registrants' filings are available at the SEC's website (www.sec.gov).

ITEM 1A. RISK FACTORS

The Registrants face various risks associated with their businesses. Our businesses, financial condition, cash flows or results of operations could be materially adversely affected by any of these risks. In addition, this report also contains forward-looking and other statements about our businesses that are subject to numerous risks and uncertainties. See "Forward-Looking Information," "Item 1. Business," "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 12 to the Financial Statements for additional information concerning the risks described below and for other risks, uncertainties and factors that could affect our businesses and financial results.

As used in this Item 1A., the terms "we," "our" and "us" generally refer to PPL and its consolidated subsidiaries taken as a whole, or PPL Electric and its consolidated subsidiaries taken as a whole within the Pennsylvania Regulated segment discussion, LG&E, KU and their consolidated subsidiaries taken as a whole within the Kentucky Regulated segment discussion, and RIE within the Rhode Island Regulated segment discussion.

Order of Subsection Presentation

A. Risks Related to Registrant Holding Company
B. Risks Related to Regulated Utility Operations
C. Risks Specific to Kentucky Regulated Segment
D. Risks Specific to Pennsylvania Regulated Segment
E. Risks Specific to Rhode Island Regulated Segment
F. Risks Related to All Segments

(PPL)

A. Risk Related to Registrant Holding Company

PPL is a holding company and its cash flows and ability to meet its obligations with respect to indebtedness and under guarantees, and its ability to pay dividends, largely depends on the financial performance of its respective subsidiaries and, as a result, is effectively subordinated to all existing and future liabilities of those subsidiaries.

PPL is a holding company and conducts its operations primarily through subsidiaries. Substantially all of the consolidated assets of PPL are held by its subsidiaries. Accordingly, PPL's cash flows and ability to meet debt and guaranty obligations, as well as PPL's ability to pay dividends, are largely dependent upon the earnings of those subsidiaries and the distribution or other payment of such earnings in the form of dividends, distributions, loans, advances or repayment of loans and advances. The subsidiaries are separate legal entities and have no obligation to pay dividends or distributions to their parents or to make funds available for such a payment. The ability of PPL's subsidiaries to pay dividends or distributions in the future will depend on the subsidiaries' future earnings and cash flows and the needs of their businesses, and may be restricted by their obligations to holders of their outstanding debt and other creditors, as well as any contractual or legal restrictions in effect at such time, including the requirements of state corporate law applicable to payment of dividends and distributions, and regulatory requirements, including restrictions on the ability of PPL Electric, LG&E, KU, and RIE to pay dividends under Section 305(a) of the Federal Power Act.

Because PPL is a holding company, its debt and guaranty obligations are structurally subordinated to all existing and future liabilities of its subsidiaries. Although certain agreements to which certain subsidiaries are parties limit their ability to incur additional indebtedness, PPL and its subsidiaries retain the ability to incur substantial additional indebtedness and other liabilities. Therefore, PPL's rights and the rights of its creditors, including rights of debt holders, to participate in the assets of any of its subsidiaries, in the event that such a subsidiary is liquidated or reorganized, will be subject to the prior claims of such subsidiary's creditors.

(*All Registrants*)

B. Risks Related to Regulated Utility Operations

Our regulated utility businesses face many of the same risks, in addition to those risks that are unique to each of the Kentucky Regulated, Pennsylvania Regulated and Rhode Island Regulated segments. Set forth below are risk factors common to the regulated segments, followed by sections identifying separately the risks specific to each of these segments.

The business and capital investment plans of PPL depend, in part, on the continued growth and viability of data centers and large load customers in its service territories.

PPL is anticipating increases in load demand, creating a business need for new power generating resources and transmission facilities. Much of this demand is driven by interconnecting with and providing power to data centers and large load customers to serve an increasingly digital economy and to support artificial intelligence. The business and capital investment plans of PPL are focused on meeting these current and projected needs. If these increased demands for electricity do not occur as projected or are not sustained as projected, for any reason, it could affect PPL's financial condition.

Our profitability is highly dependent on our ability to recover the costs of providing energy and utility services to our customers and earn an adequate return on our capital investments. Regulators may not approve the rates we request and existing rates may be challenged.

The rates we charge our utility customers must be approved by one or more federal or state regulatory commissions, including the FERC, KPSC, VSCC, PAPUC and RIPUC. Although rate regulation is generally premised on the recovery of prudently incurred costs and a reasonable rate of return on invested capital, there can be no assurance that regulatory authorities will consider all of our costs to have been prudently incurred or that the regulatory process by which rates are determined will always result in rates that achieve full or timely recovery of our costs or an adequate return on our capital investments. Federal or state agencies, intervenors and other permitted parties may challenge our current or future rate requests, structures or mechanisms, and ultimately reduce, alter or limit the rates we receive. The requests for rate increases and the frequency of rate cases could face resistance from customers and other stakeholders, especially in a rising cost environment. Although our rates are generally regulated based on an analysis of our costs incurred in a base year or on future projected costs, the rates we are allowed to charge may or may not match our costs at any given time. Our regulated utility businesses are subject to substantial capital expenditure requirements over the next several years, which may require rate increase requests to the regulators in the future. If our costs are not adequately recovered through rates, it could have an adverse effect on our business, results of operations, cash flows and financial condition.

Our utility businesses are subject to significant and complex governmental regulation.

In addition to regulating the rates we charge, various federal and state regulatory authorities regulate many aspects of our utility operations, including:

- the terms and conditions of our service and operations;
- financial and capital structure matters, and issuance of securities;
- siting, construction and operation of facilities;
- mandatory reliability and safety standards under the Energy Policy Act of 2005 and other standards of conduct;
- accounting, depreciation and cost allocation methodologies;
- tax matters;
- affiliate transactions;
- acquisition, retirement and disposal of utility assets; and
- various other matters, including energy efficiency.

Such regulations or changes thereto may subject us to higher operating costs or increased capital expenditures and failure to comply could result in sanctions or possible penalties which may not be recoverable from customers.

Our regulated businesses undertake significant capital projects and these activities are subject to unforeseen costs, delays or failures, as well as risk of inadequate recovery of resulting costs.

The regulated utility businesses are capital intensive and require significant investments in energy generation (in the case of LG&E and KU) and transmission, distribution and other infrastructure projects, including providing service to new data centers and large load customers, constructing projects for environmental compliance and maintaining system reliability. The completion of these projects without delays or cost overruns is subject to risks in many areas, including:

- approval, licensing and permitting;
- land acquisition and the availability of suitable land;
- skilled labor or equipment shortages;
- construction problems or delays, including disputes with third-party intervenors;
- increases in commodity prices or labor rates;
- potential supply chain disruptions or delays; and

- contractor performance.

PPL is anticipating increases in load demand, creating the need for new power generating resources and transmission facilities. A substantial portion of this demand is driven by the current and projected power needs of data centers to serve an increasingly digital economy and to support artificial intelligence. Extending service to these facilities necessitates significant capital expenditures, which in turn requires sufficient access to sources of capital. These additional capital needs, the increased concentration of business within a single industry based on emerging technologies, and uncertainties regarding the actual capacity required to satisfy the projected new demands of these new industries creates risks for PPL. Ensuring that incremental revenues from these projected new demands cover incremental costs and risks is critical to PPL and its relationship to its existing customers. While contracts with new large load customers typically include provisions for early termination payments, minimum bills, and financial security, these contracts may not fully protect PPL against all risks. Changes in industry practice or advances in the related technologies could reduce the demand for electricity to power data centers or other large load facilities. Additionally, these industries may experience a business downturn, which could cause the loss of current or potential customers or may weaken the financial condition and creditworthiness of existing customers. If anticipated demand growth does not materialize, PPL could experience unrecovered capital investments. Conversely, if demand grows more rapidly than projected, PPL may face challenges in securing adequate generation and transmission capacity and maintaining service reliability.

Failure to complete our capital projects on schedule or on budget, or at all, could adversely affect our financial performance, operations and future growth if such expenditures are not granted rate recovery by our regulators.

We are or may be subject to costs of remediation of environmental contamination at facilities that are currently owned by us or that are owned or operated by our former subsidiaries.

We may be subject to liability for the costs of environmental remediation of property now or formerly owned by us with respect to substances that we may have generated regardless of whether the liabilities arose before, during or after the time we owned or operated the facilities. We also have current or previous ownership interests in sites associated with the production of manufactured gas for which we may be liable for additional costs related to investigation, remediation and monitoring of these sites. Remediation activities associated with our former manufactured gas plant operations are one source of such costs. Citizen groups or others may bring litigation regarding environmental issues including claims of various types, such as property damage, personal injury and citizen challenges to compliance decisions on the enforcement of environmental requirements, which could subject us to penalties, injunctive relief and the cost of litigation. We cannot predict the amount and timing of future expenditures (including the potential or magnitude of fines or penalties) related to such environmental matters, although they could be material.

C. Risks Specific to Kentucky Regulated Segment

(*PPL, LG&E and KU*)

We are subject to financial, operational, regulatory and other risks related to requirements, developments and uncertainties in environmental regulation, including those affecting coal-fired generation facilities.

Extensive federal, state and local environmental laws and regulations are applicable to LG&E's and KU's generation supply, including its air emissions, water discharges (ELGs) and the management of hazardous and solid wastes (CCRs), among other business-related activities, and the costs of compliance or alleged non-compliance cannot be predicted and could be material. In addition, our costs may increase significantly if the requirements or scope of environmental laws, regulations or similar rules are expanded or changed as the environmental standards governing LG&E's and KU's businesses, particularly as applicable to coal-fired generation and related activities, continue to be subject to uncertainties due to rulemaking and other regulatory developments, legislative activities and litigation, administrative and permit challenges. In recent years, the federal government has undertaken various efforts aimed at addressing climate change, some of which remain subject to legal challenge, that may affect these costs. The Registrants are unable to predict changes in regulations, regulatory guidance, legal interpretations, policy positions, and implementation actions that may be initiated by the current Presidential administration. Depending on the extent, frequency and timing of such changes, LG&E and KU may face higher risks of unsuccessful implementation of environmental-related business plans, noncompliance with applicable environmental rules, delayed or incomplete rate recovery or increased costs of implementation. Costs may take the form of increased capital expenditures or operating and maintenance expenses, monetary fines, penalties or forfeitures, operational changes, permit limitations or other restrictions. At some of our older generating facilities it may be uneconomic for us to install necessary pollution control equipment, which could cause us to retire those units. Our ability to retire plants we believe are uneconomic is expected to be subject to receipt of regulatory approvals. Market prices for energy and capacity also affect this cost-effectiveness analysis.

Many of these environmental law considerations are also applicable to the operations of our key suppliers or customers, such as coal producers, power producers and industrial power users, and may impact the costs of their products and demand for our services.

(*PPL and LG&E*)

We are subject to regulatory and other risks regarding natural gas supply infrastructure.

The PHMSA enforces regulations that govern the design, construction, operation and maintenance of pipeline facilities. Failure to comply with these regulations could result in the assessment of fines or penalties against LG&E. These regulations require, among other things, that pipeline operators take certain measures with respect to pipeline integrity. Depending on the results of integrity tests and other integrity program activities, we could incur significant and unexpected costs to perform remedial activities on our natural gas infrastructure to ensure our continued safe and reliable operation. Recent pipeline incidents in the U.S. have also led to the introduction of proposed rules and possible federal legislative actions which could impose restrictions on LG&E's operations or require more stringent testing to ensure pipeline integrity. Implementation of these regulations could increase our costs to comply with pipeline integrity and safety regulations.

D. Risks Specific to Pennsylvania Regulated Segment

(*PPL and PPL Electric*)

We face competition for transmission projects, which could adversely affect our rate base growth.

FERC Order 1000, issued in July 2011, establishes certain procedural and substantive requirements relating to participation, cost allocation and non-incumbent developer aspects of regional and inter-regional electricity transmission planning activities. The PPL Electric transmission business, operating under a FERC-approved PJM Open Access Transmission Tariff, is subject to competition pursuant to FERC Order 1000 from entities that are not incumbent PJM transmission owners with respect to the construction and ownership of transmission facilities within PJM. Increased competition can result in lower rate base growth.

We could be subject to higher costs and/or penalties related to Pennsylvania Conservation and Energy Efficiency Programs.

PPL Electric is subject to Act 129, which contains requirements for energy efficiency and conservation programs and for the use of smart metering technology, imposes PLR electricity supply procurement rules, provides remedies for market misconduct, and made changes to the existing Alternative Energy Portfolio Standard. The law also requires electric utilities to meet specified goals for reduction in customer electricity usage and peak demand. Utilities not meeting these Act 129 requirements are subject to significant penalties that cannot be recovered in rates. Numerous factors outside of our control could prevent compliance with these requirements and result in penalties to us.

E. Risks Specific to the Rhode Island Regulated Segment

(*PPL*)

We are subject to regulatory and other risks regarding natural gas supply infrastructure in Rhode Island.

The PHMSA enforces regulations that govern the design, construction, operation and maintenance of pipeline facilities. Failure to comply with these regulations could result in the assessment of fines or penalties against RIE. These regulations require, among other things, that pipeline operators take certain measures with respect to pipeline integrity. Depending on the results of integrity tests and other integrity program activities, we could incur significant and unexpected costs to perform remedial activities on our natural gas infrastructure to ensure our continued safe and reliable operation.

F. Risks Related to All Segments

(*All Registrants*)

Our business operations are continually subject to cyber-based security and data integrity risks from vulnerabilities related to our IT systems, operational technology infrastructure and supply chain relationships.

Numerous functions affecting the efficient operation of our businesses are dependent on the secure and reliable storage, processing and communication of electronic data and the use of sophisticated computer hardware and software systems and network infrastructure. The operation of our transmission and distribution systems, including gas distribution systems, as well as our generation plants, are all reliant on cyber-based, complex and integrated technologies. Systemic issues could arise as a result of upgrades to particular software or human error. In addition, these complex systems are subject to the risk that they could be the target of disruptive actions by terrorists, nation state actors or criminals or otherwise be compromised. Attacks may come through ransomware, software updates or patches, use of opensource software, firmware that hackers can manipulate to include malicious codes for exploitation at a later date, or the compromising of hardware by bad actors, creating serious risks to our security, the security of our customers' information, and potentially to our ability to provide power. Attacks could also target our personnel or contractors through attempts to gain access or credentials that could be used to breach our systems. As a result, operations could be interrupted, property could be damaged and sensitive customer information lost or stolen, causing us to incur significant losses of revenues, other substantial liabilities and damages, costs to replace or repair damaged equipment and damage to our reputation. Threats to our systems and operations continue to emerge as new ways to compromise components of our systems or networks are developed. Additionally, cybersecurity risks also threaten our supply chains, including aspects that are not under our control, such as the incorporation of opensource software in systems or software that we use, that despite our efforts do not meet our current security standards.

In addition, under the Energy Policy Act of 2005, users, owners and operators of the bulk power transmission system, including PPL Electric, LG&E, KU and RIE, are subject to mandatory reliability standards promulgated by NERC and enforced by the FERC. As an operator of natural gas distribution systems, LG&E is also subject to mandatory reliability standards of the U.S. Department of Transportation and is also subject to certain security directives related to cybersecurity issued by the Department of Homeland Security (DHS) Transportation Security Administration (TSA) in 2021. The TSA has determined that LG&E is critical, while RIE has not been notified of this distinction and is therefore not currently subject to the security directives. Failure to comply with these standards could result in the imposition of fines or civil penalties, and potential exposure to third party claims for alleged violations of the standards.

Artificial Intelligence (AI) is an evolving area of technology that has the potential to affect multiple aspects of our business operations, grid management, critical infrastructure management, customer interactions, cybersecurity posture, and decision support processes.

Because AI technologies remain in the early stages of development and industry standards are still emerging, their use, whether by PPL, its subsidiaries or third-party vendors, presents inherent risks. Although we seek contractual protections and conduct due diligence with third-party vendors that incorporate AI technologies into their products or services, we may not have full visibility into, awareness of, or control over, the underlying data, supply chain dependencies, model training practices, performance, security safeguards, or compliance posture of such AI enabled tools. AI algorithms that we or our third-party vendors use may be flawed or may be based on datasets that are biased or insufficient, which may introduce risks involving data quality, data integrity, cybersecurity, adversarial manipulation, intellectual property, regulatory compliance, biased outcomes, or improper handling of sensitive information.

These limitations, failures, or inaccurate results generated as a result of our employees', contractors' or vendors' use or misuse of AI technologies could lead to operational interruptions or otherwise adversely affect our business, reputation, or financial results. In addition, the development, testing, and deployment of AI capabilities may require significant computational resources, specialized personnel, and additional investment, resulting in increased costs. We may not be able to recover these costs through our regulatory proceedings. Rapid advances in AI capabilities, as well as the emerging regulatory landscape in the United States and internationally, may also require modifications to our systems, adoption of enhanced governance processes or implementation of new safeguards. Future laws, regulations, Executive Orders, or industry standards relating to AI (which may be conflicting), including those addressing transparency, data usage, cybersecurity, accountability, or risk management, could materially affect how we design, procure, or use AI technologies and could increase compliance costs. In addition, the pace of AI innovation and regulation is unpredictable, and we cannot foresee all potential impacts of AI technologies or future laws and regulations or compliance requirements, and their associated costs and consequences. Any of the risks described above could adversely affect our business operations, reputation, or financial results.

Natural disasters or operational accidents may adversely affect the Registrants' operating results.

Natural disasters or operational accidents (such as wildfires, earthquakes, hurricanes or natural gas transmission pipeline explosions) could have direct or indirect impacts on the Registrants or key contractors or suppliers. Further, the generation of electricity and the transportation and storage of natural gas involve inherent operating risks that may result in accidents involving serious injury or loss of life, environmental damage or property damage. Such events could affect the Registrants through civil or criminal legal proceedings or changes to policies, laws and regulations the compliance costs of which may have a significant impact on the Registrants' results of operations, financial position and cash flows. Existing insurance policies may not cover all of the potential exposures in connection with such incidents. Any losses not covered by insurance, or any increases in the cost of applicable insurance as a result of such incidents, could have a material adverse effect on the results of operations, financial position and cash flows of the Registrants.

We are subject to risks associated with federal and state tax laws and regulations.

Changes in tax law as well as the inherent difficulty in quantifying potential tax effects of business decisions could negatively impact our results of operations and cash flows. We are required to make judgments in order to estimate our obligations to taxing authorities. These tax obligations include income, property, gross receipts, franchise, sales and use, employment-related and other taxes. We also estimate our ability to utilize deferred tax assets and tax credits. Dependent upon the revenue needs of the jurisdictions in which our businesses operate, various tax and fee increases may be proposed or considered. We cannot predict changes in tax law or regulation or the effect of any such changes on our businesses. Any such changes could increase tax expense and could have a significant negative impact on our results of operations and cash flows. We continue to evaluate the application of relevant laws, including the TCJA, the IRA and the One Big Beautiful Bill Act.

Increases in electricity prices and/or a weak economy can lead to changes in legislative and regulatory policy, including the promotion of energy efficiency, conservation and distributed generation or self-generation, which may adversely affect our business.

Energy consumption is significantly impacted by overall levels of economic activity and costs of energy supplies. Economic downturns or periods of high energy supply costs can lead to changes in or the development of legislative and regulatory policy designed to promote reductions in energy consumption and increased energy efficiency, alternative and renewable energy sources, and distributed or self-generation by customers. This focus on conservation, energy efficiency and self-generation may result in a decline in electricity demand, which could adversely affect our business.

We could be negatively affected by rising interest rates, downgrades to our credit ratings, adverse credit market conditions or other negative developments in our ability to access capital markets.

Our businesses are capital-intensive and, in the ordinary course of business, we are reliant upon adequate long-term and short-term financing to fund our significant capital expenditures, debt service and operating needs. As a result, we are sensitive to developments in interest rates, credit rating considerations, insurance, security or collateral requirements, market liquidity and credit availability and refinancing opportunities necessary or advisable to respond to credit market changes. Changes in these conditions could result in increased costs and decreased availability of credit. In addition, certain sources of debt and equity capital have expressed reservations about investing in companies that rely on fossil fuels. If sources of our capital are reduced, capital costs could increase materially.

A downgrade in our credit ratings could negatively affect our ability to access capital and increase the cost of maintaining our credit facilities and any new debt.

Credit ratings assigned by Moody's and S&P to our businesses and their financial obligations have a significant impact on the cost of capital incurred by our businesses. A ratings downgrade could increase our short-term borrowing costs and negatively affect our ability to fund liquidity needs and access new long-term debt at acceptable interest rates. See "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition - Liquidity and Capital Resources - Ratings Triggers" for additional information on the financial impact of a downgrade in our credit ratings.

Our operating revenues could fluctuate on a seasonal basis, especially as a result of extreme weather conditions, including storms, or from changes in average temperatures for extended periods, which may be caused or exacerbated by climate change.

Our businesses are subject to seasonal demand cycles. For example, in some markets demand for, and market prices of, electricity peak during hot summer months, while in other markets such peaks occur in cold winter months. As a result, our overall operating results may fluctuate substantially on a seasonal basis if weather conditions diverge adversely from seasonal norms. Extreme weather and other significant disruptive events could significantly affect our profitability or operations by causing outages, damaging infrastructure and requiring significant repair costs. Storm outages and damage often directly decrease revenues and increase expenses, due to reduced usage and restoration costs. The effects of climate change may cause, contribute to or magnify fluctuations in our operating results.

Our businesses are subject to physical, market and economic risks relating to potential effects of climate change.

Climate change may produce changes in weather or other environmental conditions, including temperature or precipitation levels, and thus may impact consumer demand for electricity. In addition, the potential physical effects of climate change, such as increased frequency and severity of storms, floods, and other climatic events, could disrupt our operations and cause us to incur significant costs to prepare for or respond to these effects. Climate change may also contribute to heightened risk or severity of wildfires, which could disrupt our operations and cause us to incur significant costs, though the annual FEMA National Risk Index for wildfires in the jurisdictions in which we provide service is very low to relatively moderate. These or other meteorological changes could lead to increased operating costs, capital expenses or power purchase costs. Greenhouse gas regulation such as the EPA's May 2024 rule governing emissions from certain fossil fuel-fired electric generating units could increase the cost of electricity, and such increases could have a depressive effect on regional economies. Reduced economic and consumer activity in our service areas -- both generally and specific to certain industries and consumers accustomed to previously lower cost power -- could reduce demand for the power we generate, market and deliver. Also, demand for our energy-related services could be similarly lowered by consumers' preferences or market factors favoring energy efficiency, low-carbon power sources or reduced electricity usage. The Registrants' responses to such climate-related risks include compliance with evolving governmental policy, which may affect our financial condition, results of operations or cash flows.

We cannot predict the outcome of legal proceedings or investigations related to our businesses in which we are periodically involved. An unfavorable outcome or determination in any of these matters could have a material adverse effect on our financial condition, results of operations or cash flows.

We are involved in legal proceedings, claims and litigation and periodically are subject to state and federal investigations arising out of our business operations, the most significant of which are summarized in Item 1. Business and "Regulatory Matters" in Note 7 to the Financial Statements and in "Legal Matters" and "Regulatory Issues" in Note 12 to the Financial Statements. We cannot predict the ultimate outcome of these matters, nor can we reasonably estimate the costs or liabilities that could potentially result from a negative outcome in each case.

Significant increases in our operation and maintenance expenses, including health care and pension costs, could adversely affect our future earnings and liquidity.

We continually focus on limiting and reducing our operation and maintenance expenses. However, we expect to continue to face increased cost pressures in our operations. Increased costs of materials and labor may result from general inflation, increased regulatory requirements (especially in respect of environmental regulations), the need for higher-cost expertise in the workforce or other factors. In addition, pursuant to collective bargaining agreements, we are contractually committed to provide specified levels of health care and pension benefits to certain current employees and retirees. These benefits give rise to significant expenses. Due to general inflation with respect to such costs, the aging demographics of our workforce and other factors, we have experienced significant health care cost inflation in recent years, and we expect our health care costs, including prescription drug coverage, to continue to increase despite measures that we have taken and expect to take to require employees and retirees to bear a higher portion of the costs of their health care benefits. In addition, we expect to continue to incur significant costs with respect to the defined benefit pension plans for our employees and retirees. The measurement of our expected future health care and pension obligations, costs and liabilities is highly dependent on a variety of assumptions, most of which relate to factors beyond our control. These assumptions include investment returns, interest rates, health care cost trends, inflation rates, benefit improvements, salary increases and the demographics of plan participants. If our assumptions prove to be inaccurate, our future costs and cash contribution requirements to fund these benefits could increase significantly.

We may incur liabilities in connection with divestitures.

In connection with various divestitures, and certain other transactions, we have indemnified or guaranteed parties against certain liabilities. These indemnities and guarantees relate, among other things, to liabilities which may arise with respect to the period during which we or our subsidiaries operated a divested business, and to certain ongoing contractual relationships and entitlements with respect to which we or our subsidiaries made commitments in connection with a divestiture. See "Guarantees and Other Assurances" in Note 12 to the Financial Statements.

We are subject to liability risks relating to our generation, transmission and distribution operations.

The conduct of our physical and commercial operations subjects us to many risks, including risks of potential physical injury, property damage or other financial liability, caused to or by employees, customers, contractors, vendors, contractual or financial counterparties and other third parties.

Our facilities may not operate as planned, which may increase our expenses and decrease our revenues and have an adverse effect on our financial performance.

Operation of power plants, transmission and distribution facilities, information technology systems and other assets and activities subjects us to a variety of risks, including the breakdown or failure of equipment, accidents, security breaches, viruses or outages affecting information technology systems, labor disputes, obsolescence, delivery/transportation problems and disruptions of fuel supply and performance below expected levels. These events may impact our ability to conduct our businesses efficiently and lead to increased costs, expenses or losses. Operation of our delivery systems below our expectations may result in lost revenue and increased expense, including higher maintenance costs, which may not be recoverable from customers. Planned and unplanned outages at our power plants may require us to purchase power at then-current market prices to satisfy our commitments or, in the alternative, pay penalties and damages for failure to satisfy them.

Although we maintain insurance coverage for certain of these risks, we do not carry insurance for all of these risks and no assurance can be given that such insurance coverage will be sufficient to compensate us in the event losses occur.

We are required to obtain, and to comply with, government permits and approvals.

We are required to obtain, and to comply with, numerous permits, approvals, licenses and certificates from governmental agencies. The process of obtaining and renewing necessary permits can be lengthy and complex and sometimes result in the establishment of permit conditions that make the project or activity for which a permit was sought unprofitable or otherwise unattractive. In addition, such permits or approvals may be subject to denial, revocation or modification under certain circumstances. Failure to obtain or comply with the conditions of permits or approvals, or failure to comply with any applicable laws or regulations, may result in delay or temporary suspension of our operations and electricity sales or the curtailment of our power delivery and may subject us to penalties and other sanctions. Although various regulators routinely renew existing licenses, renewal could be denied or jeopardized by various factors, including failure to provide adequate financial assurance for closure; failure to comply with environmental, health and safety laws and regulations or permit conditions; local community, political or other opposition; and executive, legislative or regulatory action.

Our cost or inability to obtain and comply with the permits and approvals required for our operations could have a material adverse effect on our operations and cash flows. In addition, new environmental legislation or regulations, if enacted, or changed interpretations of existing laws may elicit claims that historical routine modification activities at our facilities violated applicable laws and regulations. In addition to the possible imposition of fines in such cases, we may be required to undertake significant capital investments in pollution control technology and obtain additional operating permits or approvals, which could have an adverse impact on our business, results of operations, cash flows and financial condition.

War, other armed conflicts or terrorist attacks could have a material adverse effect on our business.

War, terrorist attacks and unrest have caused and may continue to cause instability in the world's financial and commercial markets. In addition, unrest could lead to acts of terrorism in the United States or elsewhere, and acts of terrorism could be directed against companies such as ours. Armed conflicts and terrorism and their effects on us or our markets may significantly affect our business and results of operations in the future. In addition, we may incur increased costs for security, including additional physical plant security and security personnel or increased capability following a terrorist incident.

We are subject to counterparty performance, credit or other risk in the provision of goods or services to us, which could adversely affect our ability to operate our facilities or conduct business activities.

We purchase from a variety of suppliers energy, capacity, fuel, natural gas, transmission service and certain commodities used in the physical operation of our businesses, as well as goods or services, including information technology rights and services, used in the administration of our businesses. Delivery of these goods and services is dependent on the continuing operational performance and financial viability of our contractual counterparties and also the markets, infrastructure or third parties they use to provide such goods and services to us. As a result, we are subject to risks of disruptions, curtailments or increased costs in the operation of our businesses if such goods or services are unavailable or become subject to price spikes or if a counterparty fails to perform. Such disruptions could adversely affect our ability to operate our facilities or deliver services and collect revenues, which could result in lower sales and/or higher costs and thereby adversely affect our results of operations. The performance of coal markets and producers may be the subject of increased counterparty risk to LG&E and KU currently due to weaknesses in such markets and suppliers. The coal industry is subject to increasing competitive pressures from natural gas markets, political pressures and new or more stringent environmental regulation, including regulation of combustion byproducts and water inputs or discharges.

We are subject to the risk that our workforce and its knowledge base may become depleted in coming years.

Our businesses depend upon our ability to employ and retain key officers and other skilled professional and technical employees. We experience attrition due primarily to retiring employees, with the risk that critical knowledge will be lost and that it may be difficult to replace departed personnel, and to attract and retain new personnel, with appropriate skills and experience.

ITEM 1B. UNRESOLVED STAFF COMMENTS

PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company

None.

ITEM 1C. CYBERSECURITY *(All Registrants)*

Processes for Identifying, Assessing and Managing Material Risks from Cybersecurity Threats

PPL's Chief Security Officer (CSO) is responsible for establishing, implementing and executing PPL's cyber-risk management strategy for PPL and the other Registrants and reports to PPL's Executive Vice President and Chief Technology and Innovation Officer. The CSO has over 30 years of experience leading technology and security organizations, has a degree in computer science, and holds professional certifications in information security, IT auditing, and privacy. He is also a member of nationally and internationally recognized industry and security organizations, including the Information Systems Audit and Control Association, International Association of Privacy Professionals, and the Domestic Security Alliance Council. The CSO has responsibility for and oversees teams comprised of seasoned experts in cyber and IT security who possess appropriate experience to safeguard the company's data, networks and systems, mitigate cyber risks and help prevent and combat cyber threats. Reporting to the CSO are PPL's Chief Technology Security Officer (CTSO) and the VP of Corporate Security. The CTSO has over 25 years of experience, is a certified information security professional, and manages PPL's cyber security operations overseeing the implementation of security strategies and solutions across the Registrants, threat management, access management, cloud security and artificial intelligence.

The Registrants manage cybersecurity risks through monitoring, defense and response tools, including independent third-party assessments, internal audit assessments of the program's effectiveness, intelligence reports, cybersecurity threat trends, implementation of governance models, industry collaboration and employee training and awareness. The Registrants are actively engaged in cybersecurity related industry forums, public-private partnerships with law enforcement, cross-industry peer groups, and other efforts to help improve the protection of the U.S. electric grid.

The Registrants utilize monitoring tools, including but not limited to, cybersecurity incident and event management, penetration testing, intrusion detection and prevention, vulnerability assessments and anti-virus systems to detect anomalous or suspicious system or network activity. The Registrants may also become aware of a potential cybersecurity event or incident through employee reports, notification by a third-party service provider or business partner with potential impact to the Registrants or their systems, customers or notification by a government agency. The Registrants' subject matter specialists from across the enterprise provide input and expertise into risk governance processes, including cybersecurity, information technology, legal, compliance, operations, and enterprise risk management.

In developing their cybersecurity programs, the Registrants are guided by various frameworks including the NIST Cybersecurity Framework, a voluntary framework that consists of standards, guidelines and best practices for managing cybersecurity risk, that is widely used by critical infrastructure industries to help determine and address the highest priority cybersecurity risks. The Registrants conduct regular internal cybersecurity audits and vulnerability assessments and regularly engage with third-party cybersecurity experts for external assessments of their cybersecurity controls, including technical, physical and social aspects, to better comprehend the scope and magnitude of active threats to the industry and nation and their potential impact on our systems.

The CSO chairs the Corporate Security Council, consisting of senior executive management, which convenes regularly to and review and oversee cybersecurity risks. PPL and the other Registrants also maintain a process to review the cyber risks that arise from the use of third-party service providers as well as programs and procedures to mitigate such risks internally and to assess the extent to which such providers effectively manage their own cyber risks.

PPL has established an Executive Crisis Team comprised of PPL's executive leadership, including the CLC and additional officers as circumstances may warrant, to allow the company to respond quickly to a crisis, including a cyber event. This team governs and manages corporate crisis preparedness across the business lines, operations, and functions. Material or potentially material risks are escalated to the Executive Crisis Team and other appropriate leadership for review and action.

Also, the Registrants' workforce undertakes mandatory role-based annual training on identifying, reporting, and escalating cyber and physical security concerns to further assist in the identification of risks as well as the acceptable use of corporate electronic resources. Additionally, all employees and contractors are required to participate in the Registrants' ethical cyber phishing campaign program and complete annual cybersecurity awareness training.

In addition to these enterprise-wide initiatives, PPL's Kentucky, Pennsylvania and Rhode Island operations are subject to extensive and rigorous mandatory cybersecurity requirements that are developed and enforced by NERC and approved by FERC to protect grid security and reliability. LG&E is also subject to certain security directives related to cybersecurity issued by the Department of Homeland Security's Transportation Security Administration in 2021. See Note 12 to the Financial Statements for additional information on these directives.

The Registrants have been subject to attempted cybersecurity threats and will likely continue to be subject to such attempts in the future. While PPL has not determined that any cybersecurity incidents have materially affected the Registrants, including their business strategy, results of operations or financial condition, there can be no guarantee that the Registrants will not be the subject of future attacks, threats or incidents, the consequences of which may be material.

See "Risks Related to All Segments – Our business operations are continually subject to cyber-based security and data integrity risks from vulnerabilities related to our IT systems, operational technology infrastructure and supply chain relationships" in "Item 1A. Risk Factors" for a discussion of cybersecurity risks affecting the Registrants.

Oversight of Cybersecurity Risks by the Board of Directors and Management

PPL's Board of Directors (the Board) oversees the Registrants' management of cybersecurity risk through various processes identified below.

The Board has direct oversight of the Registrants' cybersecurity programs through periodic reports from the CSO, at least twice a year, regarding cybersecurity matters and risks as well as the adequacy and effectiveness of our cybersecurity risk management program. Through these reports, the Board monitors the Registrants' programs, processes and procedures related to cybersecurity. The Board has directed the CEO and CSO to promptly inform the Board in the event of a material or potentially material cybersecurity event. Each member of the Board has access to management, including the CEO and CSO, to ask questions and engage in the company's approach to prevent, detect, assess, and mitigate cybersecurity risk. PPL's Board has several Board members with experience in cybersecurity, including one with a certificate in Cyber-Risk Oversight from the National Association of Corporate Directors.

A primary function of the Audit Committee is to assist the Board in the oversight of the identification, assessment and management of risk. Cybersecurity risks are included in PPL's enterprise risk management process and are reported to the Audit Committee of the Board on a quarterly basis or more frequently, as needed.

ITEM 2. PROPERTIES

Kentucky Regulated Segment *(PPL, LG&E and KU)*

LG&E's and KU's properties consist primarily of regulated generation facilities, electricity transmission and distribution assets and natural gas transmission and distribution assets in Kentucky. The capacity of generation units is based on a number of factors, including the operating experience and physical condition of the units, and may be revised periodically to reflect changed circumstances. The electricity generating capacity at December 31, 2025 was:

		LG&E		KU	
Primary Fuel/Plant	Total MW Capacity Summer	% Ownership or Other Interest	Ownership or Other Interest in MW	% Ownership or Other Interest	Ownership or Other Interest in MW
Coal					
Ghent - Units 1- 4	1,919			100.00	1,919
Mill Creek - Units 2- 4	1,165	100.00	1,165		
E.W. Brown - Unit 3	412			100.00	412
Trimble County - Unit 1 (a)	493	75.00	370		
Trimble County - Unit 2 (a)	732	14.25	104	60.75	445
	4,721		1,639		2,776
Natural Gas/Oil					
E.W. Brown Unit 5 (b)	130	53.00	69	47.00	61
E.W. Brown Units 6 - 7	292	38.00	111	62.00	181
E.W. Brown Units 8 - 11 (b)	484			100.00	484
Trimble County Units 5 - 6	318	29.00	92	71.00	226
Trimble County Units 7 - 10	636	37.00	235	63.00	401
Paddy's Run Unit 12	23	100.00	23		
Paddy's Run Unit 13	147	53.00	78	47.00	69
Haefling - Units 1 - 2	24			100.00	24
Cane Run Unit 7	691	22.00	152	78.00	539
	2,745		760		1,985
Hydro					
Ohio Falls - Units 1-8	64	100.00	64		
Dix Dam - Units 1-3	32			100.00	32
	96		64		32
Solar					
E.W. Brown Solar (c)	8	39.00	3	61.00	5
Total	7,570		2,466		4,798

(a) Trimble County Unit 1 and Trimble County Unit 2 are jointly owned with Illinois Municipal Electric Agency and Indiana Municipal Power Agency. Each owner is entitled to its proportionate share of the units' total output and funds its proportionate share of capital, fuel and other operating costs. See Note 11 to the Financial Statements for additional information.

(b) There is an inlet air cooling system attributable to these units. This inlet air cooling system is not jointly owned; however, it is used to increase production on the units to which it relates, resulting in an additional 12 MW of capacity for LG&E and an additional 86 MW of capacity for KU.

(c) This unit is a 10 MW facility and achieves such production. The 8 MW solar facility summer capacity rating is reflective of an average expected output across the peak hours during the summer period based on average weather conditions at the solar facility.

For a description of LG&E's and KU's service areas, see "Item 1. Business - General - Segment Information - Kentucky Regulated Segment." At December 31, 2025, LG&E's and KU's electricity transmission and distribution systems and LG&E's natural gas transmission and distribution systems were:

	LG&E		KU	
	Distribution	Transmission	Distribution	Transmission
Electricity System				
Substations (a)	97	79	460	216
Capacity (in millions of kVA)	6	8	8	16
Overhead lines (circuit miles)	3,890	662	14,104	4,064
Underground lines (circuit miles)	2,913	6	2,901	4
Natural Gas System				
Distribution mains (miles)	4,475	—	—	—
Transmission pipeline (miles)	—	230	—	—
Transmission storage lines (miles)	—	83	—	—
Combustion turbine lines (miles)	—	19	—	11
Storage fields	—	4	—	—
Storage field capacity (Bcf)	—	11	—	—

(a) 196 substations (62 at LG&E and 134 at KU) are shared between the distribution and transmission systems.

Substantially all of LG&E's and KU's respective real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity and, in the case of LG&E, the storage and distribution of natural gas, is subject to the lien of either the LG&E 2010 Mortgage Indenture or the KU 2010 Mortgage Indenture. See Note 8 to the Financial Statements for additional information.

LG&E and KU continuously reexamine development projects based on market conditions and other factors to determine whether to proceed with the projects, sell, cancel or expand them or pursue other options. See Item 1. Business for a discussion related to LG&E's and KU's Solar Share program and 2022 and 2025 CPCN filings.

Pennsylvania Regulated Segment *(PPL and PPL Electric)*

For a description of PPL Electric's service area, see "Item 1. Business - General - Segment Information - Pennsylvania Regulated Segment." PPL Electric has electric transmission and distribution lines in public streets and highways pursuant to franchises and rights-of-way secured from property owners. At December 31, 2025, PPL Electric's transmission system includes 53 substations with a total capacity of 32 million kVA and 5,301 circuit miles in service. PPL Electric's distribution system includes 355 substations with a total capacity of 15 million kVA, 36,660 circuit miles of overhead lines and 9,102 underground circuit miles. All of PPL Electric's facilities are located in Pennsylvania. Substantially all of PPL Electric's distribution properties and certain transmission properties are subject to the lien of the PPL Electric 2001 Mortgage Indenture. See Note 8 to the Financial Statements for additional information.

Rhode Island Regulated Segment *(PPL)*

For a description of RIE's service area, see "Item 1. Business - General - Segment Information - Rhode Island Regulated Segment." At December 31, 2025, RIE's electric transmission system includes 45 substations with capacity of 33 kVA or higher, 361 circuit miles of overhead lines and 49 underground circuit miles. RIE's electric distribution system includes 59 substations, 6,600 circuit miles of overhead lines and 1,268 underground circuit miles. RIE also has distribution mains for its natural gas system with mileage of 3,220 miles. All of RIE's facilities are located in Rhode Island.

ITEM 3. LEGAL PROCEEDINGS

See Notes 6, 7, 9 and 12 to the Financial Statements for information regarding legal, tax and regulatory matters and proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

See "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition - Liquidity and Capital Resources - Forecasted Uses of Cash" for information regarding certain restrictions on the ability to pay dividends for all Registrants.

PPL Corporation

Additional information for this item is set forth in the sections entitled "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" and "Shareowner and Investor Information" of this report. At January 30, 2026 there were 39,811 common stock shareowners of record.

There were no purchases by PPL of its common stock during the fourth quarter of 2025.

PPL Electric Utilities Corporation

There is no established public trading market for PPL Electric's common stock, as PPL owns 100% of the outstanding common shares. Dividends paid to PPL on those common shares are determined by PPL Electric's Board of Directors. PPL Electric paid common stock dividends to PPL of $401 million in 2025 and $375 million in 2024.

Louisville Gas and Electric Company

There is no established public trading market for LG&E's common stock, as LKE owns 100% of the outstanding common shares. Dividends paid to LKE on those common shares are determined by LG&E's Board of Directors. LG&E paid common stock dividends to LKE of $200 million in 2025 and $187 million in 2024.

Kentucky Utilities Company

There is no established public trading market for KU's common stock, as LKE owns 100% of the outstanding common shares. Dividends paid to LKE on those common shares are determined by KU's Board of Directors. KU paid common stock dividends to LKE of $249 million in 2025 and $232 million in 2024.

ITEM 6. RESERVED

Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations

(All Registrants)

This "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" is separately filed by PPL, PPL Electric, LG&E and KU. Information contained herein relating to any individual Registrant is filed by such Registrant solely on its own behalf, and no Registrant makes any representation as to information relating to any other Registrant. The specific Registrant to which disclosures are applicable is identified in parenthetical headings in italics above the applicable disclosure or within the applicable disclosure for each Registrant's related activities and disclosures. Within combined disclosures, amounts are disclosed for individual Registrants when significant.

The following should be read in conjunction with the Registrants' Consolidated Financial Statements and the accompanying Notes. Capitalized terms and abbreviations are defined in the glossary. Dollars are in millions, except per share data, unless otherwise noted.

"Management's Discussion and Analysis of Financial Condition and Results of Operations" includes the following information:

- "Overview" provides a description of each Registrant's business strategy and a discussion of important financial and operational developments.
- "Results of Operations" for all Registrants includes a "Statement of Income Analysis," which discusses significant changes in principal line items on the Statements of Income, comparing 2025 with 2024. For PPL, "Results of Operations" also includes "Segment Earnings," which provides a detailed analysis of earnings by reportable segment. These discussions include the non-GAAP financial measure "Earnings from Ongoing Operations" and provide an explanation of the non-GAAP financial measure and a reconciliation of the measure to the most comparable GAAP measure.
- "Financial Condition - Liquidity and Capital Resources" provides an analysis of the Registrants' liquidity positions and credit profiles. This section also includes a discussion of forecasted sources and uses of cash and rating agency actions.
- "Financial Condition - Risk Management" provides an explanation of the Registrants' risk management programs relating to market and credit risk.
- "Application of Critical Accounting Policies" provides an overview of the accounting policies that are particularly important to the results of operations and financial condition of the Registrants and that require their management to make significant estimates, assumptions and other judgments of inherently uncertain matters.

For comparison of the Registrants' results of operations and cash flows for the years ended December 31, 2024 to December 31, 2023, refer to "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2024 Form 10-K, filed with the SEC on February 13, 2025.

Overview

For a description of the Registrants and their businesses, see "Item 1. Business."

Business Strategy *(All Registrants)*

PPL operates four regulated utilities located in Pennsylvania, Kentucky and Rhode Island. Each of these jurisdictions has distinct regulatory structures and each of the utilities has distinct customer classes.

PPL's strategy, which is supported by the other Registrants and subsidiaries, is focused on creating the utilities of the future to drive greater value for our customers and shareowners. Key objectives in support of this strategy include:

- Strengthening the reliability and resilience of our electric and gas networks to improve service and protect against current and future weather and storms.
- Advancing a cleaner energy future affordably and reliably. This includes expanding and modernizing our generation with natural gas, renewables and battery storage, while supporting research and development of low-carbon solutions.
- Driving operational efficiencies to improve customer service and help keep energy affordable.

- Utilizing artificial intelligence and other advanced technologies to inform decision making, optimize asset planning and maintenance and better manage supply and demand on the grid.
- Empowering customers through expanded digital options and improved service.
- Engaging with key stakeholders to strengthen resource adequacy, power economic development, and support the growth and success of the regions we serve.

This strategy supports our mission to provide safe, affordable, reliable and sustainable energy to our customers and competitive, long-term returns to shareowners.

Financial and Operational Developments

Joint Venture Agreement with Blackstone Infrastructure (PPL)

PPL and Blackstone Infrastructure have created a joint venture to build, own and operate new electricity generation stations to power data centers in Pennsylvania under long-term energy services agreements (ESAs) to address underlying resource adequacy and affordability concerns in Pennsylvania and PJM more broadly. Construction of new generation stations will require the execution of ESAs with data center developers, including hyperscalers, or the regulated utilities in Pennsylvania. PPL owns 51% of the joint venture interest and Blackstone Infrastructure owns 49%. The joint venture is actively engaged with hyperscalers, landowners, natural gas pipeline companies and turbine manufacturers, and has secured multiple land parcels to enable this new generation build out; however, no ESAs with hyperscalers have been signed as of the filing date of this Form 10-K.

Regulatory Requirements

(All Registrants)

The Registrants cannot predict the impact that future regulatory requirements may have on their financial condition or results of operations.

Rate Case Proceedings

(PPL)

On November 26, 2025, RIE filed a request with the RIPUC for an increase in electric and natural gas base distribution rates, and approval of certain regulatory and accounting treatments. In its application, RIE seeks to implement a two-year rate plan. In the first year of the rate plan, RIE's proposed base distribution rates for electric and gas combined are designed to collect additional operating revenue of approximately $181 million ($66 million or 18.2% in electricity revenues and $115 million or 36.4% in gas revenues). In the second year of the rate plan, RIE's proposed base distribution rates for electric and gas combined are designed to collect the proposed base distribution rate increases for electric and gas in the first year of the rate plan and additional operating revenues of approximately $49 million ($17 million or 3.6% in electricity revenues and $32 million or 7.4% in gas revenues).

The application is based on a historical test year of September 1, 2024 through August 31, 2025 and requested an authorized ROE of 10.75%. Subject to RIPUC approval, new rates are expected to become effective on September 1, 2026. Certain counterparties have intervened in the proceeding. A ruling from the RIPUC is anticipated during the third quarter of 2026. PPL cannot predict the outcome of the proceeding.

See "Regulatory Matters – Rhode Island Activities – Hold Harmless Implementation Agreement" in Note 7 to the Financial Statements for discussion on an additional rate making initiative to mitigate customer rate impacts.

(PPL and PPL Electric)

On September 30, 2025, PPL Electric filed a request with the PAPUC for an increase in distribution base rates of approximately $356 million, more than $50 million of which is already included in customer bills through rate recovery mechanisms, and approval of certain regulatory and accounting treatments. The proposed increase in distribution base rates would increase PPL Electric's total annual revenue by approximately 8.6%. The application is based on a fully projected future test year of July 1, 2026 through June 30, 2027 and requested an authorized ROE of 11.3%. Subject to PAPUC approval, new rates are expected to become effective on July 1, 2026. Certain counterparties have intervened in the proceeding. A ruling from the PAPUC is anticipated during the second quarter of 2026. PPL and PPL Electric cannot predict the outcome of the proceeding.

(PPL, LG&E and KU)

On May 30, 2025, LG&E and KU filed requests with the KPSC for an increase in annual electricity and gas revenues of approximately $391 million ($105 million and $226 million in electricity revenues at LG&E and KU and $60 million in gas revenues at LG&E) and approval of certain regulatory and accounting treatments. The revenue increases would be an increase of 8.3% and 11.5% in electricity revenues at LG&E and KU, and an increase of 14.0% in gas revenues at LG&E.

The applications were based on a forecasted test year of January 1, 2026 through December 31, 2026 and requested an authorized ROE of 10.95%. New interim rates became effective on January 1, 2026, subject to refund pursuant to the KPSC's final order. Certain counterparties have intervened in the proceedings.

On October 20, 2025, LG&E and KU filed with the KPSC a stipulation and recommendation (the agreement) regarding a proposed resolution of issues with a majority of the intervenors in the proceedings.

Under the agreement, the parties proposed that the KPSC should issue orders granting a revised increase in annual electricity and gas revenues of approximately $235 million ($58 million and $132 million in electricity revenues at LG&E and KU and $45 million in gas revenues at LG&E.) The agreement proposed a revised authorized ROE of 9.90%.

The agreement proposed a "stay out" commitment from LG&E and KU to refrain from effective base rate increases before August 1, 2028, subject to certain exceptions. In connection with the stay out period, the agreement also proposed the establishment of two new rate adjustment clause mechanisms, a Generation Cost Recovery Adjustment Clause (GCR) and a Sharing Mechanism Adjustment Clause (SM).

The proposed GCR mechanism would provide LG&E and KU recovery of and return on investment of covered costs (excluding fuel amounts, which LG&E and KU can recover via an existing rate mechanism) of relevant new generation and energy storage assets authorized in the 2022 and 2025 CPCN proceedings (excluding the Mill Creek Unit 6 NGCC, see "2025 CPCN" for more information regarding the Mill Creek Unit 6 NGCC) as they are placed in service.

The proposed SM mechanism would address any base rate revenue deficiency or surplus during the final thirteen months of the stay out period, July 2027 through July 2028, below or above a suggested ROE band of 9.40% to 10.15%. Any such base rate revenue deficiency or surplus would be collected from or returned to customers over a thirteen-month billing period beginning November 2028.

Following issuance of the 2025 CPCN Order, LG&E and KU filed supplemental testimony with the KPSC in the rate case proceedings seeking recovery of the Mill Creek Unit 2 stay open costs through a proposed additional rate adjustment clause mechanism.

The agreement further proposed that LG&E and KU use regulatory deferral accounting for actual expenses above or below base rate levels for certain expenses including: pension and post-retirement benefits, storm restoration, vegetation management, transmission waivers and credits, and gas line or well activities, with recovery of such deferred asset or liability amounts to be addressed in future rate cases.

On February 16, 2026, the KPSC issued orders approving portions of the October 2025 stipulation and recommendation, with modifications.

The KPSC orders provide for increases in annual electricity and gas revenues of $233 million ($59 million and $128 million in electricity revenues at LG&E and KU and $46 million in gas revenues at LG&E.) The orders include authorized returns on equity of 9.775% for base rate purposes and 9.675% for capital rate adjustment mechanisms.

The KPSC orders approve LG&E's and KU's requests for establishment of certain new rate adjustment mechanisms or tariffs, with modifications:

- a temporary Pilot Generation Recovery Adjustment Clause (PGR) to provide recovery of and return on investment of applicable costs of certain new generation and storage assets being built or anticipated to be built by LG&E and KU as authorized in the 2022 CPCN proceeding;
- the inclusion in the PGR of recovery of and return on investment of certain costs associated with a potential extension of the operating life of LG&E's Mill Creek Unit 2 beyond its original 2027 retirement date; and
- an Extremely High Load Factor Tariff for future applicable customers, such as data centers, which includes requirements such as long-term contracts, minimum revenue payments and collateral security structures that help protect the interests of LG&E, KU and of other ratepayers.

The PGR mechanism is similar to the GCR proposed in the stipulation, but restructured by the KPSC to be a pilot adjustment mechanism with a term until the earlier of ten months following the submission of LG&E's and KU's next base rate proceeding or the effective date of new rates in such proceeding, with the expectation that the mechanism would be reviewed in such proceeding. The pilot mechanism will apply to the planned Mill Creek Unit 5, Brown Battery Energy Storage System, Mercer County Solar and Marion County Solar generation-related projects. The KPSC also included Mill Creek Unit 2's potential stay-open costs in the PGR in lieu of approving the stipulation's request for a stand-alone adjustment mechanism for such costs. Finally, the KPSC excluded from coverage under the PGR costs related to Mill Creek Unit 6 and Brown Unit 12 planned new generation assets due to their anticipated in-service dates falling outside of the estimated pilot mechanism's duration, but without prejudice to LG&E and KU seeking recovery of such costs in future proceedings.

The KPSC orders also approved, approved with modifications, or denied in some cases, other requested accounting and rate matters relating to regulatory assets or liabilities, depreciation rates, and other areas.

The rate changes have a retroactive effective date as of January 1, 2026. Consistent with authorized rate case procedures, LG&E and KU will refund to customers amounts billed in excess of the final approved rates within sixty days.

The KPSC orders did not approve the SM adjustment clause that had been requested in the stipulation and made no modifications to the stay out offer by LG&E and KU to refrain from effective base rate increases prior to August 2028.

LG&E and KU and all intervenors have rights to request rehearing or appeal of the orders of the KPSC and because the KPSC orders modified or denied terms of the proposed stipulation, LG&E and KU and all stipulating parties have the right to withdraw from the stipulation.

LG&E and KU continue to evaluate the details contained in the orders and related matters as they consider next steps. PPL, LG&E and KU cannot predict the outcome of this matter.

In addition, pursuant to prior orders of the KPSC, the LG&E and KU rate case application included an assessment of a potential legal merger of LG&E and KU and concluded a legal merger may be appropriate. On December 30, 2025, LG&E filed a joint update with KU in the rate case proceedings stating that it expects to file necessary applications for merger approval in mid-2026 with the KPSC. Ultimately, formal approval for a merger would be required from the KPSC, VSCC and FERC via subsequent regulatory applications.

(PPL, LG&E and KU)

Environmental Considerations for Coal-Fired Generation

The businesses of LG&E and KU are subject to extensive federal, state and local environmental laws, rules and regulations, including those pertaining to CCRs, GHG, and ELGs. See Notes 7, 12 and 18 to the Financial Statements for a discussion of these significant environmental matters. These and other environmental requirements led PPL, LG&E and KU to retire approximately 1,500 MW of coal-fired generating plants in Kentucky since 2010. As part of the long-term generation planning process, LG&E and KU evaluate a range of factors including the impact of potential stricter environmental regulations, fuel price scenarios, the cost of replacement generation, continued operations and major maintenance costs and the risk of major equipment failures in determining when to retire generation assets.

As a result of environmental requirements and aging infrastructure, LG&E has sought and obtained approval to retire two older coal-fired units at the Mill Creek Plant. Mill Creek Unit 1, with 300 MW of capacity, was retired in 2024. Mill Creek Unit 2, with 297 MW of capacity, was approved to be retired in 2027, subject to certain conditions. On October 28, 2025, in LG&E and KU's 2025 CPCN proceeding, the KPSC declined to rule on a request to extend the operation of Mill Creek Unit 2. The KPSC indicated that a request for a new retirement approval proceeding may be required should LG&E elect to operate Mill Creek Unit 2 beyond its existing approved retirement date and seek to later retire the unit. See "Rate Case Proceedings" in Note 7 to the Financial Statements for additional information.

On October 4, 2024, LG&E submitted an application related to the retirement of Mill Creek Unit 1, which occurred on December 31, 2024, requesting recovery of associated costs under the RAR. On February 24, 2025, the KPSC issued an order approving LG&E's cost recovery for Mill Creek Unit 1 under the RAR of $125 million and related amounts were included in bills beginning in May 2025. See Note 7 to the Financial Statements for additional information on the Mill Creek Unit 1 RAR.

2025 CPCN

On February 28, 2025, LG&E and KU filed an application with the KPSC regarding certain future plans for new generation and generation-related construction matters. The proposals included in the application were intended to serve anticipated load growth, including from potential data center demand in LG&E's or KU's service territory. The proposals did not include retirements of coal or other fossil-fueled plants, which would require additional KPSC approval procedures under Kentucky legislation enacted in 2023 and 2024.

LG&E and KU submitted a joint application to the KPSC for approval of certain certificates of public convenience and necessity, site compatibility certificates, and accounting treatment, where applicable, relating to a number of generation-related plans or projects that generally are expected to become operational or established within the next six years. The aggregate projected capital expenditures associated with these proposals were expected to be $3.7 billion. The application included proposals to build:

- a 645 MW NGCC generation unit at KU's E.W. Brown station (Brown Unit 12),
- a 645 MW NGCC generation unit at LG&E's Mill Creek station (Mill Creek Unit 6),
- a four-hour 400 MW (1600 MWh total) battery energy storage system (BESS) at LG&E's Cane Run station, and
- a selective catalytic reduction (SCR) environmental facility at KU's Ghent station Unit 2 (Ghent Unit 2).

The new NGCC units are anticipated to be wholly owned by LG&E and the BESS unit jointly owned by LG&E (32%) and KU (68%), with actual project costs allocated consistent with LG&E's and KU's ultimate ownership shares and existing shared dispatch, cost allocation, tariff or other frameworks. The proposed Mill Creek Unit 6 NGCC is in addition to a new NGCC unit currently under construction at that location (Mill Creek Unit 5).

The filing also noted projected in service dates for the projects, including the Brown Unit 12 NGCC in 2030, the Mill Creek Unit 6 NGCC in 2031, the Cane Run BESS in 2028 and the Ghent Unit 2 SCR in 2028.

On July 29, 2025, LG&E and KU filed with the KPSC a stipulation and recommendation regarding a proposed resolution of issues with several of the intervenors in the CPCN proceeding (stipulation). The stipulation recommended to the KPSC the approval of the large majority of LG&E's and KU's requested generation-related projects and associated accounting matters, subject to certain changes. Under the stipulation, the parties agreed the KPSC should issue an order granting a CPCN for the proposed: (a) Brown Unit 12 NGCC; (b) Mill Creek Unit 6 NGCC; and (c) Ghent Unit 2 SCR. In addition, the proposal to build the $775 million Cane Run BESS would be withdrawn without prejudice, the relevant costs regarding the proposed $1.4 billion Mill Creek Unit 6 NGCC would be recovered through a new rate adjustment clause mechanism, the retirement date for the existing Mill Creek Unit 2 coal unit would be extended from 2027 to the operational date of the proposed Mill Creek Unit 6 NGCC or afterwards, subject to relevant future economic analysis, regulatory or environmental authorizations, and the relevant costs to continue to operate the Mill Creek Unit 2 coal unit would be recovered through a new rate adjustment clause mechanism. The stipulation also contained provisions relating to regulatory asset accounting, proposed data center tariffs, future renewable power requests-for-proposals and other matters. LG&E and KU would retain the right to seek approval of the potentially withdrawn Cane Run BESS or similar substitute project in future regulatory proceedings.

On October 28, 2025, the KPSC issued an order approving much of LG&E's and KU's July 2025 stipulation, with certain modifications. The order granted the requested CPCNs and site-related permits to construct the proposed Brown Unit 12 NGCC, Mill Creek Unit 6 NGCC, and Ghent Unit 2 SCR. The order authorized inclusion of relevant costs of the Ghent Unit 2 SCR in KU's existing environmental cost recovery rate mechanism. The order established a separate monitoring case to receive and consider information during the construction of Mill Creek Unit 6 NGCC.

The order approved requests regarding regulatory asset deferral accounting treatment for certain AFUDC related amounts and noted the KPSC's expectation that the stipulating parties would follow through with their commitments regarding tariffs and power supply contracts related to potential future data center or high load customers in LG&E's and KU's pending rate proceedings. The order also approved other elements of the stipulation or the originally-filed application, with minor modifications.

The KPSC decided not to approve LG&E's and KU's proposed new rate adjustment cost recovery mechanisms for certain costs associated with Mill Creek Unit 6 NGCC and costs associated with operating the Mill Creek Unit 2 coal plant beyond its original retirement date in 2027. However, the denials were without prejudice to resubmission and the KPSC encouraged the parties to provide additional evidence on such matters in separate proceedings. LG&E and KU provided such evidence addressing recovery of the Mill Creek Unit 2 stay open costs in their pending rate case proceedings. Recovery of Mill Creek Unit 6 costs will be addressed in a future proceeding. The KPSC declined to rule on the matter related to the retirement date of Mill Creek Unit 2 coal plant. The KPSC indicated that a request for a new retirement approval proceeding may be required should LG&E elect to operate Mill Creek Unit 2 beyond its existing approved retirement date and seek to later retire the unit.

In light of the conditional withdrawal in the stipulation, the order did not include a CPCN for the Cane Run BESS. LG&E and KU retain the right to seek approval of the Cane Run BESS project or similar substitute projects at any time in future regulatory proceedings.

FERC Transmission Rate Filing

In 2018, LG&E and KU applied to the FERC requesting elimination of certain on-going waivers and credits to a sub-set of transmission customers relating to the 1998 merger of LG&E's and KU's parent entities and the 2006 withdrawal of LG&E and KU from the Midcontinent Independent System Operator, Inc. (MISO), a regional transmission operator and energy market. The application sought termination of LG&E's and KU's commitment to provide certain Kentucky municipalities mitigation for certain horizontal market power concerns arising out of the 1998 LG&E and KU merger and 2006 MISO withdrawal. The amounts at issue are generally waivers or credits granted to a limited number of Kentucky municipalities for either certain LG&E and KU or MISO transmission charges incurred for transmission service received. In 2019, the FERC granted LG&E's and KU's request to remove the ongoing credits, conditioned upon the implementation by LG&E and KU of a transition mechanism for certain existing power supply arrangements, which was subsequently filed, modified, and approved by the FERC in 2020 and 2021. In 2020, LG&E and KU and other parties filed appeals with the U.S. Court of Appeals - D.C. Circuit (D.C. Circuit Court of Appeals) regarding the FERC's orders on the elimination of the mitigation and required transition mechanism. In August 2022, the D.C. Circuit Court of Appeals issued an order remanding the proceedings back to the FERC. On May 18, 2023, the FERC issued an order on remand reversing its 2019 decision and requiring LG&E and KU to refund credits previously withheld, including under such transition mechanism. LG&E and KU filed a petition for review of the FERC's May 18, 2023 order with the D.C. Circuit Court of Appeals and provided refunds in accordance with the FERC order on December 1, 2023. The FERC issued an order on LG&E's and KU's compliance filing on November 16, 2023, and LG&E and KU filed a petition for review of this November 16, 2023 order on February 14, 2024. The FERC issued the substantive order on rehearing on March 21, 2024, reaffirming its prior decision. On August 8, 2025, the D.C. Circuit Court of Appeals issued a procedural ruling vacating the FERC's prior orders and remanded the matter back to the FERC for further proceedings. LG&E and KU cannot predict the ultimate outcome of the proceedings or any other post decision process but do not expect the annual impact to have a material effect on their operations or financial condition. LG&E and KU currently receive recovery of certain waivers and credits primarily through existing base rate levels.

(PPL)

Hold Harmless Implementation Agreement

As a condition of its approval of the acquisition of RIE in May 2022, the Rhode Island Division of Public Utilities and Carriers required PPL to hold harmless Rhode Island customers from the impact of future rate increases resulting from changes in Accumulated Deferred Income Taxes as a result of the Acquisition (the Hold Harmless Commitment). On June 13, 2025, an agreement was entered into by and among RIE, PPL, PPL Rhode Island Holdings and the Rhode Island Division of Public Utilities and Carriers Advocacy Section (the Hold Harmless Implementation Agreement) to satisfy the Hold Harmless Commitment by providing approximately $155 million in miscellaneous bill credits issued to customers, with approximately $74 million to be issued in the first quarter of 2026 and approximately $81 million to be issued in the first quarter of 2027. The bill credits would be recorded as a reduction to revenue in the periods in which the credits are applied to customers' bills. On September 10, 2025, the Rhode Island Division of Public Utilities and Carriers issued an order confirming that RIE's provision of proposed miscellaneous bill credits as set forth in the Hold Harmless Implementation Agreement would satisfy the Hold Harmless Commitment. Also on September 10, 2025, the RIPUC opened a docket to evaluate the miscellaneous bill credit proposal set forth in the Hold Harmless Implementation Agreement, including the underlying rate accounting, and required RIE to file a tariff advice with the RIPUC, which RIE filed on October 2, 2025. After responding to discovery in that proceeding and before the evidentiary hearing was held or convened, RIE filed a notice of withdrawal of its tariff advice filing noting that it would hold in abeyance a comprehensive satisfaction of the Hold Harmless Commitment at this time. As a result of RIE's filing the notice of withdrawal, the Commission cancelled the evidentiary hearing. The docket remains open, but there has been no further activity since RIE's withdrawal of the tariff advice and the RIPUC's cancellation of the evidentiary hearing. PPL cannot predict whether there will be any further proceedings on the docket or the outcome of any further proceedings that may occur.

Winter Bill Volatility Docket

At an Open Meeting on November 24, 2025, the RIPUC approved several measures to help mitigate winter bill increases for electric customers. First, the RIPUC approved miscellaneous bill credits for all residential electric customers of $23.54 per month for January, February, and March 2026. Second, the RIPUC paused the Storm Fund Replenishment Factor for usage on and after January 1, 2026, subject to further review through the 2026 Annual Retail Rate Filing. Third, the RIPUC paused the electric Energy Efficiency Charge for usage beginning January 1, 2026 through March 31, 2026. To offset the costs of the miscellaneous bill credits, the RIPUC directed RIE to apply the December 31, 2025 electric Energy Efficiency fund balance, net of any earned incentives, and directed RIE to transfer $11 million from the storm fund balance. The RIPUC approved future cost recovery for RIE of any unfunded balance of the miscellaneous bill credits through future identified offsets and/or a reconciling recovery mechanism to be determined in conjunction with the 2026 electric retail rate filing to allow recovery by December 31, 2026. Any remaining unfunded balance shall accrue at RIE's weighted average cost of capital.

FY 2027 Gas ISR Plan

On December 22, 2025, RIE filed its FY 2027 Gas ISR Plan with the RIPUC with a budget of $184 million that primarily included $166 million of capital investment spend and $17 million for spending on curb-to-curb paving. A decision from the RIPUC on the Plan is expected by March 31, 2026. RIE cannot predict the outcome of this matter.

FY 2027 Electric ISR Plan

On December 22, 2025, RIE filed its FY 2027 Electric ISR Plan with the RIPUC with a budget that primarily included $154 million of capital investment spend (including $18 million for Advanced Metering Functionality) and $13 million of vegetation operation and maintenance spend. A decision from the RIPUC is expected by March 31, 2026. RIE cannot predict the outcome of this matter.

DSIC Petition (PPL and PPL Electric)

On April 26, 2024, PPL Electric filed a Petition with the PAPUC requesting that the PAPUC waive PPL Electric's DSIC cap of 5% of billed revenues and increase the maximum allowable DSIC to 9% for bills rendered on or after January 1, 2025. On February 28, 2025, the PAPUC issued its written order permitting PPL Electric to increase its DSIC cap from 5% to 7.5% for bills rendered on or after March 13, 2025 until the effective date of rates established in PPL Electric's next base rate case or the end of the PPL Electric's 2023-2027 Long-term Infrastructure Improvement Plan, whichever occurs first, at which time it will return to 5%.

Results of Operations

(PPL)

The "Statement of Income Analysis" discussion below describes significant changes in principal line items on the Statements of Income, comparing 2025 with 2024. The "Segment Earnings" discussions provide a review of results by reportable segment. These discussions include the non-GAAP financial measure "Earnings from Ongoing Operations" and provide an explanation of the non-GAAP financial measure and a reconciliation of the measure to the most comparable GAAP measure.

(PPL Electric, LG&E and KU)

A "Statement of Income Analysis" is presented separately for PPL Electric, LG&E and KU. The "Statement of Income Analysis" discussion below describes significant changes in principal line items on the Statements of Income, comparing 2025 with 2024. The results of operations section for PPL Electric, LG&E and KU is presented in a reduced disclosure format in accordance with General Instructions (I)(2)(a) of Form 10-K.

PPL: Statement of Income Analysis and Segment Earnings

Statement of Income Analysis

Net income for the years ended December 31 includes the following results:

	2025	2024	Change 2025 vs. 2024
Operating Revenues	$ 9,042	$ 8,462	$ 580
Operating Expenses			
Operation			
Fuel	855	783	72
Energy purchases	1,892	1,679	213
Other operation and maintenance	2,431	2,607	(176)
Depreciation	1,312	1,279	33
Taxes, other than income	423	374	49
Total Operating Expenses	6,913	6,722	191
Operating Income	2,129	1,740	389
Other Income (Expense) - net	151	114	37
Interest Expense	808	738	70
Income Before Income Taxes	1,472	1,116	356
Income Taxes	291	228	63
Net Income	$ 1,181	$ 888	$ 293

Operating Revenues

The increase (decrease) in operating revenues was due to:

	2025 vs. 2024
PPL Electric distribution volumes (a)	$ 34
PPL Electric PLR (b)	174
PPL Electric transmission formula rate (c)	45
LG&E volumes (d)	15
LG&E fuel and other energy purchases (e)	67
LG&E off-system sales (f)	11
KU volumes (d)	34
KU fuel and other energy purchases (g)	31
KU off-system sales (f)	18
RIE energy purchases and other recoveries (h)	140
RIE capital investment	20
Other	(9)
Total	$ 580

(a) The increase was primarily due to weather and higher other usage in 2025.
(b) The increase was primarily due to higher energy prices, more PLR customers and higher customer volumes due to weather and other higher usage.
(c) The increase was primarily due to returns on additional transmission capital investments and return of depreciation expense.
(d) The increases were primarily due to weather.
(e) The increase was primarily due to higher recoveries of fuel expenses and energy purchases.
(f) The increases were primarily due to higher volumes.
(g) The increase was primarily due to higher recoveries of fuel expenses.
(h) The increase was primarily due to higher recoveries of energy purchases primarily due to net metering credits, transmission expenses and gross earnings taxes

Fuel

Fuel expense increased $72 million in 2025 compared with 2024, primarily due to a $40 million increase in commodity costs and a $32 million increase in volumes due to weather.

Energy Purchases

The increase (decrease) in energy purchases was due to:

	2025 vs. 2024
PPL Electric PLR volumes	$ 57
PPL Electric PLR prices	92
LG&E commodity costs	14
LG&E volumes	23
RIE net metering	19
Other	8
Total	$ 213

Other Operation and Maintenance

The increase (decrease) in other operation and maintenance was due to:

	2025 vs. 2024
PPL Electric DER projects impairment (a)	$ (21)
PPL Electric vegetation management expenses	(14)
PPL Electric bad debt expenses	(21)
PPL Electric storm expenses	(13)
RIE gas maintenance expenses	25
RIE transmission expenses	62
RIE integration related expenses (b)	(57)
RIE customer service expenses	27
RIE pension alignment (c)	22
IT costs (d)	76
Transition costs associated with RIE (e)	(236)
Other	(26)
Total	$ (176)

(a) 2024 impairment of DER project costs associated with a pilot solar program for which PPL will not seek regulatory recovery.
(b) Certain transition services agreement costs in 2024 for IT systems that will not be part of PPL's ongoing operations.
(c) The increase is primarily due to a reclassification of the pension adjustment mechanism to align with PPL's accounting for other revenue related recovery items.
(d) Primarily costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(e) See Note 9 to the Financial Statements for additional information.

Interest Expense

The increase (decrease) in interest expense was due to:

	2025 vs. 2024
Long-term debt (a)	$ 47
Short-term debt	13
Other	10
Total	$ 70

(a) The increase was primarily due to increased borrowings, partially offset by debt extinguishment gains resulting from affiliated debt repurchases. See Note 8 to the Financial Statements for additional information.

Income Taxes

The increase (decrease) in income taxes was due to:

	2025 vs. 2024
Federal tax on change in pre-tax income	$ 75
State income taxes	8
Income tax credits	(8)
Amortization of (excess)/deficient deferred taxes	(5)
AFUDC Equity	(10)
Other	3
Total	$ 63

See Note 6 to the Financial Statements for additional information on income taxes.

Segment Earnings

PPL's Net Income (Loss) by reportable segments was as follows:

	2025	2024	Change 2025 vs. 2024
Kentucky Regulated	$ 674	$ 620	$ 54
Pennsylvania Regulated	639	574	65
Rhode Island Regulated	85	109	(24)
Corporate and Other (a)	(217)	(415)	198
Net Income (Loss)	$ 1,181	$ 888	$ 293

(a) Primarily represents financing and certain other costs incurred at the corporate level that have not been allocated or assigned to the segments, which are presented to reconcile segment information to PPL's consolidated results.

Earnings from Ongoing Operations

Management utilizes "Earnings from Ongoing Operations" as a non-GAAP financial measure that should not be considered as an alternative to net income, an indicator of operating performance determined in accordance with GAAP. PPL believes that Earnings from Ongoing Operations is useful and meaningful to investors because it provides management's view of PPL's earnings performance as another criterion in making investment decisions. In addition, PPL's management uses Earnings from Ongoing Operations in measuring achievement of certain corporate performance goals, including targets for certain executive incentive compensation. Other companies may use different measures to present financial performance.

Earnings from Ongoing Operations is adjusted for the impact of special items. Special items are presented in the financial tables on an after-tax basis with the related income taxes on special items separately disclosed. Income taxes on special items, when applicable, are calculated based on the statutory tax rate of the entity where the activity is recorded. Special items may include items such as:

- Gains and losses on sales of assets not in the ordinary course of business.
- Impairment charges.
- Significant workforce reduction and other restructuring effects.
- Acquisition and divestiture-related adjustments.
- Other charges or credits that are, in management's view, non-recurring or otherwise not reflective of the company's ongoing operations.

PPL's Earnings from Ongoing Operations by reportable segment were as follows:

	2025	2024	Change 2025 vs. 2024
Kentucky Regulated	$ 693	$ 624	$ 69
Pennsylvania Regulated	640	607	33
Rhode Island Regulated	142	155	(13)
Corporate and Other	(131)	(136)	5
Earnings from Ongoing Operations	$ 1,344	$ 1,250	$ 94

See "Reconciliation of Earnings from Ongoing Operations" below for a reconciliation of this non-GAAP financial measure to Net Income.

Kentucky Regulated Segment

The Kentucky Regulated segment consists primarily of LG&E's and KU's regulated electricity generation, transmission and distribution operations, as well as LG&E's regulated distribution and sale of natural gas.

Net Income and Earnings from Ongoing Operations include the following results:

	2025	2024	Change 2025 vs. 2024
Operating Revenues	$ 3,760	$ 3,562	$ 198
Fuel	855	783	72
Energy purchases	214	176	38
Other operation and maintenance	818	803	15
Depreciation	717	710	7
Taxes, other than income	102	99	3
Total Operating Expenses	2,706	2,571	135
Other Income (Expense) - net	53	29	24
Interest Expense	264	240	24
Income Taxes	169	160	9
Net Income	674	620	54
Less: Special Items	(19)	(4)	(15)
Earnings from Ongoing Operations	$ 693	$ 624	$ 69

The following after-tax gains (losses), which management considers special items, impacted the Kentucky Regulated segment's results and are excluded from Earnings from Ongoing Operations:

	Income Statement Line Item	2025	2024
FERC transmission credit refund, net of tax of $0 (a)	Operating Revenues	$ —	$ 1
ECR beneficial reuse transition adjustment, net of tax of $2 (b)	Operating Revenues	—	(4)
Strategic corporate initiatives, net of tax of $0 (c)	Other operation and maintenance	—	(1)
IT transformation, net of tax of $5 (d)	Other operation and maintenance	(16)	—
Office relocation and related costs, net of tax of $1 (e)	Other operation and maintenance	(3)	—
Total		$ (19)	$ (4)

(a) Prior period impact related to a FERC refund order.
(b) Prior period impact for an ECR mechanism revenue adjustment related to a KPSC order.
(c) Costs incurred related to PPL's corporate centralization efforts.
(d) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(e) Certain costs related to the relocation of corporate offices.

The changes in the components of the Kentucky Regulated segment's results between these periods were due to the factors set forth below, which exclude the items that management considers special.

	2025 vs. 2024
Operating Revenues	$ 194
Fuel	(72)
Energy purchases	(38)
Other operation and maintenance	9
Depreciation	(7)
Taxes, other than income	(3)
Other Income (Expense) - net	24
Interest Expense	(24)
Income Taxes	(14)
Earnings from Ongoing Operations	69
Special Items, after-tax	(15)
Net Income	$ 54

- Higher operating revenues in 2025 compared to 2024 primarily due to a $98 million increase in recoveries of fuel and energy purchases, a $50 million increase in sales volumes due to weather and a $29 million increase in off-system sales.

- Higher fuel expense in 2025 compared to 2024 primarily due to a $40 million increase in commodity costs and a $32 million increase in volumes due to weather.

- Higher energy purchases in 2025 compared to 2024 primarily due to a $24 million increase in volumes primarily due to weather and a $14 million increase in commodity costs.

Pennsylvania Regulated Segment

The Pennsylvania Regulated segment includes the regulated electricity transmission and distribution operations of PPL Electric.

Net Income and Earnings from Ongoing Operations include the following results:

	2025	2024	Change 2025 vs. 2024
Operating Revenues	$ 3,113	$ 2,876	$ 237
Energy purchases	876	721	155
Other operation and maintenance	630	705	(75)
Depreciation	413	401	12
Taxes, other than income	151	131	20
Total Operating Expenses	2,070	1,958	112
Other Income (Expense) - net	48	45	3
Interest Income from Affiliate	9	33	(24)
Interest Expense	257	246	11
Income Taxes	204	176	28
Net Income	639	574	65
Less: Special Items	(1)	(33)	32
Earnings from Ongoing Operations	$ 640	$ 607	$ 33

The following after-tax gains (losses), which management considers special items, impacted the Pennsylvania Regulated segment's results and are excluded from Earnings from Ongoing Operations:

	Income Statement Line Item	2025	2024
PPL Electric billing issue, net of tax of $5 (a)	Other operation and maintenance	$ —	$ (13)
Strategic corporate initiatives, net of tax of $2 (b)	Other operation and maintenance	—	(5)
DER projects impairment, net of tax of $6 (c)	Other operation and maintenance	—	(15)
Office relocation and related costs, net of tax of $0 (d)	Other operation and maintenance	(2)	—
Office relocation and related costs (e)	Income Taxes	5	—
IT transformation, net of tax of $1 (f)	Other operation and maintenance	(4)	—
Total		$ (1)	$ (33)

(a) Certain expenses related to billing issues.
(b) Costs incurred related to PPL's corporate centralization efforts.
(c) Impairment of DER project costs associated with a pilot solar program for which PPL will not seek regulatory recovery.
(d) Certain costs related to the relocation of corporate offices.
(e) Tax benefit related to the sale of a corporate office.
(f) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.

The changes in the components of the Pennsylvania Regulated segment's results between these periods are due to the factors set forth below, which exclude the items that management considers special.

	2025 vs. 2024
Operating Revenues	$ 237
Energy purchases	(155)
Other operation and maintenance	36
Depreciation	(12)
Taxes, other than income	(20)
Other Income (Expense) - net	3
Interest Income from Affiliate	(24)
Interest Expense	(11)
Income Taxes	(21)
Earnings from Ongoing Operations	33
Special Items, after-tax	32
Net Income	$ 65

- Higher operating revenues in 2025 compared to 2024 primarily due to a $174 million increase in PLR, a $45 million increase in transmission formula rate revenue and a $34 million increase in distribution volumes.

- Higher energy purchases in 2025 compared to 2024 primarily due to a $92 million increase in PLR prices and a $57 million increase in PLR volumes.

- Lower other operation and maintenance expense in 2025 compared to 2024 primarily due to a $14 million decrease in vegetation management expenses and a $13 million decrease in storm expenses.

Rhode Island Regulated Segment

The Rhode Island Regulated segment consists primarily of the regulated electricity transmission and distribution operations and regulated distribution and sale of natural gas conducted by RIE.

Net Income and Earnings from Ongoing Operations include the following results:

	2025	2024	Change 2025 vs. 2024
Operating Revenues	$ 2,168	$ 2,024	$ 144
Energy purchases	802	782	20
Other operation and maintenance	851	731	120
Depreciation	177	165	12
Taxes, other than income	170	144	26
Total Operating Expenses	2,000	1,822	178
Other Income (Expense) - net	33	20	13
Interest Income from Affiliate	3	4	(1)
Interest Expense	111	95	16
Income Taxes	8	22	(14)
Net Income	85	109	(24)
Less: Special Items	(57)	(46)	(11)
Earnings from Ongoing Operations	$ 142	$ 155	$ (13)

The following after-tax gains (losses), which management considers special items, impacted the Rhode Island Regulated segment's results and are excluded from Earnings from Ongoing Operations:

	Income Statement Line Item	2025	2024
Acquisition integration, net of tax of $1 (a)	Operating Revenues	$ (4)	$ —
Post TSA adjustments, net of tax of $3 (b)	Operating Revenues	(12)	—
Acquisition integration, net of tax of $0, $13 (a)	Other operation and maintenance	(1)	(45)
IT transformation, net of tax of $2 (c)	Other operation and maintenance	(8)	—
Post TSA adjustments, net of tax of $1 (b)	Other operation and maintenance	(4)	—
Customer system integration impacts, net of tax of $4 (d)	Other operation and maintenance	(15)	—
Acquisition integration, net of tax of ($2), $0 (a)	Other Income (Expense) - net	7	(1)
Energy efficiency programs settlement, net of tax of $2 (e)	Other Income (Expense) - net	(6)	—
Post TSA adjustments, net of tax of $2 (b)	Other Income (Expense) - net	(9)	—
Post TSA adjustments, net of tax of $1 (b)	Interest Expense	(5)	—
Total		$ (57)	$ (46)

(a) 2025 primarily includes a final transition services agreement settlement and certain other acquisition related items. 2024 primarily includes certain transition services agreement costs for IT systems that will not be part of PPL's ongoing operations.
(b) Adjustments related to account reconciliations and process alignment subsequent to the end of the transition services agreement associated with the acquisition of RIE.
(c) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(d) Certain collection process costs incurred due to the timing and implementation of the customer system integration.
(e) See Note 12 to the Financial Statements for additional information.

The changes in the components of the Rhode Island Regulated segment's results between these periods are due to the factors set forth below, which exclude the items that management considers special.

	2025 vs. 2024
Operating Revenues	$ 165
Energy purchases	(20)
Other operation and maintenance	(142)
Depreciation	(12)
Taxes, other than income	(26)
Other Income (Expense) - net	23
Interest Income from Affiliate	(1)
Interest Expense	(10)
Income Taxes	10
Earnings from Ongoing Operations	(13)
Special Items, after-tax	(11)
Net Income	$ (24)

- Higher operating revenues in 2025 compared to 2024 primarily due to a $140 million increase primarily from recovery of transmission expenses, gross earnings taxes and net metering credits and a $20 million increase related to capital investments.
- Higher energy purchases in 2025 compared to 2024 primarily due to an increase in net metering.
- Higher other operation and maintenance expense in 2025 compared to 2024 primarily due to a $62 million increase in transmission expenses, a $30 million increase in IT costs, a $27 million increase in customer service costs, a $25 million increase in gas maintenance expenses and a $22 million increase due to a reclassification of the pension adjustment mechanism to align with PPL's accounting for other revenue related recovery items, partially offset by a $22 million decrease in bad debt expenses.
- Higher depreciation in 2025 compared to 2024 primarily due to an increase in PP&E additions, net of retirements.
- Higher taxes, other than income in 2025 compared to 2024 primarily due to an increase in gross earnings taxes.
- Higher other income (expense) - net in 2025 compared to 2024 primarily due to a reclassification of the pension adjustment mechanism to align with PPL's accounting for other revenue related recovery items.
- Higher interest expense in 2025 compared to 2024 primarily due to increased borrowings.
- Lower income taxes in 2025 compared to 2024 primarily due to $5 million of lower pre-tax income and a $4 million deferred tax adjustment.

Reconciliation of Earnings from Ongoing Operations

The following tables contain after-tax gains (losses), in total, which management considers special items, that are excluded from Earnings from Ongoing Operations, and a reconciliation to PPL's "Net Income" for the years ended December 31.

	2025				
	KY Regulated	PA Regulated	RI Regulated	Corporate and Other	Total
Net Income (Loss)	$ 674	$ 639	$ 85	$ (217)	$ 1,181
Less: Special Items (expense) benefit:					
Talen litigation costs, net of tax of ($1) (a)	—	—	—	3	3
Acquisition integration, net of tax of $0, $15 (b)	—	—	2	(56)	(54)
IT transformation, net of tax of $5, $1, $2, $9 (c)	(16)	(4)	(8)	(33)	(61)
Energy efficiency programs settlement, net of tax of $2 (d)	—	—	(6)	—	(6)
Office relocation and related costs, net of tax of $1, $5 (e)	(3)	3	—	—	—
Post TSA adjustments, net of tax of $8 (f)	—	—	(30)	—	(30)
Customer system integration impacts, net of tax of $4 (g)	—	—	(15)	—	(15)
Total Special Items	(19)	(1)	(57)	(86)	(163)
Earnings from Ongoing Operations	$ 693	$ 640	$ 142	$ (131)	$ 1,344

(a) PPL incurred legal expenses and received insurance reimbursement related to litigation associated with its former affiliate, Talen Montana, LLC and certain affiliated entities.
(b) Rhode Island Regulated primarily includes a final transition services agreement settlement and certain other acquisition related items. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE.
(c) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(d) See Note 12 to the Financial Statements for additional information.
(e) Certain costs and tax benefits related to the relocation of corporate offices.
(f) Adjustments related to account reconciliations and process alignment subsequent to the end of the transition services agreement associated with the acquisition of RIE.
(g) Certain collection process costs incurred due to the timing and implementation of the customer system integration.

	2024				
	KY Regulated	PA Regulated	RI Regulated	Corporate and Other	Total
Net Income (Loss)	$ 620	$ 574	$ 109	$ (415)	$ 888
Less: Special Items (expense) benefit:					
Talen litigation costs, net of tax of $1 (a)	—	—	—	(2)	(2)
Strategic corporate initiatives, net of tax of $0, $2, $2 (b)	(1)	(5)	—	(5)	(11)
Acquisition integration, net of tax of $13, $66 (c)	—	—	(46)	(250)	(296)
PPL Electric billing issue, net of tax of $5 (d)	—	(13)	—	—	(13)
FERC transmission credit refund, net of tax of $0 (e)	1	—	—	—	1
ECR beneficial reuse transition adjustment, net of tax of $2 (f)	(4)	—	—	—	(4)
DER projects impairment, net of tax of $6 (g)	—	(15)	—	—	(15)
IT transformation, net of tax of $5 (h)	—	—	—	(22)	(22)
Total Special Items	(4)	(33)	(46)	(279)	(362)
Earnings from Ongoing Operations	$ 624	$ 607	$ 155	$ (136)	$ 1,250

(a) PPL incurred legal expenses related to litigation associated with its former affiliate, Talen Montana, LLC and certain affiliated entities.
(b) Represents costs primarily related to PPL's centralization and other strategic efforts.
(c) Rhode Island Regulated primarily includes certain transition services agreement costs for IT systems that will not be part of PPL's ongoing operations. Corporate and Other primarily includes integration and related costs associated with the acquisition of RIE.
(d) Certain expenses related to billing issues.
(e) Prior period impact related to a FERC refund order.
(f) Prior period impact for an ECR mechanism revenue adjustment related to a KPSC order.
(g) Impairment of DER project costs associated with a pilot solar program for which PPL will not seek regulatory recovery.
(h) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.

PPL Electric: Statement of Income Analysis

Net income for the years ended December 31 includes the following results:

	2025	2024	Change 2025 vs. 2024
Operating Revenues	$ 3,113	$ 2,876	$ 237
Operating Expenses			
Operation			
Energy purchases	876	721	155
Other operation and maintenance	630	705	(75)
Depreciation	413	401	12
Taxes, other than income	151	131	20
Total Operating Expenses	2,070	1,958	112
Operating Income	1,043	918	125
Other Income (Expense) - net	48	45	3
Interest Income from Affiliate	9	33	(24)
Interest Expense	257	246	11
Income Before Income Taxes	843	750	93
Income Taxes	204	176	28
Net Income	$ 639	$ 574	$ 65

Operating Revenues

The increase (decrease) in operating revenues was due to:

	2025 vs. 2024
Distribution price (a)	$ (14)
Distribution volume (b)	34
PLR (c)	174
Transmission formula rate (d)	45
Other	(2)
Total	$ 237

(a) The decrease was primarily due to reconcilable cost recovery mechanisms approved by the PAPUC.
(b) The increase was primarily due to weather and higher other usage in 2025.
(c) The increase was primarily the result of higher energy prices, more PLR customers and higher customer volumes due to weather and other higher usage.
(d) The increase was primarily due to returns on additional transmission capital investments and return of depreciation expense.

Energy Purchases

Energy purchases increased $155 million in 2025 compared with 2024, primarily due to higher PLR prices of $92 million and higher PLR volumes of $57 million.

Other Operation and Maintenance

The increase (decrease) in other operation and maintenance was due to:

	2025 vs. 2024
Vegetation management expenses	$ (14)
Bad debts	(21)
DER projects impairment (a)	(21)
Storm expenses	(13)
Other	(6)
Total	$ (75)

(a) 2024 impairment of DER project costs associated with a pilot solar program for which PPL will not seek regulatory recovery.

LG&E: Statement of Income Analysis

Net income for the years ended December 31 includes the following results:

	2025	2024	Change 2025 vs. 2024
Operating Revenues			
Retail and wholesale	$ 1,718	$ 1,617	$ 101
Electric revenue from affiliate	30	31	(1)
Total Operating Revenues	1,748	1,648	100
Operating Expenses			
Operation			
Fuel	338	308	30
Energy purchases	187	151	36
Energy purchases from affiliate	22	20	2
Other operation and maintenance	364	349	15
Depreciation	307	305	2
Taxes, other than income	51	49	2
Total Operating Expenses	1,269	1,182	87
Operating Income	479	466	13
Other Income (Expense) - net	24	12	12
Interest Income from Affiliate	—	1	(1)
Interest Expense	116	105	11
Income Before Income Taxes	387	374	13
Income Taxes	78	77	1
Net Income	$ 309	$ 297	$ 12

Operating Revenues

The increase (decrease) in operating revenues was due to:

	2025 vs. 2024
Fuel and other energy purchases (a)	$ 60
Volumes (b)	15
Off-system sales (c)	17
Other	8
Total	$ 100

(a) The increase was primarily due to higher recoveries of fuel expenses and energy purchases.
(b) The increase was primarily due to weather.
(c) The increase was primarily due to higher volumes.

Fuel

Fuel expense increased $30 million in 2025 compared with 2024, primarily due to an increase in commodity costs.

Energy Purchases

Energy purchases increased $36 million in 2025 compared with 2024, primarily due to a $23 million increase in volumes primarily due to weather and a $14 million increase in commodity costs.

KU: Statement of Income Analysis

Net income for the years ended December 31 includes the following results:

	2025	2024	Change 2025 vs. 2024
Operating Revenues			
Retail and wholesale	$ 2,042	$ 1,944	$ 98
Electric revenue from affiliate	22	20	2
Total Operating Revenues	2,064	1,964	100
Operating Expenses			
Operation			
Fuel	517	476	41
Energy purchases	26	25	1
Energy purchases from affiliate	30	31	(1)
Other operation and maintenance	416	413	3
Depreciation	408	403	5
Taxes, other than income	51	49	2
Total Operating Expenses	1,448	1,397	51
Operating Income	616	567	49
Other Income (Expense) - net	29	15	14
Interest Expense	148	137	11
Income Before Income Taxes	497	445	52
Income Taxes	99	89	10
Net Income	$ 398	$ 356	$ 42

Operating Revenues

The increase (decrease) in operating revenues was due to:

	2025 vs. 2024
Fuel and other energy purchases (a)	$ 30
Volumes (b)	34
Off-system sales (c)	19
Other	17
Total	$ 100

(a) The increase was primarily due to higher recoveries of fuel expenses.
(b) The increase was primarily due to weather.
(c) The increase was primarily due to higher volumes.

Fuel

Fuel expense increased $41 million in 2025 compared with 2024, primarily due to a $24 million increase in volumes due to weather and an $18 million increase in commodity costs.

Financial Condition

The remainder of this Item 7 in this Form 10-K is presented on a combined basis, providing information, as applicable, for all Registrants.

Liquidity and Capital Resources

(All Registrants)

The Registrants' cash flows from operations and access to cost-effective bank and capital markets are subject to risks and uncertainties. See "Item 1A. Risk Factors" for a discussion of risks and uncertainties that could affect the Registrants' cash flows.

The Registrants had the following at:

	PPL	PPL Electric	LG&E	KU
December 31, 2025				
Cash and cash equivalents	$ 1,071	$ 30	$ 162	$ 10
Short-term debt	456	—	—	—
Long-term debt due within one year	904	—	90	164
Notes payable with affiliates		—	—	36
December 31, 2024				
Cash and cash equivalents	$ 306	$ 24	$ 8	$ 13
Short-term debt	303	—	25	140
Long-term debt due within one year	551	—	300	250
Notes payable with affiliates		—	43	73

(All Registrants)

Net cash provided by (used in) operating, investing and financing activities for the years ended December 31 and the changes between periods were as follows:

	PPL	PPL Electric	LG&E	KU
2025				
Operating activities	$ 2,629	$ 1,050	$ 599	$ 798
Investing activities	(4,004)	(1,503)	(803)	(986)
Financing activities	2,122	459	349	176
2024				
Operating activities	$ 2,340	$ 1,042	$ 554	$ 723
Investing activities	(2,818)	(1,455)	(444)	(643)
Financing activities	435	386	(130)	(89)
2025 vs. 2024 Change				
Operating activities	$ 289	$ 8	$ 45	$ 75
Investing activities	(1,186)	(48)	(359)	(343)
Financing activities	1,687	73	479	265

Operating Activities

The components of the change in cash provided by (used in) operating activities were as follows:

2025 vs. 2024 Change - Cash Provided (Used):	PPL	PPL Electric	LG&E	KU
Net income	$ 293	$ 65	$ 12	$ 42
Non-cash components	17	(107)	(9)	16
Working capital	13	77	33	7
Other operating activities	(34)	(27)	9	10
Total	$ 289	$ 8	$ 45	$ 75

A majority of the Registrants' operating cash flows are provided by their electric and natural gas utilities, which are significantly influenced by factors such as weather, regulatory mechanisms, economic conditions, changes in working capital and operating costs.

(PPL)

PPL's cash provided by operating activities in 2025 increased $289 million compared with 2024.

- Net income increased $293 million between the periods and included an increase in non-cash components of $17 million.
- The $13 million increase in cash from changes in working capital was primarily due to an increase in regulatory liabilities, taxes payable and other current liabilities and a decrease in prepayments, partially offset by an increase in accounts receivable.
- The $34 million decrease in cash from other operating activities was primarily due to an increase in other noncurrent assets, partially offset by an increase in other noncurrent liabilities.

(PPL Electric)

PPL Electric's cash provided by operating activities in 2025 increased $8 million compared with 2024.

- Net income increased $65 million between the periods and included a decrease in non-cash components of $107 million, primarily due to a decrease in deferred income taxes and investment tax credits.
- The $77 million increase in cash from changes in working capital was primarily due to an increase in regulatory liabilities and taxes payable and a decrease in prepayments, partially offset by an increase in accounts receivable.
- The $27 million decrease in cash from other operating activities was primarily due to an increase in other noncurrent assets.

(LG&E)

LG&E's cash provided by operating activities in 2025 increased $45 million compared with 2024.

- Net income increased $12 million between the periods and included a decrease in non-cash components of $9 million.
- The $33 million increase in cash from changes in working capital was primarily due to an increase in taxes payable and a decrease in accounts receivable.
- The $9 million increase in cash from other operating activities was primarily due to an increase in other noncurrent liabilities, partially offset by an increase in other noncurrent assets.

(KU)

KU's cash provided by operating activities in 2025 increased $75 million compared with 2024.

- Net income increased $42 million between the periods and included an increase in non-cash components of $16 million.

- The $7 million increase in cash from changes in working capital was primarily due to an increase in accounts payable and taxes payable, partially offset by a decrease in regulatory liabilities.

- The $10 million increase in cash from other operating activities was primarily due to an increase in other noncurrent assets.

Investing Activities

(All Registrants)

The components of the change in cash provided by (used in) investing activities were as follows:

	PPL	PPL Electric	LG&E	KU
2025 vs. 2024 Change - Cash Provided (Used):				
Expenditures for PP&E	$ (1,225)	$ (379)	$ (323)	$ (340)
Notes receivable from affiliate	—	301	(36)	—
Other investing activities	39	30	—	(3)
Total	$ (1,186)	$ (48)	$ (359)	$ (343)

For PPL, the increase in expenditures for PP&E was primarily due to an increase in project expenditures at PPL Electric, LG&E, KU and RIE. The increase in expenditures at PPL Electric was primarily due to increases in transmission and distribution projects. The increase in expenditures at LG&E was primarily due to Mill Creek Units 5 and 6, the E.W. Brown battery storage project and the Bullitt County system reinforcement project. The increase in expenditures at KU was primarily due to Mill Creek Unit 5.

See "Forecasted Uses of Cash" for detail regarding projected capital expenditures for the years 2026 through 2028.

For PPL Electric, the changes in "Notes receivable from affiliate" activity resulted from payments received in 2025 on the short-term note between affiliates, issued in 2024 to support general corporate purposes. See Note 13 to the Financial Statements for further discussion of intercompany borrowings.

Financing Activities

(All Registrants)

The components of the change in cash provided by (used in) financing activities were as follows:

	PPL	PPL Electric	LG&E	KU
2025 vs. 2024 Change - Cash Provided (Used):				
Long-term debt issuance/retirement, net	$ 535	$ (153)	$ 400	$ 450
Dividends	(47)	(26)	(13)	(17)
Issuance of treasury stock	399	—	—	—
Capital contributions/distributions, net	—	(258)	237	138
Changes in net short-term debt	842	509	(50)	(187)
Note payable with affiliate	—	—	(86)	(110)
Other financing activities	(42)	1	(9)	(9)
Total	$ 1,687	$ 73	$ 479	$ 265

(All Registrants)

See Note 8 to the Financial Statements for information on 2025 activity.

See "Long-term Debt and Equity Securities" below for additional information on current year activity. See "Forecasted Sources of Cash" for a discussion of the Registrants' plans to issue debt and equity securities, as well as a discussion of credit facility capacity available to the Registrants. Also see "Forecasted Uses of Cash" for a discussion of PPL's plans to pay dividends on common securities in the future, as well as the Registrants' maturities of long-term debt.

Long-term Debt and Equity Securities

Long-term debt and equity securities activity for 2025 included:

	Debt		Stock	
	Issuances (a)	Retirements	Issuances (b)	Repurchases
Cash Flow Impact:				
PPL (c)	$ 3,045	$ 616	$ 401	$ —
PPL Electric	496	—	—	—
LG&E	700	300	—	—
KU	700	250	—	—

(a) Issuances are net of pricing discounts, where applicable, and exclude the impact of debt issuance costs.
(b) Primarily includes issuances of treasury stock.
(c) Retirements include $65 million related to repurchased affiliate debt. See Note 8 to the Financial Statements for additional information.

See Note 8 to the Financial Statements for additional long-term debt information.

Forecasted Sources of Cash

(All Registrants)

The Registrants expect to continue to have adequate liquidity available from operating cash flows, cash and cash equivalents, credit facilities, commercial paper issuances and debt, hybrid, and equity issuances to meet their requirements with respect to their contractual obligations and anticipated capital expenditures. Equity capital for PPL can be provided from any combination of issuances from at the market stock plans, private placements, or public offerings. Additionally, subject to market conditions, the Registrants and their subsidiaries may access the capital markets, and PPL Electric, LG&E and KU anticipate receiving equity contributions from their parent or member in 2026, which are expected to be used to fund capital expenditures and for other general corporate purposes.

PPL Electric, LG&E and KU plan to obtain the funds to meet their future capital needs from sources similar to those they used in the past, which were primarily from operating cash flows, external securities issuances, borrowings from financial institutions, and equity contributions from PPL. Operating cash flows provide a substantial portion of these subsidiary Registrants' cash needs.

The amount, type, and timing of any financings in 2026, as well as in subsequent years, will be contingent on investment opportunities and the Registrants' capital requirements and will depend upon prevailing market conditions, regulatory approvals as applicable for the subsidiary Registrants, and other factors.

Credit Facilities

The Registrants maintain credit facilities to enhance liquidity, provide credit support and provide a backstop to commercial paper programs. Amounts borrowed under these credit facilities are reflected in "Short-term debt" on the Balance Sheets. At December 31, 2025, the total committed borrowing capacity under credit facilities and the borrowings under these facilities were:

External

	Committed Capacity	Borrowed	Letters of Credit and Commercial Paper Issued (d)	Unused Capacity
PPL Capital Funding Credit Facilities (a)	$ 1,600	$ —	$ 456	$ 1,144
PPL Electric Credit Facilities	750	—	6	744
LG&E Credit Facilities	600	—	—	600
KU Credit Facilities	600	—	—	600
Total Credit Facilities (b)(c)	$ 3,550	$ —	$ 462	$ 3,088

(a) Includes a $1.5 billion syndicated credit facility with a $400 million borrowing sublimit for RIE and a $1.1 billion sublimit for PPL Capital Funding. RIE's borrowing sublimit is adjustable, at the borrowers' option, from $0 to $600 million, with the remaining balance of the $1.5 billion available under the facility allocated to PPL Capital Funding. At December 31, 2025, PPL Capital Funding had $355 million of commercial paper outstanding and RIE had $101 million of commercial paper outstanding. See Note 8 to the Financial Statements for additional information.

(b) The syndicated credit facilities and PPL Capital Funding's bilateral facility, each contain a financial covenant requiring debt to total capitalization not to exceed 70% for PPL Capital Funding, RIE, PPL Electric, LG&E and KU, as calculated in accordance with the facility, and other customary covenants.
The commitments under the credit facilities are provided by a diverse bank group, with no one bank and its affiliates providing an aggregate commitment of more than the following percentages of the total committed capacity: PPL - 8%, PPL Electric - 7%, LG&E - 7% and KU - 7%.

(c) Each company pays customary fees under its respective syndicated credit facility. Borrowings generally bear interest at applicable SOFR, plus an applicable margin.

(d) Commercial paper issued reflects the undiscounted face value of the issuance.

In addition to the financial covenants noted in the table above, the credit agreements governing the above credit facilities contain various other covenants. Failure to comply with the covenants after applicable grace periods could result in acceleration of repayment of borrowings and/or termination of the agreements. The Registrants monitor compliance with the covenants on a regular basis. At December 31, 2025, the Registrants were in compliance with these covenants. As of December 31, 2025, the Registrants believe that these covenants and other borrowing conditions will not limit access to these funding sources.

See Note 8 to the Financial Statements for further discussion of the Registrants' credit facilities.

Intercompany (LG&E and KU)

	Committed Capacity	Borrowed	Commercial Paper Issued	Unused Capacity
LG&E Money Pool (a)	$ 750	$ —	$ —	$ 750
KU Money Pool (a)	650	36	—	614

(a) LG&E and KU participate in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E, and LKE and/or LG&E make available to KU funds up to the difference between LG&E's and KU's FERC borrowing limit and LG&E's and KU's commercial paper capacity limit, at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR.

See Note 13 to the Financial Statements for further discussion of intercompany credit facilities.

Commercial Paper (All Registrants)

The Registrants, PPL Capital Funding and RIE maintain commercial paper programs to provide an additional financing source to fund short-term liquidity needs, as necessary. Commercial paper issuances, included in "Short-term debt" on the Balance Sheets, are supported by the respective Registrant's credit facilities. The following commercial paper programs were in place at:

	December 31, 2025		
	Capacity	Commercial Paper Issuances (b)	Unused Capacity
PPL Capital Funding (a)	$ 1,600	$ 355	$ 1,245
Rhode Island Energy (a)	400	101	299
PPL Electric	750	—	750
LG&E	600	—	600
KU	600	—	600
Total PPL	$ 3,950	$ 456	$ 3,494

(a) Issuances under the PPL Capital Funding and RIE commercial paper programs are supported by the PPL Capital Funding syndicated credit facility, which at December 31, 2025, had a total capacity of $1.5 billion, with a $400 million borrowing sublimit for RIE and a $1.1 billion sublimit for PPL Capital Funding. The sublimits of each borrower may be decreased or increased at the borrowers' option up to a prescribed amount such that all borrowings under the syndicated credit facility cannot exceed the size of the credit facility of $1.5 billion. PPL Capital Funding's Commercial paper program is also backed by a separate bilateral credit facility for $100 million.
(b) Commercial paper issued reflects the undiscounted face value of the issuance.

Forecasted Uses of Cash

(All Registrants)

In addition to expenditures required for normal operating activities, such as purchased power, payroll, fuel and taxes, the Registrants currently expect to incur future cash outflows for capital expenditures, various contractual obligations, payment of dividends on its common stock, and possibly the purchase or redemption of a portion of debt securities.

Capital Expenditures

The table below shows the Registrants' current capital expenditure projections for the years 2026 through 2028. Expenditures for the regulated utilities are expected to be recovered through rates, pending regulatory approval.

		Projected		
	Total	2026 (a)	2027	2028
PPL				
Generating facilities	$ 4,200	$ 1,100	$ 1,500	$ 1,600
Electric distribution facilities	5,575	1,775	1,950	1,850
Gas distribution facilities	1,225	375	400	450
Transmission facilities	5,875	1,625	2,025	2,225
Other	475	250	150	75
Total Capital Expenditures	$ 17,350	$ 5,125	$ 6,025	$ 6,200
PPL Electric				
Electric distribution facilities	$ 2,850	$ 1,000	$ 950	$ 900
Transmission facilities	3,350	975	1,125	1,250
Total Capital Expenditures	$ 6,200	$ 1,975	$ 2,075	$ 2,150
LG&E				
Generating facilities	$ 2,500	$ 600	$ 850	$ 1,050
Electric distribution facilities	825	200	325	300
Gas distribution facilities	450	125	150	175
Transmission facilities	450	125	175	150
Other	250	125	75	50
Total Capital Expenditures	$ 4,475	$ 1,175	$ 1,575	$ 1,725
KU				
Generating facilities	$ 1,700	$ 500	$ 650	$ 550
Electric distribution facilities	1,075	275	400	400
Transmission facilities	1,350	300	475	575
Other	225	125	75	25
Total Capital Expenditures	$ 4,350	$ 1,200	$ 1,600	$ 1,550

(a) The 2026 total excludes amounts included in accounts payable as of December 31, 2025.

Capital expenditure plans are revised periodically to reflect changes in operational, market and regulatory conditions.

Contractual Obligations

The Registrants have assumed various financial obligations and commitments in the ordinary course of conducting business. At December 31, 2025, estimated contractual cash obligations were as follows:

	Total	2026	2027-2028	2028-2029	After 2030
PPL					
Long-term Debt (a)	$ 19,089	$ 904	$ 1,778	$ 2,297	$ 14,110
Interest on Long-term Debt (b)	13,775	836	1,611	1,516	9,812
Operating Leases	109	20	35	19	35
Purchase Obligations (c)	5,476	1,940	1,845	1,002	689
Total Contractual Cash Obligations	$ 38,449	$ 3,700	$ 5,269	$ 4,834	$ 24,646
PPL Electric					
Long-term Debt (a)	$ 5,799	$ —	$ 108	$ 116	$ 5,575
Interest on Long-term Debt (b)	4,965	274	543	538	3,610
Unconditional Power Purchase Obligations	739	63	144	143	389
Total Contractual Cash Obligations	$ 11,503	$ 337	$ 795	$ 797	$ 9,574
LG&E					
Long-term Debt (a)	$ 2,889	$ 90	$ 260	$ —	$ 2,539
Interest on Long-term Debt (b)	2,508	131	253	249	1,875
Operating Leases	19	6	9	4	—
Coal and Natural Gas Purchase Obligations (d)	856	314	357	162	23
Unconditional Power Purchase Obligations (e)	299	19	48	48	184
Construction Obligations (f)	369	319	48	2	—
Other Obligations	72	45	22	5	—
Total Contractual Cash Obligations	$ 7,012	$ 924	$ 997	$ 470	$ 4,621
KU					
Long-term Debt (a)	$ 3,539	$ 164	$ 60	$ —	$ 3,315
Interest on Long-term Debt (b)	3,096	163	315	314	2,304
Operating Leases	30	10	13	5	2
Coal and Natural Gas Purchase Obligations (d)	1,088	372	536	180	—
Unconditional Power Purchase Obligations (e)	133	8	21	21	83
Construction Obligations (f)	356	288	62	6	—
Other Obligations	49	19	18	12	—
Total Contractual Cash Obligations	$ 8,291	$ 1,024	$ 1,025	$ 538	$ 5,704

(a) Reflects principal maturities based on stated maturity, sinking fund payments, or earlier put dates. See Note 8 to the Financial Statements for a discussion of variable-rate remarketable bonds issued on behalf of LG&E and KU. The Registrants do not have any significant finance lease obligations. For PPL, reduced by $84 million of repurchased affiliate bonds as of December 31, 2025. See Note 8 to the Financial Statements for more information.

(b) Assumes interest payments through stated maturity or earlier put dates. The payments herein are subject to change, as payments for debt that is or becomes variable-rate debt have been estimated.

(c) The amounts include agreements to purchase goods or services that are enforceable and legally binding and specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Primarily includes, as applicable, the purchase obligations of electricity, coal, natural gas and limestone, as well as certain construction expenditures, which are also included in the Capital Expenditures discussion above.

(d) Represents contracts to purchase coal, natural gas and natural gas transportation. See Note 12 to the Financial Statements for additional information.

(e) Represents future minimum payments under OVEC power purchase agreements through June 2040. See Note 12 to the Financial Statements for additional information.

(f) Represents construction commitments, which are also reflected in the Capital Expenditures table presented above.

Dividends/Distributions

(PPL)

PPL views dividends as an integral component of shareowner return and expects to continue to pay dividends in amounts intended to maintain a capitalization structure that supports investment grade credit ratings. In November 2025, PPL declared its quarterly common stock dividend, payable January 2, 2026, at 27.25 cents per share (equivalent to $1.09 per annum). On February 20, 2026, PPL announced a quarterly common stock dividend of 28.50 cents per share, payable April 1, 2026, to shareowners of record as of March 10, 2026. Future dividends will be declared at the discretion of the Board of Directors and will depend upon future earnings, cash flows, financial and legal requirements and other factors.

Subject to certain exceptions, PPL may not declare or pay any cash dividend or distribution on its capital stock during any period in which PPL Capital Funding defers interest payments on its 2007 Series A Junior Subordinated Notes due 2067. At December 31, 2025, no interest payments were deferred.

(PPL Electric, LG&E and KU)

From time to time, as determined by their respective Board of Directors, the Registrants pay dividends, distributions or return capital, as applicable, to their respective shareholders or members. Certain of the credit facilities of PPL Electric, LG&E and KU include minimum debt covenant ratios that could effectively restrict the payment of dividends or distributions.

(All Registrants)

See Note 8 to the Financial Statements for these and other restrictions related to distributions on capital interests for the Registrants and their subsidiaries.

Purchase or Redemption of Debt Securities

The Registrants will continue to evaluate outstanding debt securities and may decide to purchase or redeem these securities in open market or privately negotiated transactions, in exchange transactions or otherwise, depending upon prevailing market conditions, available cash and other factors, and may be commenced or suspended at any time. The amounts involved may be material.

Rating Agency Actions

Moody's and S&P periodically review the credit ratings of the debt of the Registrants and their subsidiaries. Based on their respective independent reviews, the rating agencies may make certain ratings revisions or ratings affirmations.

A credit rating reflects an assessment by the rating agency of the creditworthiness associated with an issuer and particular securities that it issues. The credit ratings of the Registrants and their subsidiaries are based on information provided by the Registrants and other sources. The ratings of Moody's and S&P are not a recommendation to buy, sell or hold any securities of the Registrants or their subsidiaries. Such ratings may be subject to revisions or withdrawal by the agencies at any time and should be evaluated independently of each other and any other rating that may be assigned to the securities.

The credit ratings of the Registrants and their subsidiaries affect their liquidity, access to capital markets and cost of borrowing under their credit facilities. A downgrade in the Registrants' or their subsidiaries' credit ratings could result in higher borrowing costs and reduced access to capital markets. The Registrants and their subsidiaries have no credit rating triggers that would result in the reduction of access to capital markets or the acceleration of maturity dates of outstanding debt.

The following table sets forth the Registrants' and their subsidiaries' credit ratings for outstanding debt securities or commercial paper programs as of December 31, 2025.

Issuer	Senior Unsecured		Senior Secured		Commercial Paper	
	Moody's	S&P	Moody's	S&P	Moody's	S&P
PPL						
PPL Capital Funding	Baa1	BBB+			P-2	A-2
Rhode Island Energy	A3	A-			P-2	A-2
PPL and PPL Electric						
PPL Electric			A1	A+	P-2	A-1
PPL, LG&E and KU						
LG&E			A1	A	P-2	A-2
KU			A1	A	P-2	A-2

Since June 2023, the rating agencies have not taken rating actions related to the Registrants and their subsidiaries.

Ratings Triggers *(PPL, LG&E and KU)*

Various derivative and non-derivative contracts, including contracts for the sale and purchase of electricity and fuel, commodity transportation and storage, and interest rate instruments, contain provisions that require the posting of additional collateral or permit the counterparty to terminate the contract, if PPL's, LG&E's or KU's or their subsidiaries' credit rating, as applicable, were to fall below investment grade. See Note 16 to the Financial Statements for a discussion of "Credit Risk-Related Contingent Features," including a discussion of the potential additional collateral requirements for derivative contracts in a net liability position at December 31, 2025.

Guarantees for Subsidiaries *(PPL)*

PPL guarantees certain consolidated affiliate financing arrangements. Some of the guarantees contain financial and other covenants that, if not met, would limit or restrict the consolidated affiliates' access to funds under these financing arrangements, accelerate maturity of such arrangements or limit the consolidated affiliates' ability to enter into certain transactions. At this time, PPL believes that these covenants will not limit access to relevant funding sources. See Note 12 to the Financial Statements for additional information about guarantees.

Other Contingent Obligations *(All Registrants)*

The Registrants have entered into certain agreements that may contingently require payment to a guaranteed or indemnified party. See Note 12 to the Financial Statements for a discussion of these agreements.

Risk Management

Market Risk

(All Registrants)

See Notes 1, 15 and 16 to the Financial Statements for information about the Registrants' risk management objectives, valuation techniques and accounting designations.

The forward-looking information presented below provides estimates of what may occur in the future, assuming certain adverse market conditions and model assumptions. Actual future results may differ materially from those presented. These are not precise indicators of expected future losses, but are rather only indicators of possible losses under normal market conditions at a given confidence level.

Interest Rate Risk

PPL and its subsidiaries issue debt to finance their operations, which exposes them to interest rate risk. A variety of financial derivative instruments are utilized to adjust the mix of fixed and floating interest rates in their debt portfolios, adjust the duration of the debt portfolios and lock in benchmark interest rates in anticipation of future financing, when appropriate. Risk limits under PPL's risk management program are designed to balance risk exposure to volatility in interest expense and changes in the fair value of the debt portfolio due to changes in benchmark interest rates. In addition, the interest rate risk of certain subsidiaries is potentially mitigated as a result of the existing regulatory framework or the timing of rate cases.

The following interest rate hedges were outstanding at December 31:

	2025				2024		
	Exposure Hedged	Fair Value, Net - Asset (Liability) (a)	Effect of a 10% Adverse Movement in Rates (b)	Maturities Ranging Through	Exposure Hedged	Fair Value, Net - Asset (Liability) (a)	Effect of a 10% Adverse Movement in Rates (b)
PPL and LG&E							
Cash flow hedges							
Interest rate derivatives	$ 20	$ —	$ (1)	2026	$ —	$ —	$ —
Economic hedges							
Interest rate derivatives (c)	$ 64	$ (5)	$ (1)	2033	$ 64	$ (3)	$ (1)

(a) Includes accrued interest, if applicable.
(b) Effects of adverse movements decrease assets or increase liabilities, as applicable, which could result in an asset becoming a liability. Sensitivities represent a 10% adverse movement in interest rates.
(c) Realized changes in the fair value of such economic hedges are recoverable through regulated rates and any subsequent changes in the fair value of these derivatives are included in regulatory assets or regulatory liabilities.

The Registrants are exposed to a potential increase in interest expense and to changes in the fair value of their debt portfolios. The estimated impact of a 10% adverse movement in interest rates on interest expense at December 31, 2025 and 2024 was insignificant for PPL, PPL Electric, LG&E, and KU. The estimated impact of a 10% adverse movement in interest rates on the fair value of debt at December 31 is shown below.

	10% Adverse Movement in Rates on Fair Value of Debt	
	2025	2024
PPL	$ 720	$ 622
PPL Electric	284	262
LG&E	135	89
KU	175	131

Commodity Price Risk

PPL is exposed to commodity price risk through its subsidiaries primarily from the purchases of electricity, natural gas and fuel but has cost recovery mechanisms to mitigate that risk. See Note 16 to the Financial Statements for further discussion of these risks.

Volumetric Risk

Volumetric risk is the risk related to the changes in volume of retail sales due to weather, economic conditions or other factors. PPL is exposed to volumetric risk through its subsidiaries as described below.

- PPL Electric, LG&E and KU are exposed to volumetric risk on retail sales, mainly due to weather and other economic conditions for which there is limited mitigation between rate cases.
- RIE is not materially exposed to volumetric risk. RIE's electric and gas distribution rates both have a revenue decoupling mechanism, which allows for annual adjustments to RIE's delivery rates.

Defined Benefit Plans - Equity Securities Price Risk

See "Application of Critical Accounting Policies - Defined Benefits" for additional information regarding the effect of equity securities price risk on plan assets.

Credit Risk

(All Registrants)

Credit risk is the potential loss that may be incurred due to a counterparty's non-performance.

PPL is exposed to credit risk from "in-the-money" transactions with counterparties as well as additional credit risk through certain of its subsidiaries, as discussed below.

In the event a supplier of PPL, PPL Electric, LG&E or KU defaults on its contractual obligation, those Registrants would be required to seek replacement power or replacement fuel in the market. In general, subject to regulatory review or other processes, appropriate incremental costs incurred by these entities would be recoverable from customers through applicable rate mechanisms, thereby mitigating the financial risk for these entities.

PPL and its subsidiaries have credit policies in place to manage credit risk, including the use of an established credit approval process, daily monitoring of counterparty positions and the use of master netting agreements or provisions. These agreements generally include credit mitigation provisions, such as margin, prepayment or collateral requirements. PPL and its subsidiaries may request additional credit assurance, in certain circumstances, if the counterparties' credit ratings fall below investment grade, their tangible net worth falls below specified percentages or their exposures exceed an established credit limit.

(All Registrants)

Related Party Transactions

The Registrants are not aware of any material ownership interests or operating responsibility by senior management in outside partnerships, including leasing transactions with variable interest entities, or other entities doing business with the Registrants. See Note 13 to the Financial Statements for additional information on related party transactions for PPL Electric, LG&E and KU.

Acquisitions, Development and Divestitures

The Registrants from time to time evaluate opportunities for potential acquisitions, divestitures, and development projects. See Note 9 to the Financial Statements for additional information on acquisition, development and divestiture activity. Development projects are reexamined based on market conditions and other factors to determine whether to proceed with, modify or terminate the projects. Any resulting transactions may impact future financial results.

Environmental Matters

Extensive federal, state and local environmental laws and regulations are applicable to the Registrants' air emissions, water discharges and the management of hazardous and solid waste, as well as other aspects of the Registrants' businesses. The costs of compliance or alleged non-compliance cannot be predicted with certainty but could be significant. In addition, costs may increase significantly if the requirements or scope of environmental laws or regulations, or similar rules, are expanded or changed. Costs may take the form of increased capital expenditures or operating and maintenance expenses, monetary fines, penalties or other restrictions. Many of these environmental law considerations are also applicable to the operations of key suppliers, or customers, such as coal producers and industrial power users, and may impact the costs for their products or their demand for the Registrants' services. Increased capital and operating costs are expected to be subject to rate recovery. The Registrants can provide no assurances as to the ultimate outcome of future environmental or rate proceedings before regulatory authorities.

See "Legal Matters" in Note 12 to the Financial Statements for a discussion of the more significant environmental claims. See Note 18 to the Financial Statements for information related to the impacts of CCRs on AROs. See "Item 1. Business - Environmental Matters" for additional information.

Sustainability

The Governance, Nominating and Sustainability Committee of PPL's Board of Directors has oversight of the company's practices and positions to further its sustainability strategy and corporate governance, including specific environmental and corporate social responsibility initiatives. Management considers several factors as part of the company's sustainability approach, including ongoing engagement with constituents such as shareholders and regulators on topics related to sustainability and other matters. To the extent sustainability issues have or may have a material impact on the Registrants' financial condition or results of operation, PPL discloses such matters in accordance with applicable securities law and SEC regulations.

In addition to disclosure required by applicable securities laws and SEC regulations, PPL provides additional disclosures on sustainability topics that it considers relevant to investors and stakeholders, which are available on the corporate website at https://www.pplweb.com/sustainability/reports-disclosures/. Primarily, PPL continues each spring to publish its annual sustainability report including data related to carbon emissions. PPL also participates in efforts by the Edison Electric Institute and American Gas Association to provide the appropriate subset of sustainability information that can be applied consistently across the electric and gas utility industries. Finally, PPL consults widely used reporting frameworks for discrete sustainability topics, including corporate political contributions and climate-related issues and maps its disclosure to various reporting frameworks such as Global Reporting Initiative (GRI) Standards and to the CDP Climate and Water Questionnaires.

Cybersecurity

See "Item 1A. Risk Factors" and "Item 1C. Cybersecurity" for a discussion of cybersecurity risks affecting the Registrants and the related strategies for managing these risks.

Competition

See "Competition" under each of PPL's reportable segments in "Item 1. Business - General - Segment Information" and "Item 1A. Risk Factors" for a discussion of competitive factors affecting the Registrants.

New Accounting Guidance

See Note 1 and Note 20 to the Financial Statements for a discussion of significant new accounting guidance adopted and pending adoption as of December 31, 2025.

Application of Critical Accounting Policies

Financial condition and results of operations are impacted by the methods, assumptions and estimates used in the application of critical accounting policies. The following accounting policies are particularly important to an understanding of the reported financial condition or results of operations and require management to make estimates or other judgments of matters that are inherently uncertain. Changes in the estimates or other judgments included within these accounting policies could result in a significant change to the information presented in the Financial Statements (these accounting policies are also discussed in Note 1 to the Financial Statements). Senior management has reviewed with PPL's Audit Committee these critical accounting policies, the following disclosures regarding their application, and the estimates and assumptions regarding them.

Defined Benefits *(All Registrants)*

Certain of the Registrants and/or their subsidiaries sponsor or participate in certain qualified funded and non-qualified unfunded defined benefit pension plans and both funded and unfunded other postretirement benefit plans. See Notes 1, 7 and 10 to the Financial Statements for additional information about the plans and the accounting for defined benefits.

A summary of plan sponsors by Registrant and whether a Registrant or its subsidiaries sponsor (S) or participate in and receives allocations (P) from those plans is shown in the table below.

Plan Sponsor	PPL	PPL Electric	LG&E	KU
PPL Services	S	P		
LKE			P	P

Management makes certain assumptions regarding the valuation of benefit obligations and the performance of plan assets. As such, annual net periodic defined benefit costs are recorded in current earnings or regulatory assets and liabilities based on estimated results. Any differences between actual and estimated results are recorded in AOCI or, in the case of PPL Electric, LG&E and KU, regulatory assets and liabilities for amounts that are expected to be recovered through regulated customer rates. These amounts in AOCI or regulatory assets and liabilities are amortized to income over future periods. The significant assumptions are:

- Discount Rate - In selecting the discount rates for defined benefit plans, the plan sponsors start with a cash flow analysis of the expected benefit payment stream for their plans. The plan-specific cash flows are matched against the coupons and expected maturity values of Aa-rated non-callable (or callable with make-whole provisions) bonds that could be purchased for a hypothetical settlement portfolio. The plan sponsors then use the single discount rate derived from matching the discounted benefit payment stream to the market value of the selected bond portfolio.

- Expected Return on Plan Assets - The expected long-term rates of return for pension and other postretirement benefits are based on management's projections using a best-estimate of expected returns, volatilities and correlations for each asset class. Each plan's specific current and expected asset allocations are also considered in developing a reasonable return assumption.

- Rate of Compensation Increase - Management projects employees' annual pay increases, which are used to project employees' pension benefits at retirement. In selecting a rate of compensation increase, plan sponsors consider past experience, the potential impact of movements in inflation rates and expectations of ongoing compensation practices.

See Note 10 to the Financial Statements for details of the assumptions selected for pension and other postretirement benefits. A variance in the assumptions could significantly impact accrued defined benefit liabilities or assets, reported annual net periodic defined benefit costs and AOCI or regulatory assets and liabilities.

The following tables reflect changes in certain assumptions based on the Registrants' primary qualified defined benefit pension and other postretirement benefit plans. The inverse of this change would have the opposite impact on accrued defined benefit liabilities or assets, reported annual net periodic defined benefit costs and AOCI or regulatory assets and liabilities. The sensitivities below reflect an evaluation of the change based solely on a change in that assumption.

	Increase (Decrease)
Actuarial assumption	
Discount Rate	(0.25%)
Expected Return on Plan Assets	(0.25%)
Rate of Compensation Increase	0.25%

Actuarial assumption	Increase (Decrease) Defined Benefit Asset	(Increase) Decrease Defined Benefit Liabilities	(Increase) Decrease AOCI (pre-tax)	Increase (Decrease) Net Regulatory Assets	Increase (Decrease) Defined Benefit Costs
PPL					
Discount rates	$ (17)	$ (73)	$ 26	$ 64	$ 4
Expected return on plan assets	n/a	n/a	n/a	n/a	10
Rate of compensation increase	(2)	(6)	2	6	1
PPL Electric					
Discount rates	—	(31)	—	31	1
Expected return on plan assets	n/a	n/a	—	n/a	3
Rate of compensation increase	—	(2)	—	2	—
LG&E					
Discount rates	(7)	1	n/a	8	1
Expected return on plan assets	n/a	n/a	n/a	n/a	1
Rate of compensation increase	(1)	—	n/a	1	—
KU					
Discount rates	(6)	1	n/a	7	1
Expected return on plan assets	n/a	n/a	n/a	n/a	1
Rate of compensation increase	(1)	—	n/a	1	—

Income Taxes *(All Registrants)*

Significant management judgment is required in developing the Registrants' provision for income taxes, primarily due to valuation allowances on deferred tax assets.

The need for valuation allowances to reduce deferred tax assets requires significant management judgment. Valuation allowances are initially recorded and reevaluated each reporting period by assessing the likelihood of the ultimate realization of a deferred tax asset. Management considers numerous factors in assessing the expected realization of a deferred tax asset, including the reversal of temporary differences, future taxable income and ongoing prudent and feasible tax planning strategies. Any tax planning strategy considered in this assessment must meet the recognition and measurement criteria for the valuation of a deferred tax asset. When evaluating the need for valuation allowances, the uncertainty posed by potential or expected legislative change on such factors is also considered by management. 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 6 to the Financial Statements for income tax disclosures.

Regulatory Assets and Liabilities *(All Registrants)*

PPL Electric, LG&E, KU and RIE are subject to cost-based rate regulation. As a result, the effects of regulatory actions are required to be reflected in the financial statements. Assets and liabilities that result from the regulated ratemaking process may not be recorded under GAAP for non-regulated entities. Regulatory assets generally represent incurred costs that have been deferred because such costs are probable of future recovery in regulated customer rates. Regulatory liabilities are recognized for amounts expected to be returned through future regulated customer rates. In certain cases, regulatory liabilities are recorded based on an understanding or agreement with the regulator that rates have been set to recover costs that are expected to be incurred in the future, and the regulated entity is accountable for any amounts charged pursuant to such rates and not yet expended for the intended purpose.

Management continually assesses whether the regulatory assets are probable of future recovery by considering factors such as changes in the applicable regulatory and political environments, the ability to recover costs through regulated rates, recent rate orders to the Registrants and other regulated entities, and the status of any pending or potential deregulation legislation. Based on this continual assessment, management believes the existing regulatory assets are probable of recovery. This assessment reflects the current political and regulatory climate at the state and federal levels and is subject to change in the future. If future recovery of costs ceases to be probable, the regulatory asset would be written-off. There were no material write-offs of regulatory assets for the year ended December 31, 2025. Additionally, the regulatory agencies can provide flexibility in the manner and timing of recovery of regulatory assets.

See Note 7 to the Financial Statements for regulatory assets and regulatory liabilities recorded at December 31, 2025 and 2024, as well as additional information on those regulatory assets and liabilities. All regulatory assets are either currently being recovered under specific rate orders, represent amounts that are expected to be recovered in future rates or benefit future periods based upon established regulatory practices.

Price Risk Management *(PPL)*

See "Financial Condition - Risk Management" above.

Goodwill Impairment *(PPL, LG&E and KU)*

Goodwill is tested for impairment at the reporting unit level. The reporting units of PPL include the Kentucky Regulated reporting unit, the Pennsylvania Regulated reporting unit, and the Rhode Island Regulated reporting unit. LG&E and KU are each single reporting units. A goodwill impairment test is performed annually or more frequently if events or changes in circumstances indicate that the carrying amount of the reporting unit may be greater than the reporting unit's fair value.

The fair value of a reporting unit is compared with the carrying value and an impairment charge is recognized if the carrying amount exceeds the fair value of the reporting unit.

PPL, for its reporting units, and individually, LG&E and KU, may elect either to initially make a qualitative evaluation about the likelihood of an impairment of goodwill or to bypass the qualitative evaluation and test goodwill for impairment using a quantitative test.

As of October 1, 2025, PPL, for its reporting units, and individually, LG&E and KU, elected to perform the qualitative step zero evaluation of goodwill. These evaluations considered the excess of fair value over the carrying value of each reporting unit that was calculated during step one of the quantitative impairment tests performed in the fourth quarter of 2022, and the relevant events and circumstances that occurred since those tests were performed including:

- current year financial performance versus the prior year,
- changes in planned capital expenditures,
- the consistency of forecasted free cash flows,
- earnings quality and sustainability,
- changes in market participant discount rates,
- changes in long-term growth rates,
- changes in PPL's market capitalization, and
- the overall economic and regulatory environments in which these regulated entities operate.

Based on these evaluations, management concluded it was not more likely than not that the fair value of these reporting units was less than their carrying value. As such, the step one quantitative impairment test was not performed and no impairment was recognized.

See "Long-Lived and Intangible Assets - Asset Impairment (Excluding Investments)" in Note 1 to the Financial Statements for further discussion of goodwill impairment tests. See Note 17 to the Financial Statements for information on goodwill balances by reportable segment at December 31, 2025.

Asset Retirement Obligations *(LG&E and KU)*

ARO liabilities are required to be recognized for legal obligations associated with the retirement of long-lived assets. Initial obligations are measured at estimated fair value. An ARO must be recognized when incurred if the fair value of the ARO can be reasonably estimated. An equivalent amount is recorded as an increase in the value of the capitalized asset and amortized to expense, regulatory assets or regulatory liabilities over the asset's useful life.

In determining AROs, management must make significant judgments and estimates to calculate fair value. Fair value is developed using an expected present value technique based on assumptions of market participants that consider estimated retirement costs in current period dollars, inflated to the anticipated retirement date and discounted back to the date the ARO was incurred. Changes in assumptions and estimates included within the calculations of the fair value of AROs could result in significantly different results than those identified and recorded in the financial statements. Estimated ARO costs and settlement dates, which affect the carrying value of the ARO and the related capitalized asset, are reviewed periodically to ensure that any material changes are incorporated into the ARO estimate. Any change to the capitalized asset is generally amortized over the remaining life of the associated long-lived asset.

See "Long-Lived and Intangible Assets - Asset Retirement Obligations" in Note 1, Note 7 and Note 18 to the Financial Statements for additional information on AROs.

At December 31, 2025, the total recorded balances and information on the most significant recorded AROs were as follows.

		Most Significant AROs		
	Total ARO Recorded	Amount Recorded	% of Total	Description
LG&E	$ 75	$ 52	69	Ponds, landfills and natural gas mains
KU	57	27	47	Ponds and landfills

The most significant assumptions surrounding AROs are the forecasted retirement costs (including settlement dates and the timing of cash flows), discount and inflation rates. At December 31, 2025, a 10% increase to retirement cost would increase these ARO liabilities by $6 million at LG&E and $7 million at KU. A 0.25% decrease in the discount rate would increase these ARO liabilities by $4 million at LG&E and $1 million at KU and a 0.25% increase in the inflation rate would increase these ARO liabilities by $4 million at LG&E and $1 million at KU. There would be no significant change to the annual depreciation expense of the ARO asset or the annual accretion expense of the ARO liability as a result of these changes in assumptions.

Revenue Recognition - Unbilled Revenues *(PPL, LG&E and KU)*

For RIE, LG&E and KU, revenues related to the sale of energy are recorded when service is rendered or when energy is delivered to customers. Because customers are billed on cycles which vary based on the timing of actual meter reads taken throughout the month, estimates are recorded for unbilled revenues at the end of each reporting period. Such unbilled revenue amounts reflect estimates of deliveries to customers since the date of the last reading of their meters. The unbilled revenue estimates reflect consideration of factors including daily load models, estimated usage for each customer class, the effect of current and different rate schedules, the meter read schedule, the billing schedule, actual weather data, and, where applicable, the impact of weather normalization or other regulatory provisions of rate structures.

Other Information *(All Registrants)*

PPL's Audit Committee has approved the independent auditor to provide audit and audit-related services, tax services and other services permitted by Sarbanes-Oxley and SEC rules. The audit and audit-related services include services in connection with statutory and regulatory filings, reviews of offering documents and registration statements, and internal control reviews.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company

Reference is made to "Risk Management" for the Registrants in "Item 7. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations."

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareowners and the Board of Directors of PPL Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of PPL Corporation and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, equity, and cash flows, for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 20, 2026 expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Assets and Regulatory Liabilities – Impact of Rate-Regulation on Regulatory Assets and Regulatory Liabilities and Related Disclosures – Refer to Notes 1 and 7 to the financial statements

Critical Audit Matter Description

As discussed in Note 1 to the financial statements, the Company owns and operates four cost-based rate-regulated utilities for which rates are set by regulators to enable the regulated utility to recover the costs of providing electric or gas service, as applicable, and to provide a reasonable return to shareholders. As a result, the financial statements are subject to the accounting for certain types of regulation as prescribed by generally accepted accounting principles and reflect the effects of regulatory actions.

Regulatory assets are recognized for the effect of transactions or events where future recovery of underlying costs is probable in regulated customer rates. The effect of such accounting is to defer certain or qualifying costs that would otherwise currently be charged to expense. Regulatory liabilities are recognized for amounts expected to be returned through future regulated customer rates. The accounting for regulatory assets and regulatory liabilities is based on specific ratemaking decisions or precedent for each transaction or event. While the Company has indicated that it expects to recover costs from customers through regulated rates, there is a risk that the regulators will not approve full recovery of and return on such costs or approve recovery on a timely basis in future regulatory decisions.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management in continually assessing whether the regulatory assets and regulatory liabilities are probable of future recovery or refund by considering factors such as changes in the applicable regulatory environments, the ability to recover costs through regulated rates, and recent rate orders. Auditing these judgments required specialized knowledge of accounting for rate regulation due to its inherent complexities.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the uncertainty of future decisions by regulatory commissions included the following, among others:

- We tested the effectiveness of management's internal controls over evaluating the likelihood of recovery or refund in future rates of costs deferred as regulatory assets and regulatory liabilities. We tested the effectiveness of management's internal controls over the recognition of amounts as regulatory assets or regulatory liabilities and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates or of a future reduction in rates.

- We obtained and read relevant regulatory orders issued by the regulatory commissions for the Company and other publicly available information to assess the likelihood of recovery in future rates or of a future reduction in rates based on precedents of the treatment of similar costs under similar circumstances.

- We evaluated the Company's disclosures related to the impacts of rate-regulation, including the balances recorded and regulatory developments.

/s/ Deloitte & Touche LLP

Morristown, New Jersey
February 20, 2026

We have served as the Company's auditor since 2015.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareowner and the Board of Directors of PPL Electric Utilities Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of PPL Electric Utilities Corporation and subsidiaries (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of income, equity, and cash flows, for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Assets and Regulatory Liabilities – Impact of Rate-Regulation on Regulatory Assets and Regulatory Liabilities and Related Disclosures – Refer to Notes 1 and 7 to the financial statements

Critical Audit Matter Description

As discussed in Note 1 to the financial statements, PPL Electric Utilities Company (PPL Electric) is a cost-based rate-regulated utility for which rates are set by regulators to enable the regulated utility to recover the costs of providing electric service and to provide a reasonable return to shareholders. As a result, the financial statements are subject to the accounting for certain types of regulation as prescribed by generally accepted accounting principles and reflect the effects of regulatory actions.

Regulatory assets are recognized for the effect of transactions or events where future recovery of underlying costs is probable in regulated customer rates. The effect of such accounting is to defer certain or qualifying costs that would otherwise currently be charged to expense. Regulatory liabilities are recognized for amounts expected to be returned through future regulated customer rates. The accounting for regulatory assets and regulatory liabilities is based on specific ratemaking decisions or precedent for each transaction or event. While PPL Electric has indicated that it expects to recover costs from customers through regulated rates, there is a risk that the regulators will not approve full recovery of and return on such costs or approve recovery on a timely basis in future regulatory decisions.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management in continually assessing whether the regulatory assets and regulatory liabilities are probable of future recovery or refund by considering factors such as changes in the applicable regulatory environments, the ability to recover costs through regulated rates, and recent rate orders. Auditing these judgments required specialized knowledge of accounting for rate regulation due to its inherent complexities.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the uncertainty of future decisions by regulatory commissions included the following, among others:

- We tested the effectiveness of management's internal controls over evaluating the likelihood of recovery or refund in future rates of costs deferred as regulatory assets and regulatory liabilities. We tested the effectiveness of management's internal controls over the recognition of amounts as regulatory assets or regulatory liabilities and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates or of a future reduction in rates.

- We obtained and read relevant regulatory orders issued by the regulatory commissions for PPL Electric and other publicly available information to assess the likelihood of recovery in future rates or of a future reduction in rates based on precedents of the treatment of similar costs under similar circumstances.

- We evaluated PPL Electric's disclosures related to the impacts of rate-regulation, including the balances recorded and regulatory developments.

/s/ Deloitte & Touche LLP

Morristown, New Jersey
February 20, 2026

We have served as the Company's auditor since 2015.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder and the Board of Directors of Louisville Gas and Electric Company

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Louisville Gas and Electric Company (the "Company") as of December 31, 2025 and 2024, the related statements of income, equity, and cash flows, for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Assets and Regulatory Liabilities – Impact of Rate-Regulation on Regulatory Assets and Regulatory Liabilities and Related Disclosures – Refer to Notes 1 and 7 to the financial statements

Critical Audit Matter Description

As discussed in Note 1 to the financial statements, Louisville Gas and Electric Company (LG&E) is a cost-based rate-regulated utility for which rates are set by regulators to enable the regulated utility to recover the costs of providing electric or gas service, as applicable, and to provide a reasonable return to shareholders. As a result, the financial statements are subject to the accounting for certain types of regulation as prescribed by generally accepted accounting principles and reflect the effects of regulatory actions.

Regulatory assets are recognized for the effect of transactions or events where future recovery of underlying costs is probable in regulated customer rates. The effect of such accounting is to defer certain or qualifying costs that would otherwise currently be charged to expense. Regulatory liabilities are recognized for amounts expected to be returned through future regulated customer rates. The accounting for regulatory assets and regulatory liabilities is based on specific ratemaking decisions or precedent for each transaction or event. While LG&E has indicated that it expects to recover costs from customers through regulated rates, there is a risk that the regulators will not approve full recovery of and return on such costs or approve recovery on a timely basis in future regulatory decisions.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management in continually assessing whether the regulatory assets and regulatory liabilities are probable of future recovery or refund by considering factors such as changes in the applicable regulatory environments, the ability to recover costs through regulated rates, and recent rate orders. Auditing these judgments required specialized knowledge of accounting for rate regulation due to its inherent complexities.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the uncertainty of future decisions by regulatory commissions included the following, among others:

- We tested the effectiveness of management's internal controls over evaluating the likelihood of recovery or refund in future rates of costs deferred as regulatory assets and regulatory liabilities. We tested the effectiveness of management's internal controls over the recognition of amounts as regulatory assets or regulatory liabilities and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates or of a future reduction in rates.

- We obtained and read relevant regulatory orders issued by the regulatory commissions for LG&E and other publicly available information to assess the likelihood of recovery in future rates or of a future reduction in rates based on precedents of the treatment of similar costs under similar circumstances.

- We evaluated LG&E's disclosures related to the impacts of rate-regulation, including the balances recorded and regulatory developments.

/s/ Deloitte & Touche LLP

Louisville, Kentucky
February 20, 2026

We have served as the Company's auditor since 2015.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder and the Board of Directors of Kentucky Utilities Company

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Kentucky Utilities Company (the "Company") as of December 31, 2025 and 2024, the related statements of income, equity, and cash flows, for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Regulatory Assets and Regulatory Liabilities – Impact of Rate-Regulation on Regulatory Assets and Regulatory Liabilities and Related Disclosures – Refer to Notes 1 and 7 to the financial statements

Critical Audit Matter Description

As discussed in Note 1 to the financial statements, Kentucky Utilities Company (KU) is a cost-based rate-regulated utility for which rates are set by regulators to enable the regulated utility to recover the costs of providing electric service and to provide a reasonable return to shareholders. As a result, the financial statements are subject to the accounting for certain types of regulation as prescribed by generally accepted accounting principles and reflect the effects of regulatory actions.

Regulatory assets are recognized for the effect of transactions or events where future recovery of underlying costs is probable in regulated customer rates. The effect of such accounting is to defer certain or qualifying costs that would otherwise currently be charged to expense. Regulatory liabilities are recognized for amounts expected to be returned through future regulated customer rates. The accounting for regulatory assets and regulatory liabilities is based on specific ratemaking decisions or precedent for each transaction or event. While KU has indicated that it expects to recover costs from customers through regulated rates, there is a risk that the regulators will not approve full recovery of and return on such costs or approve recovery on a timely basis in future regulatory decisions.

We identified the impact of rate regulation as a critical audit matter due to the significant judgments made by management in continually assessing whether the regulatory assets and regulatory liabilities are probable of future recovery or refund by considering factors such as changes in the applicable regulatory environments, the ability to recover costs through regulated rates, and recent rate orders. Auditing these judgments required specialized knowledge of accounting for rate regulation due to its inherent complexities.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the uncertainty of future decisions by regulatory commissions included the following, among others:

- We tested the effectiveness of management's internal controls over evaluating the likelihood of recovery or refund in future rates of costs deferred as regulatory assets and regulatory liabilities. We tested the effectiveness of management's internal controls over the recognition of amounts as regulatory assets or regulatory liabilities and the monitoring and evaluation of regulatory developments that may affect the likelihood of recovering costs in future rates or of a future reduction in rates.

- We obtained and read relevant regulatory orders issued by the regulatory commissions for KU and other publicly available information to assess the likelihood of recovery in future rates or of a future reduction in rates based on precedents of the treatment of similar costs under similar circumstances.

- We evaluated KU's disclosures related to the impacts of rate-regulation, including the balances recorded and regulatory developments.

/s/ Deloitte & Touche LLP

Louisville, Kentucky
February 20, 2026

We have served as the Company's auditor since 2015.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31,
PPL Corporation and Subsidiaries

(Millions of Dollars, except share data)

	2025	2024	2023
Operating Revenues	**$ 9,042**	$ 8,462	$ 8,312
Operating Expenses			
Operation			
Fuel	**855**	783	733
Energy purchases	**1,892**	1,679	1,841
Other operation and maintenance	**2,431**	2,607	2,462
Depreciation	**1,312**	1,279	1,254
Taxes, other than income	**423**	374	392
Total Operating Expenses	**6,913**	6,722	6,682
Operating Income	**2,129**	1,740	1,630
Other Income (Expense) - net (Note 14)	**151**	114	(40)
Interest Expense	**808**	738	666
Income Before Income Taxes	**1,472**	1,116	924
Income Taxes	**291**	228	184
Net Income	**$ 1,181**	$ 888	$ 740
Earnings Per Share of Common Stock:			
Net Income Available to PPL Common Shareowners:			
Basic	**$ 1.60**	$ 1.20	$ 1.00
Diluted	**$ 1.59**	$ 1.20	$ 1.00
Weighted-Average Shares of Common Stock Outstanding (in thousands)			
Basic	**739,406**	737,756	737,036
Diluted	**743,348**	739,853	738,166

The accompanying Notes to Financial Statements are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31,
PPL Corporation and Subsidiaries

(Millions of Dollars)

	2025	2024	2023
Net income	**$ 1,181**	$ 888	$ 740
Other comprehensive income (loss):			
Amounts arising during the period - gains (losses), net of tax (expense) benefit:			
Qualifying derivatives, net of tax of ($1), $0, $0	**1**	—	—
Equity investees' other comprehensive income (loss), net tax of $0, $0, $0	**(1)**	1	1
Defined benefit plans:			
Net actuarial gain (loss), net of tax of $7, $8, $15	**(20)**	(22)	(41)
Reclassifications to net income - (gains) losses, net of tax expense (benefit):			
Qualifying derivatives, net of tax of ($1), $0, $0	**2**	3	3
Defined benefit plans:			
Prior service costs, net of tax of $0, $0, ($1)	**1**	1	1
Net actuarial (gain) loss, net of tax of $1, $0, $0	**(1)**	(4)	(3)
Total other comprehensive income (loss)	**(18)**	(21)	(39)
Comprehensive income	**$ 1,163**	$ 867	$ 701

The accompanying Notes to Financial Statements are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,
PPL Corporation and Subsidiaries

(Millions of Dollars)

	2025	2024	2023
Cash Flows from Operating Activities			
Net income	**$ 1,181**	$ 888	$ 740
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	**1,312**	1,279	1,254
Amortization	**104**	78	81
Defined benefit plans - income	**(57)**	(72)	(73)
Deferred income taxes and investment tax credits	**192**	196	322
Stock compensation expense	**49**	46	33
Equity component of AFUDC	**(81)**	(47)	(30)
Other	**8**	30	1
Change in current assets and current liabilities			
Accounts receivable	**(207)**	254	(170)
Accounts payable	**(12)**	(41)	(72)
Unbilled revenues	**(73)**	(57)	128
Fuel, materials and supplies	**(28)**	(2)	(60)
Prepayments	**43**	(34)	1
Taxes payable	**87**	(27)	6
Regulatory assets and liabilities, net	**162**	(68)	(37)
Accrued interest	**38**	33	27
Other	**(4)**	(65)	38
Other operating activities			
Defined benefit plans - funding	**(12)**	(10)	(13)
Proceeds from transfer of excess benefit plan funds	**—**	13	**—**
Other assets	**(138)**	(96)	(69)
Other liabilities	**65**	42	(349)
Net cash provided by operating activities	**2,629**	2,340	1,758
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	**(4,030)**	(2,805)	(2,390)
Other investing activities	**26**	(13)	7
Net cash used in investing activities	**(4,004)**	(2,818)	(2,383)
Cash Flows from Financing Activities			
Issuance of long-term debt	**3,045**	1,894	3,252
Retirement of long-term debt	**(616)**	—	(1,854)
Payment of common stock dividends	**(794)**	(747)	(704)
Issuance of treasury stock	**401**	2	5
Net increase (decrease) in short-term debt	**153**	(689)	7
Debt issuance costs	**(41)**	(19)	(46)
Other financing activities	**(26)**	(6)	(10)
Net cash provided by financing activities	**2,122**	435	650
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	**747**	(43)	25
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	**339**	382	357
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 1,086**	$ 339	$ 382
Supplemental Disclosures of Cash Flow Information			
Cash paid (received) during the period for:			
Interest - net of amount capitalized	**$ 745**	$ 670	$ 604
Income taxes - net	**$ 93**	$ (123)	$ 281
Significant non-cash transactions:			
Accrued expenditures for property, plant and equipment at December 31,	**$ 630**	$ 358	$ 220

The accompanying Notes to Financial Statements are an integral part of the financial statements.

CONSOLIDATED BALANCE SHEETS AT DECEMBER 31,
PPL Corporation and Subsidiaries

(Millions of Dollars, shares in thousands)

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 1,071**	$ 306
Accounts receivable (less reserve: 2025, $133; 2024, $147)		
Customer	**1,108**	961
Other	**117**	76
Unbilled revenues (less reserve: 2025, $6; 2024, $6)	**558**	485
Fuel, materials and supplies	**551**	511
Prepayments	**106**	136
Regulatory assets	**308**	320
Other current assets	**112**	85
Total Current Assets	**3,931**	2,880
Property, Plant and Equipment		
Regulated utility plant	**42,953**	40,391
Less: accumulated depreciation - regulated utility plant	**10,303**	9,682
Regulated utility plant, net	**32,650**	30,709
Non-regulated property, plant and equipment	**71**	79
Less: accumulated depreciation - non-regulated property, plant and equipment	**26**	29
Non-regulated property, plant and equipment, net	**45**	50
Construction work in progress	**3,437**	2,390
Property, Plant and Equipment, net	**36,132**	33,149
Other Noncurrent Assets		
Regulatory assets	**2,092**	2,060
Goodwill	**2,247**	2,247
Other intangibles	**327**	314
Other noncurrent assets (less reserve for accounts receivable: 2025, $1; 2024, $1)	**515**	419
Total Other Noncurrent Assets	**5,181**	5,040
Total Assets	**$ 45,244**	$ 41,069

The accompanying Notes to Financial Statements are an integral part of the financial statements.

CONSOLIDATED BALANCE SHEETS AT DECEMBER 31,
PPL Corporation and Subsidiaries

(Millions of Dollars, shares in thousands)

	2025	2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 456**	$ 303
Long-term debt due within one year	**904**	551
Accounts payable	**1,559**	1,196
Taxes	**190**	103
Interest	**195**	157
Dividends	**198**	186
Regulatory liabilities	**376**	223
Other current liabilities	**668**	614
Total Current Liabilities	**4,546**	3,333
Long-term Debt	**17,990**	15,952
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**3,506**	3,356
Investment tax credits	**109**	111
Accrued pension obligations	**281**	317
Asset retirement obligations	**133**	136
Regulatory liabilities	**3,318**	3,335
Other deferred credits and noncurrent liabilities	**480**	452
Total Deferred Credits and Other Noncurrent Liabilities	**7,827**	7,707
Commitments and Contingent Liabilities (Notes 7 and 12)		
Equity		
Common stock - $0.01 par value (a)	**8**	8
Additional paid-in capital	**12,443**	12,346
Treasury stock	**(575)**	(928)
Earnings reinvested	**3,207**	2,835
Accumulated other comprehensive loss	**(202)**	(184)
Total Equity	**14,881**	14,077
Total Liabilities and Equity	**$ 45,244**	$ 41,069

(a) 1,560,000 shares authorized; 770,978 shares issued and 751,041 shares outstanding at December 31, 2025. 1,560,000 shares authorized; 770,215 shares issued and 738,033 shares outstanding at December 31, 2024.

The accompanying Notes to Financial Statements are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF EQUITY
PPL Corporation and Subsidiaries

(Millions of Dollars)

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Treasury Stock	Earnings reinvested	Accumulated other comprehensive loss	Noncontrolling interest	Total
December 31, 2022	736,487	$ 8	$ 12,317	$ (967)	$ 2,681	$ (124)	$ 3	$ 13,918
Treasury stock issued	643		4	19				23
Stock-based compensation			5					5
Net income					740			740
Dividends and dividend equivalents (b)					(711)			(711)
Preferred stock							(3)	(3)
Other comprehensive income (loss)						(39)		(39)
December 31, 2023	737,130	$ 8	$ 12,326	$ (948)	$ 2,710	$ (163)	$ —	$ 13,933
Common stock issued	202							—
Treasury stock issued	701		7	20				27
Stock-based compensation			13					13
Net income					888			888
Dividends and dividend equivalents (b)					(763)			(763)
Other comprehensive income (loss)						(21)		(21)
December 31, 2024	738,033	$ 8	$ 12,346	$ (928)	$ 2,835	$ (184)	$ —	$ 14,077
Common stock issued	763		26					26
Treasury stock issued	12,245		67	353				420
Stock-based compensation			4					4
Net income					1,181			1,181
Dividends and dividend equivalents (b)					(809)			(809)
Other comprehensive income (loss)						(18)		(18)
December 31, 2025	751,041	$ 8	$ 12,443	$ (575)	$ 3,207	$ (202)	$ —	$ 14,881

(a) Shares in thousands. Each share entitles the holder to one vote on any question presented at any shareowners' meeting.
(b) Dividends declared per share of common stock at December 31, 2025, 2024 and 2023 were: $1.09, $1.03 and $0.96.

The accompanying Notes to Financial Statements are an integral part of the financial statements.

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CONSOLIDATED STATEMENTS OF INCOME FOR THE YEARS ENDED DECEMBER 31,
PPL Electric Utilities Corporation and Subsidiaries

(Millions of Dollars)

	2025	2024	2023
Operating Revenues	**$ 3,113**	$ 2,876	$ 3,008
Operating Expenses			
Operation			
Energy purchases	**876**	721	992
Other operation and maintenance	**630**	705	605
Depreciation	**413**	401	397
Taxes, other than income	**151**	131	143
Total Operating Expenses	**2,070**	1,958	2,137
Operating Income	**1,043**	918	871
Other Income (Expense) - net (Note 14)	**48**	45	39
Interest Income from Affiliate	**9**	33	—
Interest Expense	**257**	246	223
Income Before Income Taxes	**843**	750	687
Income Taxes	**204**	176	168
Net Income (a)	**$ 639**	$ 574	$ 519

(a) Net income equals comprehensive income.

The accompanying Notes to Financial Statements are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,
PPL Electric Utilities Corporation and Subsidiaries
(Millions of Dollars)

	2025	2024	2023
Cash Flows from Operating Activities			
Net income	**$ 639**	$ 574	$ 519
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	**413**	401	397
Amortization	**48**	45	41
Defined benefit plans - income	**(29)**	(39)	(42)
Deferred income taxes and investment tax credits	**24**	129	46
Equity component of AFUDC	**(30)**	(23)	(16)
Other	**4**	24	(8)
Change in current assets and current liabilities			
Accounts receivable	**(142)**	89	(78)
Accounts payable	**99**	64	13
Unbilled revenues	**(50)**	(10)	75
Materials and supplies	**(40)**	6	(30)
Prepayments	**49**	(32)	2
Regulatory assets and liabilities, net	**67**	(101)	(38)
Taxes payable	**45**	(49)	15
Accrued interest	**11**	12	8
Other	**(8)**	(25)	9
Other operating activities			
Defined benefit plans - funding	**—**	—	(5)
Other assets	**(50)**	(32)	3
Other liabilities	**—**	9	1
Net cash provided by operating activities	**1,050**	1,042	912
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	**(1,608)**	(1,229)	(956)
Expenditures for intangible assets	**(12)**	(9)	(6)
Net (increase) decrease in notes receivable from affiliate	**79**	(222)	—
Other investing activities	**38**	5	4
Net cash used in investing activities	**(1,503)**	(1,455)	(958)
Cash Flows from Financing Activities			
Issuance of long-term debt	**496**	649	1,329
Retirement of long-term debt	**—**	—	(1,240)
Contributions from parent	**540**	688	206
Payment of common stock dividends to parent	**(401)**	(375)	(323)
Return of capital to parent	**(170)**	(60)	(250)
Net increase (decrease) in short-term debt	**—**	(509)	364
Debt issuance costs	**(6)**	(7)	(14)
Net cash provided by financing activities	**459**	386	72
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	**6**	(27)	26
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	**24**	51	25
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 30**	$ 24	$ 51
Supplemental Disclosures of Cash Flow Information			
Cash paid during the period for:			
Interest - net of amount capitalized	**$ 236**	$ 224	$ 205
Income taxes - net	**$ 129**	$ 83	$ 92
Significant non-cash transactions:			
Accrued expenditures for property, plant and equipment at December 31,	**$ 213**	$ 173	$ 122

The accompanying Notes to Financial Statements are an integral part of the financial statements.

CONSOLIDATED BALANCE SHEETS AT DECEMBER 31,
PPL Electric Utilities Corporation and Subsidiaries

(Millions of Dollars, shares in thousands)

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 30**	$ 24
Accounts receivable (less reserve: 2025, $34; 2024, $37)		
Customer	**450**	353
Other	**29**	8
Accounts receivable from affiliates	**7**	10
Notes receivable from affiliate	**143**	222
Unbilled revenues (less reserve: 2025, $4; 2024, $3)	**209**	159
Materials and supplies	**151**	104
Prepayments	**38**	74
Regulatory assets	**112**	133
Other current assets	**46**	30
Total Current Assets	**1,215**	1,117
Property, Plant and Equipment		
Regulated utility plant	**17,476**	16,469
Less: accumulated depreciation - regulated utility plant	**4,124**	4,052
Regulated utility plant, net	**13,352**	12,417
Construction work in progress	**1,216**	898
Property, Plant and Equipment, net	**14,568**	13,315
Other Noncurrent Assets		
Regulatory assets	**725**	673
Intangibles	**282**	274
Other noncurrent assets (less reserve for accounts receivable: 2025, $1; 2024, $1)	**96**	96
Total Other Noncurrent Assets	**1,103**	1,043
Total Assets	**$ 16,886**	$ 15,475

The accompanying Notes to Financial Statements are an integral part of the financial statements.

CONSOLIDATED BALANCE SHEETS AT DECEMBER 31,
PPL Electric Utilities Corporation and Subsidiaries

(Millions of Dollars, shares in thousands)

	2025	2024
Liabilities and Equity		
Current Liabilities		
Accounts payable	**$ 690**	$ 565
Accounts payable to affiliates	**54**	44
Taxes	**47**	2
Interest	**66**	55
Customer deposits	**92**	25
Regulatory liabilities	**103**	57
Other current liabilities	**58**	58
Total Current Liabilities	**1,110**	806
Long-term Debt	**5,707**	5,214
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**1,781**	1,726
Regulatory liabilities	**828**	839
Other deferred credits and noncurrent liabilities	**122**	160
Total Deferred Credits and Other Noncurrent Liabilities	**2,731**	2,725
Commitments and Contingent Liabilities (Notes 7 and 12)		
Equity		
Common stock - no par value (a)	**364**	364
Additional paid-in capital	**5,038**	4,668
Earnings reinvested	**1,936**	1,698
Total Equity	**7,338**	6,730
Total Liabilities and Equity	**$ 16,886**	$ 15,475

(a) 170,000 shares authorized; 66,368 shares issued and outstanding at December 31, 2025 and December 31, 2024.

The accompanying Notes to Financial Statements are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF EQUITY
PPL Electric Utilities Corporation and Subsidiaries
(Millions of Dollars)

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Earnings reinvested	Total
December 31, 2022	66,368	$ 364	$ 4,084	$ 1,303	$ 5,751
Net income				519	519
Capital contributions from parent			206		206
Return of capital to parent			(250)		(250)
Dividends declared				(323)	(323)
December 31, 2023	66,368	$ 364	$ 4,040	$ 1,499	$ 5,903
Net income				574	574
Capital contributions from parent			688		688
Return of capital to parent			(60)		(60)
Dividends declared				(375)	(375)
December 31, 2024	66,368	$ 364	$ 4,668	$ 1,698	$ 6,730
Net income				639	639
Capital contributions from parent			540		540
Return of capital to parent			(170)		(170)
Dividends declared				(401)	(401)
December 31, 2025	66,368	$ 364	$ 5,038	$ 1,936	$ 7,338

(a) Shares in thousands. All common shares of PPL Electric stock are owned by PPL.

The accompanying Notes to Financial Statements are an integral part of the financial statements.

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STATEMENTS OF INCOME FOR THE YEARS ENDED DECEMBER 31,
Louisville Gas and Electric Company

(Millions of Dollars)

	2025	2024	2023
Operating Revenues			
Retail and wholesale	**$ 1,718**	$ 1,617	$ 1,580
Electric revenue from affiliate	**30**	31	33
Total Operating Revenues	**1,748**	1,648	1,613
Operating Expenses			
Operation			
Fuel	**338**	308	286
Energy purchases	**187**	151	168
Energy purchases from affiliate	**22**	20	12
Other operation and maintenance	**364**	349	364
Depreciation	**307**	305	302
Taxes, other than income	**51**	49	48
Total Operating Expenses	**1,269**	1,182	1,180
Operating Income	**479**	466	433
Other Income (Expense) - net (Note 14)	**24**	12	3
Interest Income from Affiliate	**—**	1	1
Interest Expense	**116**	105	102
Income Before Income Taxes	**387**	374	335
Income Taxes	**78**	77	69
Net Income (a)	**$ 309**	$ 297	$ 266

(a) Net income equals comprehensive income.

The accompanying Notes to Financial Statements are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,
Louisville Gas and Electric Company

(Millions of Dollars)

	2025	2024	2023
Cash Flows from Operating Activities			
Net income	**$ 309**	$ 297	$ 266
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Depreciation	**307**	305	302
Amortization	**24**	16	14
Equity component of AFUDC	**(16)**	(8)	(3)
Deferred income taxes and investment tax credits	**(9)**	6	(14)
Other	**6**	2	(4)
Change in current assets and current liabilities			
Accounts receivable	**(10)**	(25)	40
Accounts receivable from affiliates	**(6)**	(11)	7
Accounts payable	**14**	12	(40)
Accounts payable to affiliates	**6**	15	(8)
Unbilled revenues	**(10)**	1	24
Fuel, materials and supplies	**(2)**	(13)	24
Regulatory assets and liabilities, net	**(12)**	(3)	25
Taxes payable	**20**	(1)	—
Accrued interest	**13**	—	5
Other	**(5)**	—	1
Other operating activities			
Expenditures for asset retirement obligations	**(9)**	(11)	(11)
Other assets	**(43)**	(27)	(21)
Other liabilities	**22**	(1)	2
Net cash provided by operating activities	**599**	554	609
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	**(767)**	(444)	(378)
Notes receivable from affiliates	**(36)**	—	—
Net cash used in investing activities	**(803)**	(444)	(378)
Cash Flows from Financing Activities			
Net increase (decrease) in notes payable with affiliates	**(43)**	43	—
Issuance of long-term debt	**700**	—	464
Retirement of long-term debt	**(300)**	—	(300)
Payment of common stock dividends to parent	**(200)**	(187)	(166)
Contributions from parent	**281**	65	67
Return of capital to parent	**(55)**	(76)	(161)
Debt issuance costs	**(9)**	**—**	(5)
Net increase (decrease) in short-term debt	**(25)**	25	(179)
Net cash provided by (used in) financing activities	**349**	(130)	(280)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	**145**	(20)	(49)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	**24**	44	93
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 169**	$ 24	$ 44
Supplemental Disclosures of Cash Flow Information			
Cash paid during the period for:			
Interest - net of amount capitalized	**$ 103**	$ 101	$ 93
Income taxes - net	**$ 81**	$ 73	$ 84
Significant non-cash transactions:			
Accrued expenditures for property, plant and equipment at December 31,	**$ 142**	$ 64	$ 30

The accompanying Notes to Financial Statements are an integral part of the financial statements.

BALANCE SHEETS AT DECEMBER 31,
Louisville Gas and Electric Company

(Millions of Dollars, shares in thousands)

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 162**	$ 8
Accounts receivable (less reserve: 2025, $5; 2024, $3)		
Customer	**154**	134
Other	**26**	23
Unbilled revenues (less reserve: 2025, $0; 2024, $0)	**97**	87
Accounts receivable from affiliates	**46**	40
Notes receivable from affiliates	**36**	—
Fuel, materials and supplies	**160**	157
Prepayments	**11**	9
Regulatory assets	**19**	8
Other current assets	**2**	2
Total Current Assets	**713**	468
Property, Plant and Equipment		
Regulated utility plant	**8,270**	7,748
Less: accumulated depreciation - regulated utility plant	**1,842**	1,643
Regulated utility plant, net	**6,428**	6,105
Construction work in progress	**689**	443
Property, Plant and Equipment, net	**7,117**	6,548
Other Noncurrent Assets		
Regulatory assets	**482**	491
Goodwill	**389**	389
Other intangibles	**11**	12
Other noncurrent assets	**106**	84
Total Other Noncurrent Assets	**988**	976
Total Assets	**$ 8,818**	$ 7,992

The accompanying Notes to Financial Statements are an integral part of the financial statements.

BALANCE SHEETS AT DECEMBER 31,
Louisville Gas and Electric Company

(Millions of Dollars, shares in thousands)

	2025	2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ —**	$ 25
Notes payable with affiliates	**—**	43
Long-term debt due within one year	**90**	300
Accounts payable	**262**	158
Accounts payable to affiliates	**73**	64
Customer deposits	**37**	36
Taxes	**60**	40
Regulatory liabilities	**13**	14
Interest	**34**	21
Asset retirement obligations	**2**	11
Other current liabilities	**54**	50
Total Current Liabilities	**625**	762
Long-term Debt	**2,775**	2,171
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**819**	803
Investment tax credits	**29**	30
Price risk management liabilities	**4**	3
Asset retirement obligations	**73**	73
Regulatory liabilities	**809**	815
Other deferred credits and noncurrent liabilities	**78**	64
Total Deferred Credits and Other Noncurrent Liabilities	**1,812**	1,788
Commitments and Contingent Liabilities (Notes 7 and 12)		
Equity		
Common stock - no par value (a)	**424**	424
Additional paid-in capital	**2,208**	1,982
Earnings reinvested	**974**	865
Total Equity	**3,606**	3,271
Total Liabilities and Equity	**$ 8,818**	$ 7,992

(a) 75,000 shares authorized; 21,294 shares issued and outstanding at December 31, 2025 and December 31, 2024.

The accompanying Notes to Financial Statements are an integral part of the financial statements.

STATEMENTS OF EQUITY
Louisville Gas and Electric Company
(Millions of Dollars)

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Earnings reinvested	Total
December 31, 2022	21,294	$ 424	$ 2,087	$ 655	$ 3,166
Net income				266	266
Capital contributions from parent			67		67
Return of capital to parent			(161)		(161)
Cash dividends declared				(166)	(166)
December 31, 2023	21,294	$ 424	$ 1,993	$ 755	$ 3,172
Net income				297	297
Capital contributions from parent			65		65
Return of capital to parent			(76)		(76)
Cash dividends declared				(187)	(187)
December 31, 2024	21,294	$ 424	$ 1,982	$ 865	$ 3,271
Net income				309	309
Capital contributions from parent			281		281
Return of capital to parent			(55)		(55)
Cash dividends declared				(200)	(200)
December 31, 2025	21,294	$ 424	$ 2,208	$ 974	$ 3,606

(a) Shares in thousands. All common shares of LG&E stock are owned by LKE.

The accompanying Notes to Financial Statements are an integral part of the financial statements.

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STATEMENTS OF INCOME FOR THE YEARS ENDED DECEMBER 31,
Kentucky Utilities Company

(Millions of Dollars)

	2025	2024	2023
Operating Revenues			
Retail and wholesale	**$ 2,042**	$ 1,944	$ 1,872
Electric revenue from affiliate	**22**	20	12
Total Operating Revenues	**2,064**	1,964	1,884
Operating Expenses			
Operation			
Fuel	**517**	476	447
Energy purchases	**26**	25	24
Energy purchases from affiliate	**30**	31	33
Other operation and maintenance	**416**	413	427
Depreciation	**408**	403	392
Taxes, other than income	**51**	49	45
Total Operating Expenses	**1,448**	1,397	1,368
Operating Income	**616**	567	516
Other Income (Expense) - net (Note 14)	**29**	15	8
Interest Expense	**148**	137	134
Interest Expense from Affiliate	**—**	—	1
Income Before Income Taxes	**497**	445	389
Income Taxes	**99**	89	77
Net Income (a)	**$ 398**	$ 356	$ 312

(a) Net income equals comprehensive income.

The accompanying Notes to Financial Statements are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,
Kentucky Utilities Company

(Millions of Dollars)

	2025	2024	2023
Cash Flows from Operating Activities			
Net income	**$ 398**	$ 356	$ 312
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Depreciation	**408**	403	392
Amortization	**21**	21	20
Defined benefit plans - income	**(3)**	(5)	(5)
Equity component of AFUDC	**(21)**	(9)	(3)
Deferred income taxes and investment tax credits	**—**	(15)	(10)
Other	**11**	5	1
Change in current assets and current liabilities			
Accounts receivable	**(2)**	(21)	16
Accounts payable	**1**	(23)	(26)
Accounts payable to affiliates	**7**	29	(24)
Unbilled revenues	**(4)**	(5)	17
Fuel, materials and supplies	**(8)**	14	(17)
Regulatory assets and liabilities, net	**(6)**	23	25
Taxes payable	**26**	5	5
Accrued interest	**14**	—	5
Other	**(4)**	(5)	(4)
Other operating activities			
Expenditures for asset retirement obligations	**(11)**	(10)	(28)
Other assets	**(21)**	(41)	(25)
Other liabilities	**(8)**	1	(4)
Net cash provided by operating activities	**798**	723	647
Cash Flows from Investing Activities			
Expenditures for property, plant and equipment	**(983)**	(643)	(572)
Other investing activities	**(3)**	—	6
Net cash used in investing activities	**(986)**	(643)	(566)
Cash Flows from Financing Activities			
Net increase (decrease) in notes payable with affiliates	**(37)**	73	—
Issuance of long-term debt	**700**	—	459
Retirement of long-term debt	**(250)**	—	(313)
Payment of common stock dividends to parent	**(249)**	(232)	(190)
Contributions from parent	**198**	126	76
Return of capital to parent	**(37)**	(103)	(84)
Debt issuance costs	**(9)**	—	(4)
Net increase (decrease) in short-term debt	**(140)**	47	(8)
Net cash provided by (used in) financing activities	**176**	(89)	(64)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	**(12)**	(9)	17
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	**29**	38	21
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 17**	$ 29	$ 38
Supplemental Disclosures of Cash Flow Information			
Cash paid during the period for:			
Interest - net of amount capitalized	**$ 138**	$ 135	$ 125
Income taxes - net	**$ 94**	$ 102	$ 78
Significant non-cash transactions:			
Accrued expenditures for property, plant and equipment at December 31,	**$ 101**	$ 74	$ 38

The accompanying Notes to Financial Statements are an integral part of the financial statements.

BALANCE SHEETS AT DECEMBER 31,
Kentucky Utilities Company

(Millions of Dollars, shares in thousands)

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	**$ 10**	$ 13
Accounts receivable (less reserve: 2025, $4; 2024, $2)		
Customer	**171**	160
Other	**26**	22
Unbilled revenues (less reserve: 2025, $0; 2024, $0)	**106**	102
Fuel, materials and supplies	**183**	173
Prepayments	**12**	11
Regulatory assets	**1**	1
Other current assets	**16**	9
Total Current Assets	**525**	491
Property, Plant and Equipment		
Regulated utility plant	**10,929**	10,419
Less: accumulated depreciation - regulated utility plant	**2,934**	2,652
Regulated utility plant, net	**7,995**	7,767
Construction work in progress	**952**	567
Property, Plant and Equipment, net	**8,947**	8,334
Other Noncurrent Assets		
Regulatory assets	**467**	458
Goodwill	**607**	607
Other intangibles	**34**	28
Other noncurrent assets	**178**	155
Total Other Noncurrent Assets	**1,286**	1,248
Total Assets	**$ 10,758**	$ 10,073

The accompanying Notes to Financial Statements are an integral part of the financial statements.

BALANCE SHEETS AT DECEMBER 31,
Kentucky Utilities Company

(Millions of Dollars, shares in thousands)

	2025	2024
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ —**	$ 140
Notes payable with affiliates	**36**	73
Long-term debt due within one year	**164**	250
Accounts payable	**137**	96
Accounts payable to affiliates	**106**	100
Customer deposits	**41**	39
Taxes	**63**	37
Regulatory liabilities	**16**	22
Interest	**38**	24
Asset retirement obligations	**6**	10
Other current liabilities	**69**	58
Total Current Liabilities	**676**	849
Long-term Debt	**3,346**	2,816
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**956**	924
Investment tax credits	**79**	81
Asset retirement obligations	**51**	54
Regulatory liabilities	**997**	1,009
Other deferred credits and noncurrent liabilities	**44**	41
Total Deferred Credits and Other Noncurrent Liabilities	**2,127**	2,109
Commitments and Contingent Liabilities (Notes 7 and 12)		
Equity		
Common stock - no par value (a)	**308**	308
Additional paid-in capital	**3,217**	3,056
Earnings reinvested	**1,084**	935
Total Equity	**4,609**	4,299
Total Liabilities and Equity	**$ 10,758**	$ 10,073

(a) 80,000 shares authorized; 37,818 shares issued and outstanding at December 31, 2025 and December 31, 2024.

The accompanying Notes to Financial Statements are an integral part of the financial statements.

STATEMENTS OF EQUITY
Kentucky Utilities Company
(Millions of Dollars)

	Common stock shares outstanding (a)	Common stock	Additional paid-in capital	Earnings reinvested	Total
December 31, 2022	37,818	$ 308	$ 3,041	$ 689	$ 4,038
Net income				312	312
Capital contributions from parent			76		76
Return of capital to parent			(84)		(84)
Cash dividends declared				(190)	(190)
December 31, 2023	37,818	$ 308	$ 3,033	$ 811	$ 4,152
Net income				356	356
Capital contributions from parent			126		126
Return of capital to parent			(103)		(103)
Cash dividends declared				(232)	(232)
December 31, 2024	37,818	$ 308	$ 3,056	$ 935	$ 4,299
Net income				398	398
Capital contributions from parent			198		198
Return of capital to parent			(37)		(37)
Cash dividends declared				(249)	(249)
December 31, 2025	37,818	$ 308	$ 3,217	$ 1,084	$ 4,609

(a) Shares in thousands. All common shares of KU stock are owned by LKE.

The accompanying Notes to Financial Statements are an integral part of the financial statements.

COMBINED NOTES TO FINANCIAL STATEMENTS

Index to Combined Notes to Consolidated Financial Statements

The notes to the consolidated financial statements that follow are a combined presentation. The following list indicates the Registrants to which the footnotes apply:

	Registrant			
	PPL	PPL Electric	LG&E	KU
1. Summary of Significant Accounting Policies	x	x	x	x
2. Segment and Related Information	x	x	x	x
3. Revenue from Contracts with Customers	x	x	x	x
4. Preferred Securities	x	x	x	x
5. Earnings Per Share	x			
6. Income and Other Taxes	x	x	x	x
7. Utility Rate Regulation	x	x	x	x
8. Financing Activities	x	x	x	x
9. Acquisitions, Development and Divestitures	x		x	x
10. Retirement and Postemployment Benefits	x	x	x	x
11. Jointly Owned Facilities	x		x	x
12. Commitments and Contingencies	x	x	x	x
13. Related Party Transactions		x	x	x
14. Other Income (Expense) - net	x	x	x	x
15. Fair Value Measurements	x	x	x	x
16. Derivative Instruments and Hedging Activities	x	x	x	x
17. Goodwill and Other Intangible Assets	x	x	x	x
18. Asset Retirement Obligations	x	x	x	x
19. Accumulated Other Comprehensive Income (Loss)	x			
20. New Accounting Guidance Pending Adoption	x	x	x	x

1. Summary of Significant Accounting Policies

(All Registrants)

General

Capitalized terms and abbreviations appearing in the combined notes to financial statements are defined in the glossary. Dollars are in millions, except per share data, unless otherwise noted. The specific Registrant to which disclosures are applicable is identified in parenthetical headings in italics above the applicable disclosure or within the applicable disclosure for each Registrants' related activities and disclosures. Within combined disclosures, amounts are disclosed for any Registrant when significant.

Business and Consolidation

(PPL)

PPL is a utility holding company that, through its regulated subsidiaries, is primarily engaged in: 1) the generation, transmission, distribution and sale of electricity and the distribution and sale of natural gas, primarily in Kentucky; 2) the transmission, distribution and sale of electricity in Pennsylvania; and 3) the transmission, distribution and sale of electricity and the distribution and sale of natural gas in Rhode Island. Headquartered in Allentown, PA, PPL's principal subsidiaries are LG&E, KU, RIE and PPL Electric. PPL's corporate level financing subsidiary is PPL Capital Funding.

(PPL and PPL Electric)

PPL Electric's principal business is the transmission and distribution of electricity to serve retail customers in its franchised territory in eastern and central Pennsylvania and the regulated supply of electricity to retail customers in that territory as a PLR.

(PPL, LG&E and KU)

LG&E and KU are engaged in the generation, transmission, distribution and sale of electricity. LG&E also engages in the distribution and sale of natural gas. LG&E and KU maintain their separate identities and serve customers in Kentucky under their respective names. KU also serves customers in Virginia under the Old Dominion Power name.

(All Registrants)

The financial statements of the Registrants include each company's own accounts as well as the accounts of all entities in which the company has a controlling financial interest. Entities for which a controlling financial interest is not demonstrated through voting interests are evaluated based on accounting guidance for Variable Interest Entities (VIEs). The Registrants consolidate a VIE when they are determined to have a controlling interest in the VIE and, as a result, are the primary beneficiary of the entity. Amounts consolidated under the VIE guidance are not material to the Registrants.

All significant intercompany transactions have been eliminated.

The financial statements of PPL, LG&E and KU include their share of any undivided interests in jointly owned facilities, as well as their share of the related operating costs of those facilities. See Note 11 for additional information.

Regulation

(All Registrants)

PPL Electric, RIE, LG&E and KU are cost-based rate-regulated utilities for which rates are set by regulators to enable PPL Electric, RIE, LG&E and KU to recover the costs of providing electric or gas service, as applicable, and to provide a reasonable return to shareholders. Base rates are generally established based on a future test period. As a result, the financial statements are subject to the accounting for certain types of regulation as prescribed by GAAP and reflect the effects of regulatory actions. Regulatory assets are recognized for the effect of transactions or events where future recovery of underlying costs is probable in regulated customer rates. The effect of such accounting is to defer certain or qualifying costs that would otherwise currently be charged to expense. Regulatory liabilities are recognized for amounts expected to be returned through future regulated customer rates. In certain cases, regulatory liabilities are recorded based on an understanding or agreement with the regulator that rates have been set to recover expected future costs, and the regulated entity is accountable for any amounts charged pursuant to such rates and not yet expended for the intended purpose. The accounting for regulatory assets and regulatory liabilities is based on specific ratemaking decisions or precedent for each transaction or event as prescribed by the FERC or the applicable state regulatory commissions. See Note 7 for additional details regarding regulatory matters.

Accounting Records

The system of accounts for regulated entities is maintained in accordance with the Uniform System of Accounts prescribed by the FERC and adopted by the applicable state regulatory commissions.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 uncertain future events and (2) the amount of loss can be reasonably estimated. Accounting guidance defines "probable" as cases in which "the future event or events are likely to occur."

The Registrants continuously assess potential loss contingencies for environmental remediation, litigation claims, regulatory penalties and other events. Loss accruals for environmental remediation are discounted when appropriate.

The accrual of contingencies that might result in gains is not recorded, unless realization is assured.

Earnings Per Share *(PPL)*

EPS is computed using the two-class method, which is an earnings allocation method for computing EPS that treats a participating security as having rights to earnings that would otherwise have been available to common shareowners. Share-based payment awards that provide recipients a non-forfeitable right to dividends or dividend equivalents are considered participating securities. The if-converted method, which assumes the securities were converted to common stock at the start of the period (or issuance), is used to determine the dilutive effects of convertible securities.

Price Risk Management

(All Registrants)

Interest rate contracts are used to hedge exposure to changes in the fair value of debt instruments and to hedge exposure to variability in expected cash flows associated with existing floating-rate debt instruments or forecasted fixed-rate issuances of debt. Derivative instruments pursuant to regulator approved plans to manage commodity price risk associated with natural gas purchases to reduce fluctuations in natural gas prices and costs associated with these derivatives instruments are generally recoverable through approved cost recovery mechanism. Similar derivatives may receive different accounting treatment, depending on management's intended use and documentation.

Certain contracts may not meet the definition of a derivative because they lack a notional amount or a net settlement provision. In cases where there is no net settlement provision, markets are periodically assessed to determine whether market mechanisms have evolved to facilitate net settlement. Certain derivative contracts may be excluded from the requirements of derivative accounting treatment because NPNS has been elected. These contracts are accounted for using accrual accounting. Contracts that have been classified as derivative contracts are reflected on the balance sheets at fair value.

Cash inflows and outflows related to derivative instruments are included as a component of operating, investing or financing activities on the Statements of Cash Flows, depending on the classification of the hedged items.

PPL and its subsidiaries have elected not to offset net derivative positions against the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) under master netting arrangements.

Derivative transactions may be marked to fair value through regulatory assets/liabilities at PPL Electric, RIE, LG&E and KU, if approved by the appropriate regulatory body. These transactions generally include the effect of interest rate swaps or commodity gas contracts that are included in customer rates.

See Notes 15 and 16 for additional information on derivatives.

(PPL and PPL Electric)

To meet their obligations as last resort providers of electricity supply to their customers, PPL Electric and RIE have entered into certain contracts that meet the definition of a derivative. However, NPNS has been elected for these contracts.

Revenue

(All Registrants)

Operating revenues are primarily recorded based on energy deliveries through the end of each calendar month. Unbilled retail revenues result because customers' bills are rendered throughout the month, rather than at the end of the month. For RIE, LG&E and KU, unbilled revenues for a month are calculated by multiplying an estimate of unbilled kWh or Mcf by the estimated average price per kWh or Mcf. Any difference between estimated and actual revenues is adjusted the following month when the previous unbilled estimate is reversed and actual billings occur. For PPL Electric, unbilled revenues for a month are calculated by multiplying the actual unbilled volumes by the applicable tariff price.

PPL Electric's, RIE's, LG&E's and KU's base rates are determined based on cost of service. Some regulators have also authorized the use of additional alternative revenue programs, which enable PPL Electric, RIE, LG&E and KU to adjust future rates based on past activities or completed events. Revenues from alternative revenue programs are recognized when the specific events permitting future billings have occurred. Revenues from alternative revenue programs are required to be presented separately from revenues from contracts with customers. These amounts are, however, presented as revenues from contracts with customers, with an offsetting adjustment to alternative revenue program revenue, when they are billed to customers in future periods. See Note 3 for additional information.

Financing and Other Receivables

(All Registrants)

Accounts receivable are reported on the Balance Sheets at the gross outstanding amount adjusted for an allowance for doubtful accounts. Financing receivables include accounts receivable, with the exception of those items within accounts receivable that are not subject to the current expected credit loss model.

Financing receivable collectability is evaluated using a current expected credit loss model, consisting of a combination of factors, including past due status based on contractual terms, trends in write-offs and the age of the receivable. Specific events, such as bankruptcies, are also considered when applicable. The Registrants also evaluate the impact of observable external factors on the collectability of the financing receivables to determine if adjustments to the allowance for doubtful accounts should be made based on current conditions or reasonable and supportable forecasts. Adjustments to the allowance for doubtful accounts are made based on the results of these analyses. Accounts receivable are written off in the period in which the receivable is deemed uncollectible.

PPL Electric, RIE, LG&E and KU have identified one class of financing receivables, "accounts receivable - customer", which includes financing receivables for all billed and unbilled sales with customers. All other financing receivables are classified as other.

The changes in the allowance for doubtful accounts are included in the following table. Amounts relate to financing receivables, except as noted.

	Balance at Beginning of Period	Additions Charged to Income	Deductions (a)	Balance at End of Period	
PPL					
2025	$ 154	$ 84	$ 98	$ 140	(b)
2024	130	109	85	154	(b)
2023	95	87	52	130	(b)
PPL Electric					
2025	$ 41	$ 33	$ 35	$ 39	(c)
2024	50	56	65	41	(c)
2023	33	52	35	50	(c)
LG&E					
2025	$ 3	$ 4	$ 2	$ 5	
2024	6	4	7	3	
2023	4	4	2	6	
KU					
2025	$ 2	$ 5	$ 3	$ 4	
2024	2	4	4	2	
2023	3	3	4	2	

(a) Primarily related to uncollectible accounts written off.
(b) Includes $43 million, $39 million and $41 million related to other accounts receivable at December 31, 2025, 2024 and 2023.
(c) Includes $2 million, $2 million and $3 million related to other accounts receivable at December 31, 2025, 2024 and 2023.

Cash

(All Registrants)

Cash Equivalents

All highly liquid investments with original maturities of three months or less are considered to be cash equivalents.

(PPL, LG&E and KU)

Restricted Cash and Cash Equivalents

Bank deposits and other cash equivalents that are restricted by agreement or that have been clearly designated for a specific purpose are classified as restricted cash and cash equivalents. On the Balance Sheets, the current portion of restricted cash and cash equivalents is included in "Other current assets," while the noncurrent portion is included in "Other noncurrent assets." See Note 15 for a reconciliation of Cash, Cash Equivalents and Restricted Cash reported within the Balance Sheets to the amounts shown on the Statements of Cash Flows.

(All Registrants)

Fair Value Measurements

The Registrants value certain financial and non-financial assets and liabilities at fair value. Generally, the most significant fair value measurements relate to price risk management assets and liabilities, investments in securities in defined benefit plans, and cash and cash equivalents. PPL and its subsidiaries use, 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.

The Registrants classify 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, the Registrants' assessment of the significance of a particular input may affect how the assets and liabilities are classified within the fair value hierarchy.

Investments

Generally, the original maturity date of an investment and management's intent and ability to sell an investment prior to its original maturity determine the classification of investments as either short-term or long-term. Investments that would otherwise be classified as short-term, but are restricted as to withdrawal or use for other than current operations or are clearly designated for expenditure in the acquisition or construction of noncurrent assets or for the liquidation of long-term debts, are classified as long-term.

Investments in entities in which a company has the ability to exercise significant influence but does not have a controlling financial interest are accounted for under the equity method. All other investments are carried at cost or fair value. These investments are included in "Other noncurrent assets" on the Balance Sheets. Earnings from these investments are recorded in "Other Income (Expense) - net" on the Statements of Income.

Short-term investments generally include certain deposits as well as securities that are considered highly liquid or provide for periodic reset of interest rates. Investments with original maturities greater than three months and less than a year, as well as investments with original maturities of greater than a year that management has the ability and intent to sell within a year, are included in "Other current assets" on the Balance Sheets.

Long-Lived and Intangible Assets

Property, Plant and Equipment

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. PP&E acquired in business combinations is recorded at fair value at the time of acquisition. Original cost for constructed assets includes material, labor, contractor costs, certain overheads and financing costs, where applicable. Included in PP&E are capitalized costs of software projects that were developed or obtained for internal use. The cost of repairs and minor replacements are charged to expense as incurred. The Registrants record costs associated with planned major maintenance projects in the period in which work is performed and costs are incurred.

AFUDC is capitalized at PPL Electric and RIE as part of the construction costs for cost-based rate-regulated projects for which a return on such costs is recovered after the project is placed in service. AFUDC is capitalized at LG&E and KU for certain projects as part of the construction cost of approved projects. LG&E and KU are generally provided a return on construction work in progress for other projects. The debt component of AFUDC is credited to "Interest Expense" and the equity component is credited to "Other Income (Expense) - net" on the Statements of Income.

The Registrants capitalize interest costs as part of construction costs. Capitalized interest, including the debt component of AFUDC, for the years ended December 31 is as follows:

	2025	2024	2023
PPL	$ 32	$ 20	$ 12
PPL Electric	13	9	7
LG&E	6	3	1
KU	8	4	1

Depreciation

Depreciation is recorded over the estimated useful lives of property using various methods including the straight-line, composite and group methods. When a component of PP&E that was depreciated under the composite or 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 composite or group method is retired or sold, the property and the related accumulated depreciation account is reduced and any gain or loss is included in income, unless otherwise required by regulators. RIE, LG&E and KU accrue costs of removal net of estimated salvage value through depreciation, which is included in the calculation of customer rates over the assets' depreciable lives in accordance with regulatory practices. Cost of removal amounts accrued through depreciation rates are accumulated as a regulatory liability until the removal costs are incurred. For LG&E and KU, all ARO depreciation expenses are reclassified to a regulatory asset or regulatory liability. See "Asset Retirement Obligations" below and Note 7 for additional information. PPL Electric records net costs of removal when incurred as a regulatory asset. The regulatory asset is subsequently amortized through depreciation over a five-year period, which is recoverable in customer rates in accordance with regulatory practices.

Following are the weighted-average annual rates of depreciation, for regulated utility plant, for the years ended December 31:

	2025	2024	2023
PPL	3.06 %	3.20 %	3.26 %
PPL Electric	2.46 %	2.52 %	2.62 %
LG&E	3.69 %	4.02 %	4.00 %
KU	3.68 %	3.86 %	3.95 %

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price paid over the fair value of the identifiable net assets acquired in a business combination.

Other acquired intangible assets are initially measured based on their fair value. Intangibles that have finite useful lives are amortized over their useful lives based upon the pattern in which the economic benefits of the intangible assets are consumed or otherwise used. Costs incurred to obtain, renew or extend terms of an intangible asset are capitalized.

When determining the useful life of an intangible asset, including intangible assets that are renewed or extended, PPL and its subsidiaries consider:

- the expected use of the asset;
- the expected useful life of other assets to which the useful life of the intangible asset may relate;
- legal, regulatory, or contractual provisions that may limit the useful life;
- the company's historical experience as evidence of its ability to support renewal or extension;
- the effects of obsolescence, demand, competition, and other economic factors; and,
- the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Asset Impairment (Excluding Investments)

The Registrants review long-lived assets that are subject to depreciation or amortization, including finite-lived intangibles, 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.

A long-lived asset classified as held for sale is impaired when the carrying amount of the asset (disposal group) exceeds its fair value less cost to sell. If impaired, the asset's (disposal group's) carrying value is written down to its fair value less cost to sell.

PPL, LG&E and KU review goodwill for impairment at the reporting unit level annually or more frequently when events or circumstances indicate that the carrying amount of a reporting unit may be greater than the reporting unit's fair value. Additionally, goodwill must be tested for impairment in circumstances when a portion of goodwill has been allocated to a business to be disposed. PPL's, LG&E's and KU's reporting units are primarily at the operating segment level.

PPL, for its reporting units, and individually, LG&E and KU, may elect either to initially make a qualitative evaluation about the likelihood of an impairment of goodwill or to bypass the qualitative evaluation and test goodwill for impairment using a quantitative test. If the qualitative evaluation (referred to as step zero) is elected and the assessment results in a determination that it is not more likely than not that the fair value of a reporting unit is less than the carrying amount, the quantitative impairment test is not necessary. However, the quantitative impairment test is required if management concludes it is more likely than not that the fair value of a reporting unit is less than the carrying amount based on the step zero assessment. If the carrying amount of the reporting unit, including goodwill, exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

As of October 1, 2025, PPL, for its reporting units, and individually, LG&E and KU, elected to perform the qualitative step zero evaluation of goodwill. These evaluations considered the excess of fair value over the carrying value of each reporting unit that was calculated during step one of the quantitative impairment tests performed in the fourth quarter of 2022, and the relevant events and circumstances that occurred since those tests were performed including:

- current year financial performance versus the prior year,

- changes in planned capital expenditures,
- the consistency of forecasted free cash flows,
- earnings quality and sustainability,
- changes in market participant discount rates,
- changes in long-term growth rates,
- changes in PPL's market capitalization, and
- the overall economic and regulatory environments in which these regulated entities operate.

Based on these evaluations, management concluded it was not more likely than not that the fair value of these reporting units was less than their carrying value. As such, the step one quantitative impairment test was not performed and no impairment was recognized.

(*PPL, LG&E and KU*)

Asset Retirement Obligations

PPL and its subsidiaries record liabilities to reflect various legal obligations associated with the retirement of long-lived assets. Initially, this obligation is measured at fair value and offset with an increase in the value of the capitalized asset, which is depreciated over the asset's useful life. Until the obligation is settled, the liability is increased through the recognition of accretion expense classified within "Other operation and maintenance" on the Statements of Income to reflect changes in the obligation due to the passage of time. For LG&E and KU, all ARO accretion and depreciation expenses are reclassified as a regulatory asset or regulatory liability. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, deferred accretion and depreciation expense is recovered through cost of removal.

Estimated ARO costs and settlement dates, which affect the carrying value of the ARO and the related capitalized asset, are reviewed periodically to ensure that any material changes are incorporated into the latest estimate of the ARO. Any change to the capitalized asset, positive or negative, is generally amortized over the remaining life of the associated long-lived asset. See Note 7 and Note 18 for additional information on AROs.

Compensation and Benefits

Defined Benefits *(All Registrants)*

Certain PPL subsidiaries sponsor various defined benefit pension and other postretirement plans. An asset or liability is recorded to recognize the funded status of all defined benefit plans with an offsetting entry to AOCI or, for PPL Electric, LG&E, KU and RIE, to regulatory assets or liabilities. Consequently, the funded status of all defined benefit plans is fully recognized on the Balance Sheets.

The expected return on plan assets is determined based on a market-related value of plan assets, which is calculated by rolling forward the prior year market-related value with contributions, disbursements and long-term expected return on investments. One-fifth of the difference between the actual value and the expected value is added (or subtracted if negative) to the expected value to determine the new market-related value.

PPL and its subsidiaries, excluding RIE, use an accelerated amortization method for the recognition of gains and losses for its defined benefit pension plans. Under the accelerated method, actuarial gains and losses in excess of 30% of the plan's projected benefit obligation are amortized on a straight-line basis over one-half of the required amortization period. Actuarial gains and losses in excess of 10% of the greater of the plan's projected benefit obligation or the market-related value of plan assets and less than 30% of the plan's projected benefit obligation are amortized on a straight-line basis over the full required amortization period. RIE uses the standard amortization method under GAAP for recognition of gains and losses for its defined benefit pension plan.

See Note 7 for a discussion of the regulatory treatment of defined benefit costs and Note 10 for a discussion of defined benefits.

Stock-Based Compensation *(PPL)*

PPL has several stock-based compensation plans for purposes of granting stock options, restricted stock, restricted stock units and performance units to certain employees as well as stock units and restricted stock units to directors. PPL grants most stock-based compensation awards in the first quarter of each year. PPL recognizes compensation expense for stock-based compensation awards based on the fair value method. Forfeitures of awards are recognized when they occur. All awards are recorded as equity or a liability on the Balance Sheets. Stock-based compensation expense is primarily included in "Other operation and maintenance" on the Statements of Income.

Taxes

Income Taxes

(All Registrants)

PPL and its subsidiaries file a consolidated U.S. federal income tax return.

Significant management judgment is required in developing the Registrants' provision for income taxes, primarily due to the uncertainty related to tax positions taken or expected to be taken on tax returns and valuation allowances on deferred tax assets.

The Registrants use a two-step process to evaluate uncertain 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 its financial statements the amount of 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 the 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 Registrants in future periods. At December 31, 2025, no significant changes in unrecognized tax benefits were projected over the next 12 months.

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 Registrants record 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 Registrants determine 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 Registrants determine 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.

The Registrants defer investment tax credits when the credits are generated and amortize the deferred amounts over the average lives of the related assets. With respect to acquired renewable tax credits, pursuant to the IRA, any benefit is recognized in the period the credits can be utilized.

The Registrants recognize tax-related interest and penalties in "Income Taxes" on their Statements of Income.

The Registrants use the portfolio approach method of accounting for deferred taxes related to pre-tax OCI transactions. The portfolio approach involves a strict period-by-period cumulative incremental allocation of income taxes to the change in income and losses reflected in OCI. Under this approach, the net cumulative tax effect is ignored. The net change in unrealized gains and losses recorded in AOCI under this approach would be eliminated only on the date the investment portfolio is classified as held for sale or is liquidated.

See Note 6 for income tax disclosures.

The provision for the Registrants' deferred income taxes related to regulatory assets and liabilities is based upon the ratemaking principles reflected in rates established by relevant regulators. The difference in the provision for deferred income taxes for regulatory assets and liabilities and the amount that otherwise would be recorded under GAAP is deferred and included on the Balance Sheets in noncurrent "Regulatory assets" or "Regulatory liabilities."

(PPL Electric, LG&E and KU)

The income tax provision for PPL Electric, LG&E and KU is calculated in accordance with an intercompany tax sharing agreement, which provides that taxable income be calculated as if PPL Electric, LG&E, KU and any subsidiaries each filed a separate return. Tax benefits are not shared between companies. The entity that generates a tax benefit is the entity that is entitled to the tax benefit. The effect of PPL filing a consolidated tax return is taken into account in the settlement of current taxes and the recognition of deferred taxes.

At December 31, the following intercompany tax payables were recorded:

	2025	2024
PPL Electric	$ (27)	$ (2)
LG&E	(7)	(2)
KU	(10)	(5)

Taxes, Other Than Income *(All Registrants)*

The Registrants present sales taxes in "Other current liabilities" on the Balance Sheets. These taxes are not reflected on the Statements of Income. See Note 6 for details of taxes included in "Taxes, other than income" on the Statements of Income.

Other

(All Registrants)

Fuel, Materials and Supplies

Fuel, natural gas stored underground and materials and supplies are valued using the average cost method. Fuel costs for electricity generation are charged to expense as used. For RIE, natural gas supply costs are charged to expense when delivered to customers. For LG&E, natural gas supply costs are charged to expense as delivered to the distribution system. See Note 7 for further discussion of the gas supply clause.

"Fuel, materials and supplies" on the Balance Sheets consisted of the following at December 31:

	2025			
	PPL	PPL Electric	LG&E	KU
Fuel	$ 157	$ —	$ 58	$ 99
Natural gas stored underground	50	—	33	—
Materials and supplies	344	151	69	84
Total	$ 551	$ 151	$ 160	$ 183

	2024			
	PPL	PPL Electric	LG&E	KU
Fuel	$ 153	$ —	$ 64	$ 89
Natural gas stored underground	49	—	29	—
Materials and supplies	309	104	64	84
Total	$ 511	$ 104	$ 157	$ 173

(PPL and PPL Electric)

Renewable Energy Standard Obligation

Purchased Renewable Energy Certificates (RECs) are stated at cost and are used to measure compliance with state renewable energy standards. RECs support new renewable generation standards and are held primarily to be utilized in fulfillment of RIE's and PPL Electric's compliance obligations.

(All Registrants)

Guarantees

Generally, the initial measurement of a guarantee liability is the fair value of the guarantee at its inception. However, there are certain guarantees excluded from the scope of accounting guidance and other guarantees that are not subject to the initial recognition and measurement provisions of accounting guidance that only require disclosure. See Note 12 for further discussion of guarantees.

New Accounting Guidance Adopted *(All Registrants)*

Improvements to Income Tax Disclosures

Effective December 31, 2025, the Registrants retrospectively adopted accounting guidance to improve income tax disclosures. The guidance requires enhanced disclosures about disaggregated rate reconciliation in eight specific categories, presented in both percentages and currency amounts. Further disaggregation by jurisdiction or nature of the item, or both, is required if over a 5% threshold. The utility industry has specific tax rate impacts due to federal and state rate-making requirements, which frequently exceed the 5% threshold. Accordingly, a ninth category is used to disaggregate the utility rate-making tax adjustments. The guidance also requires disclosure of the amount of income taxes paid disaggregated by federal, state, and foreign. See Note 6 for additional information.

2. Segment and Related Information

(PPL)

PPL is organized into three segments, broken down by geographic location: Kentucky Regulated, Pennsylvania Regulated, and Rhode Island Regulated.

The Kentucky Regulated segment consists primarily of the regulated electricity generation, transmission and distribution operations conducted by LG&E and KU, as well as LG&E's regulated distribution and sale of natural gas.

The Pennsylvania Regulated segment includes the regulated electricity transmission and distribution operations of PPL Electric.

The Rhode Island Regulated segment includes the regulated electricity transmission and distribution and natural gas distribution operations of RIE.

"Corporate and Other" primarily includes corporate level financing costs, certain unallocated corporate costs, and certain non-recoverable costs incurred in conjunction with the acquisition of RIE. "Corporate and Other" is presented to reconcile segment information to PPL's consolidated results and is not a reportable segment.

PPL's Chief Operating Decision Maker (CODM) is the CLC. The CLC uses financial metrics including segment net income, earnings from ongoing operations, earnings per share and return on equity, as well as various operational metrics to assess segment performance and make investment and resource decisions. Segment net income is the measure of segment profit or loss that most closely aligns with GAAP and is being presented for disclosure purposes.

The tables below provide information about PPL's segments and include a reconciliation of segment net income to consolidated net income for the year ended December 31, 2025:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 3,760	$ 3,113	$ 2,168	$ 9,041
Reconciliation of revenue				
Corporate and other revenues				1
Total consolidated revenues				$ 9,042
Less:				
Fuel	855	—	—	855
Energy Purchases	214	876	802	1,892
Operation and maintenance	818	630	851	2,299
Depreciation	717	413	177	1,307
Taxes, other than income	102	151	170	423
Other (income) expense - net	(53)	(48)	(33)	(134)
Interest (income) from affiliate	—	(9)	(3)	(12)
Interest expense	264	257	111	632
Income taxes	169	204	8	381
Segment net income	$ 674	$ 639	$ 85	$ 1,398
Reconciliation of segment profit or loss to consolidated net income				
Corporate and other net loss				(217)
Net Income				$ 1,181

(a) See Note 1 and Note 3 for additional information on Operating Revenues.

Other information for the segments and reconciliation to PPL's Consolidated results for the year ended December 31, 2025 are as follows:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total Segments	Corporate and Other	Consolidated Total
Other Segment Disclosures						
Amortization (a)	$ 43	$ 48	$ 1	$ 92	$ 12	$ 104
Deferred income taxes and investment tax credits (b)	(9)	24	28	43	149	192
Expenditures for long lived assets	1,752	1,620	668	4,040	2	4,042

(a) Represents non-cash expense items that include amortization of operating lease right-of-use assets, regulatory assets and liabilities, debt discounts and premiums and debt issuance costs.
(b) Represents a non-cash expense item that is also included in "Income Taxes."

The tables below provide information about PPL's segments and include a reconciliation of segment net income to consolidated net income for the year ended December 31, 2024:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 3,562	$ 2,876	$ 2,024	$ 8,462
Reconciliation of revenue				
Corporate and other revenues				—
Total consolidated revenues				$ 8,462

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Less:				
Fuel	783	—	—	783
Energy Purchases	176	721	782	1,679
Operation and maintenance	803	705	731	2,239
Depreciation	710	401	165	1,276
Taxes, other than income	99	131	144	374
Other (income) expense - net	(29)	(45)	(20)	(94)
Interest (income) from affiliate	—	(33)	(4)	(37)
Interest expense	240	246	95	581
Income taxes	160	176	22	358
Segment net income	$ 620	$ 574	$ 109	$ 1,303
Reconciliation of segment profit or loss to consolidated net income				
Corporate and other net loss				(415)
Net Income				$ 888

(a) See Note 1 and Note 3 for additional information on Operating Revenues.

Other information for the segments and reconciliation to PPL's Consolidated results for the year ended December 31, 2024 are as follows:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total Segments	Corporate and Other	Consolidated Total
Other Segment Disclosures						
Amortization (a)	$ 24	$ 45	$ 1	$ 70	$ 8	$ 78
Deferred income taxes and investment tax credits (b)	2	129	38	169	27	196
Expenditures for long lived assets	1,088	1,229	495	2,812	(7)	2,805

(a) Represents non-cash expense items that include amortization of operating lease right-of-use assets, regulatory assets and liabilities, debt discounts and premiums and debt issuance costs.
(b) Represents a non-cash expense item that is also included in "Income Taxes."

The tables below provide information about PPL's segments and include a reconciliation of segment net income to consolidated net income for the year ended December 31, 2023:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 3,452	$ 3,008	$ 1,851	$ 8,311
Reconciliation of revenue				
Corporate and other revenues				1
Total consolidated revenues				$ 8,312
Less:				
Fuel	733	—	—	733
Energy Purchases	192	992	658	1,842
Operation and maintenance	826	605	705	2,136
Depreciation	696	397	156	1,249
Taxes, other than income	93	143	156	392
Other (income) expense - net	(12)	(39)	(19)	(70)
Interest expense	235	223	83	541
Income taxes	137	168	16	321
Segment net income	$ 552	$ 519	$ 96	$ 1,167
Reconciliation of segment profit or loss to consolidated net income				
Corporate and other net loss				(427)
Net Income				$ 740

(a) See Note 1 and Note 3 for additional information on Operating Revenues.

Other information for the segments and reconciliation to PPL's Consolidated results for the year ended December 31, 2023 are as follows:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total Segments	Corporate and Other	Consolidated Total
Other Segment Disclosures						
Amortization (a)	$ 33	$ 41	$ 1	$ 75	$ 6	$ 81
Deferred income taxes and investment tax credits (b)	(17)	46	48	77	245	322
Expenditures for long lived assets	950	956	454	2,360	30	2,390

(a) Represents non-cash expense items that include amortization of operating lease right-of-use assets, regulatory assets and liabilities, debt discounts and premiums and debt issuance costs.
(b) Represents a non-cash expense item that is also included in "Income Taxes."

The following provides Balance Sheet data for the segments and reconciliation to PPL's consolidated results as of:

	As of December 31,	
	2025	2024
Total Assets		
Kentucky Regulated	$ 19,060	$ 17,626
Pennsylvania Regulated	16,886	15,475
Rhode Island Regulated	7,510	7,055
Corporate and Other (a)	1,788	913
Total	$ 45,244	$ 41,069

(a) Primarily consists of unallocated items, including cash, PP&E, goodwill, and the elimination of inter-segment transactions.

(PPL Electric)

PPL Electric has two operating segments, distribution and transmission, which are aggregated into a single reportable segment. PPL Electric's CODM is the President of PPL Electric.

The President uses financial metrics including segment net income, earnings from ongoing operations, earnings per share and return on equity, as well as various operational metrics to assess segment performance and make investment and resource decisions.

The significant segment expenses of and measure of profit and loss for PPL Electric regularly provided to the President are included on the face of PPL Electric's Statements of Income.

The measure of segment assets is reported on PPL Electric's Balance Sheets as total consolidated assets. The measures of significant non-cash segment expenses as well as expenditures for long lived assets are reported on PPL Electric's Statements of Cash Flows.

(LG&E and KU)

Each of LG&E and KU operates as a single operating and reportable segment, and the CODM for each of LG&E and KU is its President.

The President manages LG&E and KU as a single consolidated entity. Financial metrics including net income, earnings from ongoing operations, earnings per share and return on equity, as well as various operational metrics are used to assess segment performance and make investment and resource decisions.

The significant segment expenses of and measure of profit and loss for each of LG&E and KU regularly provided to its President are included on the face of the Statements of Income of LG&E and KU.

The measures of segment assets are reported on the Balance Sheets of LG&E and KU as total assets. The measures of significant non-cash segment expenses as well as expenditures for long lived assets are reported on the Statements of Cash Flows of LG&E and KU.

3. Revenue from Contracts with Customers

(All Registrants)

The following is a description of the principal activities from which the Registrants and PPL's segments generate their revenues.

(PPL and PPL Electric)

Pennsylvania Regulated Segment Revenue

The Pennsylvania Regulated segment generates substantially all of its revenues from contracts with customers from PPL Electric's tariff-based distribution and transmission of electricity.

Distribution Revenue

PPL Electric provides distribution services to residential, commercial, industrial, municipal and governmental end users of energy. PPL Electric satisfies its performance obligation to its distribution customers and revenue is recognized over time as electricity is delivered and simultaneously consumed by the customer. The amount of revenue recognized is the volume of electricity delivered during the period multiplied by the price per tariff, plus a monthly fixed charge and include unbilled amounts, which represent the amounts due from customers as a result of customer's bills being rendered throughout the month, rather than at the end of the month. This method of recognition fairly presents PPL Electric's transfer of electric service to the customer as the calculation is based on volumes delivered, and the price per tariff and the monthly fixed charge are set by the PAPUC. Customers are typically billed monthly and outstanding amounts are normally due within 21 days of the date of the bill.

Distribution customers are "at will" customers of PPL Electric with no term contract and no minimum purchase commitment. Performance obligations are limited to the service requested and received to date. Accordingly, there is no unsatisfied performance obligation associated with PPL Electric's retail account contracts.

Certain customers have the option to obtain electricity from other suppliers where PPL Electric facilitates the delivery. In those circumstances, revenue is only recognized for providing delivery of the commodity to the customer.

Transmission Revenue

PPL Electric generates transmission revenues from a FERC-approved PJM Open Access Transmission Tariff. An annual revenue requirement for PPL Electric to provide transmission services is calculated using a formula-based rate. This revenue requirement is converted into a daily rate (dollars per day). PPL Electric satisfies its performance obligation to provide transmission services and revenue is recognized over time as transmission services are provided and consumed. This method of recognition fairly presents PPL Electric's transfer of transmission services as the daily rate is set by a FERC approved formula-based rate. PJM remits payment on a weekly basis.

PPL Electric's agreement to provide transmission services contains no minimum purchase commitment. The performance obligation is limited to the service requested and received to date. Accordingly, PPL Electric has no unsatisfied performance obligations.

(PPL)

Rhode Island Regulated Segment Revenues

The Rhode Island Regulated segment generates substantially all of its revenues from contracts with customers from RIE's regulated tariff-based transmission and distribution of electricity and regulated tariff-based distribution of natural gas.

Distribution Revenue

Distribution revenues are primarily from the sale of electricity, natural gas, and related services to retail customers. Distribution sales are regulated by the RIPUC, which is responsible for approving the rates and other terms of services as part of the rate making process. Natural gas and electric distribution revenues are derived from the regulated sale and distribution of electricity and natural gas to residential, commercial, and industrial customers within RIE's service territory under the tariff rates. The performance obligation related to distribution sales is to provide electricity and natural gas to customers on demand.

The performance obligation is satisfied over time because the customer simultaneously receives and consumes the electricity or natural gas as services are provided. RIE records revenues related to the distribution sales based upon the approved tariff rate and the volume delivered to the customers, which corresponds with the amount RIE has the right to invoice. Customers are typically billed monthly and outstanding amounts are normally due within 21 days of date of the bill.

Distribution revenue also includes estimated unbilled amounts, which represent the estimated amounts due from retail customers as a result of customer's bills being rendered throughout the month, rather than at the end of the month. Unbilled revenues are determined based on estimated unbilled sales volumes and then applying tariff rates to those volumes. Any difference between estimated and actual revenues is adjusted the following month when the previous unbilled estimate is reversed and actual billings occur. This method of recognition fairly presents RIE's transfer of electricity and natural gas to the customer as the amount recognized is based on actual and estimated volumes delivered and the tariff rate per unit of energy and any applicable fixed charges or regulatory mechanisms as approved by the respective regulatory body.

Distribution customers are "at will" customers of RIE with no term contract and no minimum purchase commitment. Performance obligations are limited to the service requested and received to date. Accordingly, there is no unsatisfied performance obligation associated with RIE's retail account contracts.

Certain customers have the option to obtain electricity or natural gas from other suppliers where RIE facilitates the delivery. In those circumstances, revenue is only recognized for providing delivery of the commodity to the customer.

Transmission Revenue

RIE's transmission services are regulated by the FERC and coordinated with ISO – New England (ISO-NE). As of January 1, 2023, RIE is a transmission operator. These revenues arise under tariff/rate agreements and are collected primarily from RIE's distribution customers. The revenue is recognized over time as transmission services are provided and consumed. This method of recognition fairly presents RIE's transfer of transmission services as the daily rate is set by a FERC-approved formula-based rate.

RIE's agreement to provide transmission services contains no minimum purchase commitment. The performance obligation is limited to the service requested and received to date. Accordingly, RIE has no unsatisfied performance obligations.

(PPL, LG&E and KU)

Kentucky Regulated Segment Revenue

The Kentucky Regulated Segment generates substantially all of its revenues from contracts with customers from LG&E's and KU's regulated tariff-based sales of electricity and LG&E's regulated tariff-based sales of natural gas.

LG&E and KU are engaged in the generation, transmission, distribution and sale of electricity in Kentucky and, in KU's case, Virginia. LG&E also engages in the distribution and sale of natural gas in Kentucky. Revenue from these activities is generated from tariffs approved by applicable regulatory authorities including the FERC, KPSC and VSCC. LG&E and KU satisfy their performance obligations upon LG&E's and KU's delivery of electricity and LG&E's delivery of natural gas to customers. This revenue is recognized over time as the customer simultaneously receives and consumes the benefits provided by LG&E and KU. The amount of revenue recognized is the billed volume of electricity or natural gas delivered multiplied by a tariff rate per-unit of energy, plus any applicable fixed charges or additional regulatory mechanisms. Customers are billed monthly and outstanding amounts are typically due within 22 days of the date of the bill. Additionally, unbilled revenues are recognized as a result of customers' bills being rendered throughout the month, rather than at the end of the month. Unbilled revenues for a month are calculated by multiplying an estimate of unbilled kWh or Mcf delivered but not yet billed by the estimated average cents per kWh or Mcf. Any difference between estimated and actual revenues is adjusted the following month when the previous unbilled estimate is reversed and actual billings occur. This method of recognition fairly presents LG&E's and KU's transfer of electricity and LG&E's transfer of natural gas to the customer as the amount recognized is based on actual and estimated volumes delivered and the tariff rate per-unit of energy and any applicable fixed charges or regulatory mechanisms as set by the respective regulatory body.

LG&E's and KU's customers generally have no minimum purchase commitment. Performance obligations are limited to the service requested and received to date. Accordingly, there is no unsatisfied performance obligation associated with these customers.

(All Registrants)

The following table reconciles "Operating Revenues" included in each Registrant's Statement of Income with revenues generated from contracts with customers for the years ended December 31:

	2025			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)(b)	$ 9,042	$ 3,113	$ 1,748	$ 2,064
Revenues derived from:				
Alternative revenue programs (c)	153	21	(2)	—
Other (d)	(25)	(17)	(4)	(4)
Revenues from Contracts with Customers	$ 9,170	$ 3,117	$ 1,742	$ 2,060

	2024			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)(b)	$ 8,462	$ 2,876	$ 1,648	$ 1,964
Revenues derived from:				
Alternative revenue programs (c)	5	(19)	13	16
Other (d)	(23)	(15)	(4)	(4)
Revenues from Contracts with Customers	$ 8,444	$ 2,842	$ 1,657	$ 1,976

	2023			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)(b)	$ 8,312	$ 3,008	$ 1,613	$ 1,884
Revenues derived from:				
Alternative revenue programs (c)	1	5	(1)	(5)
Other (d)	(23)	(15)	(4)	(4)
Revenues from Contracts with Customers	$ 8,290	$ 2,998	$ 1,608	$ 1,875

(a) PPL includes $2,168 million, $2,024 million and $1,851 million for the twelve months ended December 31, 2025, 2024, and 2023 of revenues from external customers reported by the Rhode Island Regulated segment. PPL Electric represents revenues from external customers reported by the Pennsylvania Regulated segment and LG&E and KU, net of intercompany power sales and transmission revenues, represent revenues from external customers reported by the Kentucky Regulated segment. See Note 2 for additional information.

(b) PPL's transition services agreement associated with the RIE acquisition ended in the third quarter of 2024. In conjunction with the completion of the agreement, PPL conformed the presentation of RIE's and the Rhode Island Regulated segment's net metering charges with the presentation of the other segments, resulting in an increase in "Operating Revenues" and a corresponding increase in "Energy purchases" beginning on January 1, 2024. For the year ended December 31, 2023, $146 million of net metering was presented as a reduction of "Operating Revenues" on PPL's Statement of Income.

(c) This line item shows the over/under collection of rate mechanisms deemed alternative revenue programs with over-collections of revenue shown as positive amounts and under collections as negative amounts.

(d) Represents additional revenues outside the scope of revenues from contracts with customers such as leases and other miscellaneous revenues.

The following table shows revenues from contracts with customers disaggregated by customer class for the years ended December 31:

	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
2025								
PA Regulated	$ 1,656	$ 448	$ 56	$ 54	$ —	$ —	$ 903	$ 3,117
RI Regulated (c)	1,249	671	83	86	—	—	213	2,302
KY Regulated	1,616	1,063	627	309	25	111	—	3,751
Total PPL	$ 4,521	$ 2,182	$ 766	$ 449	$ 25	$ 111	$ 1,116	$ 9,170

	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
2024								
PA Regulated	$ 1,502	$ 418	$ 47	$ 57	$ —	$ —	$ 818	$ 2,842
RI Regulated (c)	1,150	593	91	10	—	—	176	2,020
KY Regulated	1,510	1,028	635	323	23	63	—	3,582
Total PPL	$ 4,162	$ 2,039	$ 773	$ 390	$ 23	$ 63	$ 994	$ 8,444
2023								
PA Regulated	$ 1,649	$ 444	$ 55	$ 54	$ —	$ —	$ 796	$ 2,998
RI Regulated	640	228	20	793	—	—	170	1,851
KY Regulated	1,458	1,001	637	272	22	50	—	3,440
Corp and Other	—	—	—	1	—	—	—	1
Total PPL	$ 3,747	$ 1,673	$ 712	$ 1,120	$ 22	$ 50	$ 966	$ 8,290
PPL Electric								
2025	$ 1,656	$ 448	$ 56	$ 54	$ —	$ —	$ 903	$ 3,117
2024	$ 1,502	$ 418	$ 47	$ 57	$ —	$ —	$ 818	$ 2,842
2023	$ 1,649	$ 444	$ 55	$ 54	$ —	$ —	$ 796	$ 2,998
LG&E								
2025	$ 809	$ 540	$ 187	$ 139	$ —	$ 67	$ —	$ 1,742
2024	$ 754	$ 518	$ 188	$ 147	$ —	$ 50	$ —	$ 1,657
2023	$ 751	$ 517	$ 189	$ 104	$ —	$ 47	$ —	$ 1,608
KU								
2025	$ 807	$ 523	$ 440	$ 169	$ 25	$ 96	$ —	$ 2,060
2024	$ 756	$ 510	$ 447	$ 176	$ 23	$ 64	$ —	$ 1,976
2023	$ 707	$ 484	$ 448	$ 168	$ 22	$ 46	$ —	$ 1,875

(a) Primarily includes revenues from pole attachments, street lighting, other public authorities and other non-core businesses. For the years ended December 31, 2023, the Rhode Island Regulated segment primarily includes open access tariff revenues, which are calculated on combined customer classes.

(b) Includes wholesale power and transmission revenues. LG&E and KU amounts include intercompany power sales and transmission revenues, which are eliminated upon consolidation at PPL.

(c) PPL's transition services agreement associated with the RIE acquisition ended in the third quarter of 2024. In conjunction with the completion of the agreement, PPL disaggregated the 2024 revenues of the Rhode Island Regulated segment in a manner consistent with that of its other segments. This resulted in certain customer revenues for the Rhode Island Regulated segment, which were previously presented in the "Other" category, being presented in the "Residential", "Commercial" or "Industrial" customer classes beginning on January 1, 2024. Applying the previous methodology to 2025 revenues would result in $534 million of Residential, $409 million of Commercial and $83 million of Industrial for the Rhode Island Regulated segment being presented as "Other" for the year ended December 31, 2025. Applying the previous methodology to 2024 revenues would result in $469 million of Residential, $372 million of Commercial and $88 million of Industrial for the Rhode Island Regulated segment being presented as "Other" for the year ended December 31, 2024.

As discussed in Note 2, PPL segments its business by geographic location. Revenues from external customers for each segment/geographic location are reconciled to revenues from contracts with customers in the footnotes to the tables above. PPL Electric's revenues from contracts with customers are further disaggregated by distribution and transmission as indicated in the above tables.

Contract receivables from customers are primarily included in "Accounts receivable - Customer" and "Unbilled revenues" on the Balance Sheets.

The following table shows the accounts receivable and unbilled revenues balances that were impaired for the year ended December 31:

	2025	2024	2023
PPL (a)	$ 101	$ 103	$ 79
PPL Electric (a)	32	52	47
LG&E	4	4	4
KU	5	4	2

(a) 2024 and 2023 includes amounts impaired related to PPL Electric's billing issues. See Note 7 in PPL's 2024 Form 10-K for additional information.

Contract liabilities result from recording contractual billings in advance for customer attachments to the Registrants' infrastructure and payments received in excess of revenues earned to date. Advanced billings for customer attachments are recognized as revenue ratably over the billing period. Payments received in excess of revenues earned to date are recognized as revenue as services are delivered in subsequent periods. The Registrants' contract liabilities are not material at December 31, 2025, 2024 and 2023.

4. Preferred Securities

(PPL)

PPL is authorized to issue up to 10 million shares of preferred stock. No PPL preferred stock was issued or outstanding in 2025, 2024 or 2023.

(PPL Electric)

PPL Electric is authorized to issue up to 20,629,936 shares of preferred stock. No PPL Electric preferred stock was issued or outstanding in 2025, 2024 or 2023.

(LG&E)

LG&E is authorized to issue up to 1,720,000 shares of preferred stock at a $25 par value and 6,750,000 shares of preferred stock without par value. LG&E had no preferred stock issued or outstanding in 2025, 2024 or 2023.

(KU)

KU is authorized to issue up to 5,300,000 shares of preferred stock and 2,000,000 shares of preference stock. KU had no preferred or preference stock issued or outstanding in 2025, 2024 or 2023.

5. Earnings Per Share

(PPL)

Basic EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding during the applicable period. Diluted EPS is computed by dividing income available to PPL common shareowners by the weighted-average number of common shares outstanding, increased by the number of incremental shares that would be outstanding if potentially dilutive share-based payment awards were converted to common shares as calculated using the Two-Class Method or Treasury Stock Method. The If-Converted Method is applied to the Exchangeable Senior Notes due 2028 and 2030 (Exchangeable Notes) issued in February 2023 and November 2025.

Incremental non-participating securities that have a dilutive impact are detailed in the table below. In 2025, these securities include forward sales of PPL common stock issued through an ATM Program and the number of shares needed to settle the conversion premium on the Exchangeable Notes. The forward sale agreements are dilutive under the Treasury Stock Method to the extent the average stock price of PPL's common shares exceeds the forward sale price prescribed in the agreements. See Note 8 for additional information on the ATM Program and the Exchangeable Senior Notes due 2030 and Note 8 in PPL's Annual Report on Form 10-K for the year ended December 31, 2023 for additional information on the Exchangeable Notes due 2028.

Reconciliations of the amounts of income and shares of PPL common stock (in thousands) for the periods ended December 31, used in the EPS calculation are:

	2025	2024	2023
Income (Numerator)			
Net income	$ 1,181	$ 888	$ 740
Less amounts allocated to participating securities	2	2	1
Net income available to PPL common shareowners - Basic and Diluted	$ 1,179	$ 886	$ 739
Shares of Common Stock (Denominator)			
Weighted-average shares - Basic EPS	739,406	737,756	737,036
Add incremental non-participating securities:			
Dilutive share-based payment awards (a)	2,724	2,097	1,130
Forward sale agreements	170	—	—
Exchangeable Notes	1,048	—	—
Weighted-average shares - Diluted EPS	743,348	739,853	738,166
Basic EPS			
Net Income available to PPL common shareowners	$ 1.60	$ 1.20	$ 1.00
Diluted EPS			
Net Income available to PPL common shareowners	$ 1.59	$ 1.20	$ 1.00

(a) The Treasury Stock Method was applied to non-participating share-based payment awards.

For the years ended December 31, PPL issued common stock related to the DRIP as follows (in thousands):

	2025	2024	2023
DRIP	762	202	—

For the years ended December 31, the following shares (in thousands) were excluded from the computations of diluted EPS because the effect would have been antidilutive:

	2025	2024	2023
Stock-based compensation awards	106	—	243
Forward sale agreements	10,040	—	—

6. Income and Other Taxes

(PPL)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their basis for income tax purposes and the tax effects of net operating loss and tax credit carryforwards. The provision for PPL's deferred income taxes for regulated assets and liabilities is based upon the ratemaking principles of the applicable jurisdiction. See Notes 1 and 7 for additional information.

Net deferred tax assets have been recognized based on management's estimates of future taxable income.

Significant components of PPL's deferred income tax assets and liabilities were as follows:

	2025	2024
Deferred Tax Assets		
Deferred investment tax credits	$ 27	$ 28
Regulatory liabilities	186	133
Income taxes due to customers	397	418
Accrued pension and postretirement costs	99	112
State loss carryforwards	181	224
Federal and state tax credit carryforwards	35	24
Internal Revenue Code Section 197 intangibles	67	72
Contributions in aid of construction	206	163
Bad debt	34	37
Other	130	114
Valuation allowances	(184)	(224)
Total deferred tax assets	1,178	1,101
Deferred Tax Liabilities		
Plant - net	4,105	3,898
Regulatory assets	432	432
Prepayments	49	39
Goodwill	52	38
Other	37	38
Total deferred tax liabilities	4,675	4,445
Net deferred tax liability	$ 3,497	$ 3,344

State deferred taxes are determined by entity and by jurisdiction. As a result, $9 million and $12 million of net deferred tax assets are shown as "Other noncurrent assets" on the Balance Sheets for 2025 and 2024.

At December 31, 2025, PPL had the following loss and tax credit carryforwards, related deferred tax assets and valuation allowances recorded against the deferred tax assets:

	Gross	Deferred Tax Asset	Valuation Allowance	Expiration
Loss and other carryforwards				
State net operating losses	$ 4,281	$ 181	$ (181)	2026-2045
State charitable contributions	1	—	—	2026-2030
Foreign capital loss	8	2	(2)	Indefinite

	Gross	Deferred Tax Asset	Valuation Allowance	Expiration
Credit carryforwards				
Federal investment tax credit		$ 26	$ —	2045
Federal - other		2	—	2045
State recycling credit		6	—	2028
State - other		2	—	Indefinite

Valuation allowances have been established for the amount that, more likely than not, will not be realized. The changes in deferred tax valuation allowances were as follows:

	Balance at Beginning of Period	Additions: Charged to Income	Additions: Charged to Other Accounts	Deductions	Balance at End of Period
2025	$ 224	$ 4	$ —	$ 44 (a)	$ 184
2024	245	3	1	25 (b)	224
2023	213	54 (c)	—	22 (d)	245

(a) In 2025, PPL recorded a $41 million decrease in a valuation allowance on a 2005 state net operating loss carryforward that expired in 2025.
(b) In 2024, PPL recorded a $23 million decrease in a valuation allowance on a 2004 state net operating loss carryforward that expired in 2024.

(c) PPL has a Pennsylvania net operating loss fully offset by a valuation allowance. In 2023, PPL adjusted the net operating loss and related valuation allowance to be recorded at the current estimate of the applicable rate at which each portion of the net operating loss that will expire and be written off as the rate is reduced annually by one half a percentage point until the rate reaches to 4.99% in 2031.
(d) In 2023, PPL recorded a $22 million decrease in a valuation allowance on a 2003 state net operating loss carryforward that expired in 2023.

Details of the components of income tax expense, a reconciliation of federal income taxes derived from statutory tax rates applied to "Income Before Income Taxes" to income taxes for reporting purposes, income tax cash payments and refunds by federal and state jurisdictions, and details of "Taxes, other than income" were as follows:

	2025	2024	2023
Income Tax Expense (Benefit)			
Current - Federal (a)	$ 46	$ 23	$ (175)
Current - State	53	9	37
Total Current Expense (Benefit)	99	32	(138)
Deferred - Federal (a)	172	137	286
Deferred - State	27	64	48
Total Deferred Expense (Benefit), excluding operating loss carryforwards	199	201	334
Amortization of investment tax credit	(3)	(3)	(3)
Tax expense (benefit) of operating loss carryforwards			
Deferred - Federal	1	1	3
Deferred - State	(5)	(3)	(12)
Total Tax Expense (Benefit) of Operating Loss Carryforwards	(4)	(2)	(9)
Total income tax expense (benefit)	$ 291	$ 228	$ 184
Total income tax expense (benefit) - Federal	$ 216	$ 158	$ 111
Total income tax expense (benefit) - State	75	70	73
Total income tax expense (benefit)	$ 291	$ 228	$ 184

(a) In 2025, 2024, and 2023, PPL purchased approximately $153 million, $27 million and $300 million of renewable tax credits and recorded a current tax benefit and a deferred tax expense for utilization of approximately $138 million, $61 million and $250 million of the credits, respectively.

In the table above, the following income tax expense (benefit) are excluded from income taxes:

	2025	2024	2023
Other comprehensive income	$ (6)	$ (8)	$ (14)
Valuation allowance recorded to other comprehensive income	—	—	(1)
Total	$ (6)	$ (8)	$ (15)

	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
Reconciliation of Income Tax Expense (Benefit)						
Federal income tax on Income Before Income Taxes at statutory tax rate	$ 309	21.0 %	$ 234	21.0 %	$ 194	21.0 %
Increase (decrease) due to:						
State income taxes, net of federal income tax benefit (a)	75	5.0 %	67	6.1 %	69	7.5 %
Tax credits (federal):						
Investment tax credits	(17)	(1.1) %	(5)	(0.5) %	(19)	(2.1) %
Other tax credits	(1)	(0.1) %	(5)	(0.5) %	(7)	(0.7) %
Subtotal	(18)	(1.2) %	(10)	(1.0) %	(26)	(2.8) %
Utility rate-making tax adjustments (federal and state):						
Amortization of excess deferred taxes	(51)	(3.4) %	(46)	(4.1) %	(48)	(5.2) %
AFUDC Equity	(20)	(1.3) %	(10)	(0.9) %	(6)	(0.7) %
Flow-through rate-making (b)	(10)	(0.6) %	(11)	(1.0) %	(4)	(0.5) %
Subtotal	(81)	(5.3) %	(67)	(6.0) %	(58)	(6.4) %
Other	6	0.3 %	4	0.3 %	5	0.6 %
Total increase (decrease)	(18)	(1.2) %	(6)	(0.6) %	(10)	(1.1) %
Total income tax expense	$ 291	19.8 %	$ 228	20.4 %	$ 184	19.9 %

(a) Jurisdictions that make up the majority of state income taxes, net of federal effect, are Kentucky and Pennsylvania.
(b) Flow-through occurs when the regulator excludes deferred tax expense or benefit from recoverable costs when determining income tax expense.

Income tax cash payments (refunds) by federal and state jurisdictions:

	2025	2024	2023
Federal	$ 66 (a)	$ (149) (b)	$ 252 (c)
Pennsylvania	20	21	24
Kentucky	6	4	4
Other states	1	1	1
Total	$ 93	$ (123)	$ 281

(a) Includes purchase price of transferable tax credits of $40 million.
(b) Includes refund for the carry-back of acquired transferable tax credits applied to the 2021 tax return of $200 million and purchase price of transferable tax credits of $20 million.
(c) Includes refund of $55 million and purchase price of transferable tax credits of $282 million.

	2025	2024	2023
Taxes, other than income			
State gross earnings and state gross receipts	$ 214	$ 167	$ 195
Property and other	209	207	197
Total	$ 423	$ 374	$ 392

(PPL Electric)

The provision for PPL Electric's deferred income taxes for regulated assets and liabilities is based upon the ratemaking principles reflected in rates established by the PAPUC and the FERC. The difference in the provision for deferred income taxes for regulated assets and liabilities and the amount that otherwise would be recorded under GAAP is deferred and included in "Regulatory assets" or "Regulatory liabilities" on the Balance Sheets.

Significant components of PPL Electric's deferred income tax assets and liabilities were as follows:

	2025	2024
Deferred Tax Assets		
Accrued pension and postretirement costs	$ 29	$ 36
Contributions in aid of construction	156	120
Regulatory liabilities	57	40
Income taxes due to customers	177	184
Other	25	22
Total deferred tax assets	444	402
Deferred Tax Liabilities		
Electric utility plant - net	2,028	1,934
Regulatory assets	165	160
Prepayments	30	30
Other	2	4
Total deferred tax liabilities	2,225	2,128
Net deferred tax liability	$ 1,781	$ 1,726

PPL Electric expects to have adequate levels of taxable income to realize its recorded deferred income tax assets.

Details of the components of income tax expense, a reconciliation of federal income taxes derived from statutory tax rates applied to "Income Before Income Taxes" to income taxes for reporting purposes, income tax cash payments and refunds by federal and state jurisdictions, and details of "Taxes, other than income" were as follows:

	2025	2024	2023
Income Tax Expense			
Current - Federal	$ 136	$ 44	$ 91
Current - State	44	4	31
Total Current Expense	180	48	122
Deferred - Federal	17	86	28
Deferred - State	7	42	18
Total Deferred Expense, excluding operating loss carryforwards	24	128	46
Total income tax expense	$ 204	$ 176	$ 168
Total income tax expense - Federal	$ 153	$ 130	$ 119
Total income tax expense - State	51	46	49
Total income tax expense	$ 204	$ 176	$ 168

	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
Reconciliation of Income Tax Expense (Benefit)						
Taxes at statutory tax rate	$ 177	21.0 %	$ 158	21.0 %	$ 144	21.0 %
Increase (decrease) due to:						
State income taxes, net of federal income tax benefit (a)	52	6.1 %	47	6.2 %	48	7.1 %
Utility rate-making tax adjustments (federal and state):						
Amortization of excess deferred federal income taxes	(10)	(1.2) %	(10)	(1.3) %	(11)	(1.6) %
AFUDC Equity	(8)	(1.0) %	(6)	(0.7) %	(4)	(0.7) %
Flow-through rate-making (b)	(10)	(1.2) %	(11)	(1.5) %	(4)	(0.7) %
Subtotal	(28)	(3.4) %	(27)	(3.5) %	(19)	(3.0) %
Other	3	0.5 %	(2)	(0.2) %	(5)	(0.6) %
Total increase (decrease)	27	3.2 %	18	2.5 %	24	3.5 %
Total income tax expense	$ 204	24.2 %	$ 176	23.5 %	$ 168	24.5 %

(a) The jurisdiction that makes up the majority of state income taxes, net of federal effect, is Pennsylvania.
(b) Flow-through occurs when the regulator excludes deferred tax expense or benefit from recoverable costs when determining income tax expense.

Income tax cash payments by federal and state jurisdictions:

	2025	2024	2023
Federal	$ 109	$ 62	$ 68
Pennsylvania	20	21	24
Total	$ 129	$ 83	$ 92

	2025	2024	2023
Taxes, other than income			
State gross receipts	$ 144	$ 122	$ 136
Property and other	7	9	7
Total	$ 151	$ 131	$ 143

(LG&E)

The provision for LG&E's deferred income taxes for regulated assets and liabilities is based upon the ratemaking principles reflected in rates established by the KPSC and the FERC. The difference in the provision for deferred income taxes for regulated assets and liabilities and the amount that otherwise would be recorded under GAAP is deferred and included in "Regulatory assets" or "Regulatory liabilities" on the Balance Sheets.

Significant components of LG&E's deferred income tax assets and liabilities were as follows:

	2025	2024
Deferred Tax Assets		
Contributions in aid of construction	$ 17	$ 18
Regulatory liabilities	18	18
Accrued pension and postretirement costs	—	4
Deferred investment tax credits	7	7
Income taxes due to customers	104	110
State tax credit carryforwards	5	6
Lease liabilities	4	4
Other	9	6
Valuation allowances	(5)	(6)
Total deferred tax assets	159	167
Deferred Tax Liabilities		
Plant - net	884	875
Regulatory assets	87	88
Lease right-of-use assets	4	4
Other	3	3
Total deferred tax liabilities	978	970
Net deferred tax liability	$ 819	$ 803

At December 31, 2025, LG&E had $5 million of state credit carryforwards that expire in 2028 and a $5 million valuation allowance related to state credit carryforwards due to insufficient projected Kentucky taxable income.

Details of the components of income tax expense, a reconciliation of federal income taxes derived from statutory tax rates applied to "Income Before Income Taxes" to income taxes for reporting purposes, income tax cash payments and refunds by federal and state jurisdictions, and details of "Taxes, other than income" were:

	2025	2024	2023
Income Tax Expense (Benefit)			
Current - Federal	$ 72	$ 60	$ 70
Current - State	14	11	13
Total Current Expense (Benefit)	86	71	83
Deferred - Federal	(10)	1	(15)
Deferred - State	3	6	2
Total Deferred Expense (Benefit)	(7)	7	(13)
Amortization of investment tax credit - Federal	(1)	(1)	(1)
Total income tax expense (benefit)	$ 78	$ 77	$ 69
Total income tax expense (benefit) - Federal	$ 61	$ 60	$ 54
Total income tax expense (benefit) - State	17	17	15
Total income tax expense (benefit)	$ 78	$ 77	$ 69

	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
Reconciliation of Income Tax Expense (Benefit)						
Taxes at statutory tax rate	$ 81	21.0 %	$ 79	21.0 %	$ 70	21.0 %
Increase (decrease) due to:						
State income taxes, net of federal income tax benefit (a)	15	3.8 %	14	3.7 %	13	3.8 %
Utility rate-making tax adjustments (federal and state):						
Amortization of excess deferred taxes	(14)	(3.5) %	(13)	(3.4) %	(13)	(3.9) %
AFUDC Equity	(4)	(1.1) %	(2)	(0.4) %	(1)	(0.3) %
Subtotal	(18)	(4.6) %	(15)	(3.8) %	(14)	(4.2) %
Other	—	— %	(1)	(0.3) %	—	— %
Total increase (decrease)	(3)	(0.8) %	(2)	(0.4) %	(1)	(0.4) %
Total income tax expense	$ 78	20.2 %	$ 77	20.6 %	$ 69	20.6 %

(a) The jurisdiction that makes up the majority of state income taxes, net of federal effect, is Kentucky.

Income tax cash payments by federal and state jurisdictions:

	2025	2024	2023
Federal	$ 67	$ 62	$ 71
Kentucky	14	11	13
Total	$ 81	$ 73	$ 84

	2025	2024	2023
Taxes, other than income			
Property and other	$ 51	$ 49	$ 48
Total	$ 51	$ 49	$ 48

(KU)

The provision for KU's deferred income taxes for regulated assets and liabilities is based upon the ratemaking principles reflected in rates established by the KPSC, the VSCC and the FERC. The difference in the provision for deferred income taxes for regulated assets and liabilities and the amount that otherwise would be recorded under GAAP is deferred and included in "Regulatory assets" or "Regulatory liabilities" on the Balance Sheets.

Significant components of KU's deferred income tax assets and liabilities were as follows:

	2025	2024
Deferred Tax Assets		
Contributions in aid of construction	$ 17	$ 12
Regulatory liabilities	31	29
Deferred investment tax credits	20	20
Income taxes due to customers	117	124
State tax credit carryforwards	3	4
Lease liabilities	7	6
Other	8	4
Valuation allowances	(1)	(2)
Total deferred tax assets	202	197
Deferred Tax Liabilities		
Plant - net	1,085	1,053
Regulatory assets	56	55
Pension and postretirement costs	8	6
Lease right-of-use assets	7	6
Other	2	1
Total deferred tax liabilities	1,158	1,121
Net deferred tax liability	$ 956	$ 924

At December 31, 2025, KU had $3 million of state credit carryforwards of which $1 million will expire in 2028 and $2 million that has an indefinite carryforward period. At December 31, 2025, KU had a $1 million valuation allowance related to state credit carryforwards due to insufficient projected Kentucky taxable income.

Details of the components of income tax expense, a reconciliation of federal income taxes derived from statutory tax rates applied to "Income Before Income Taxes" to income taxes for reporting purposes, income tax cash payments and refunds by federal and state jurisdictions, and details of "Taxes, other than income" were:

	2025	2024	2023
Income Tax Expense (Benefit)			
Current - Federal	$ 83	$ 87	$ 73
Current - State	16	17	13
Total Current Expense (Benefit)	99	104	86
Deferred - Federal	(4)	(15)	(11)
Deferred - State	6	2	4
Total Deferred Expense (Benefit)	2	(13)	(7)
Amortization of investment tax credit - Federal	(2)	(2)	(2)
Total income tax expense (benefit)	$ 99	$ 89	$ 77
Total income tax expense (benefit) - Federal	$ 77	$ 70	$ 60
Total income tax expense (benefit) - State	22	19	17
Total income tax expense (benefit)	$ 99	$ 89	$ 77

	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
Reconciliation of Income Tax Expense (Benefit)						
Taxes at statutory tax rate	$ 104	21.0 %	$ 93	21.0 %	$ 82	21.0 %
Increase (decrease) due to:						
State income taxes, net of federal income tax benefit (a)	19	3.8 %	16	3.7 %	15	3.8 %
Utility rate-making tax adjustment (federal and state):						
Amortization of excess deferred federal and state income taxes	(18)	(3.6) %	(17)	(3.7) %	(17)	(4.3) %
AFUDC Equity	(5)	(1.0) %	(2)	(0.6) %	—	— %
Subtotal	(23)	(4.6) %	(19)	(4.3) %	(17)	(4.3) %
Other	(1)	(0.3) %	(1)	(0.4) %	(3)	(0.7) %
Total decrease	(5)	(1.1) %	(4)	(1.0) %	(5)	(1.2) %
Total income tax expense	$ 99	19.9 %	$ 89	20.0 %	$ 77	19.8 %

(a) The jurisdiction that makes up the majority of state income taxes, net of federal effect, is Kentucky.

Income tax cash payments by federal and state jurisdictions:

	2025	2024	2023
Federal	$ 78	$ 85	$ 65
Kentucky	15	16	12
Other	1	1	1
Total	$ 94	$ 102	$ 78

	2025	2024	2023
Taxes, other than income			
Property and other	$ 51	$ 49	$ 45
Total	$ 51	$ 49	$ 45

(All Registrants)

Unrecognized Tax Benefits

PPL or its subsidiaries file tax returns in four major tax jurisdictions. The income tax provisions for PPL Electric, LG&E and KU are calculated in accordance with an intercompany tax sharing agreement, which provides that taxable income be calculated as if each subsidiary filed a separate consolidated return. PPL Electric or its subsidiaries indirectly or directly file tax returns in three major tax jurisdictions, and LG&E and KU indirectly or directly file tax returns in two major tax jurisdictions. With few exceptions, at December 31, 2025, these jurisdictions, as well as the tax years that are no longer subject to examination, were as follows.

	PPL	PPL Electric	LG&E	KU
U.S. (federal)	2020 and prior	2020 and prior	2020 and prior	2020 and prior
Pennsylvania (state)	2021 and prior	2021 and prior	n/a	n/a
Kentucky (state)	2020 and prior	2020 and prior	2020 and prior	2020 and prior

Other

One Big Beautiful Bill Act (All Registrants)

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act. The Registrants are continuing to review the law to assess any material impacts to the financial statements.

Additionally, on July 7, 2025, President Trump issued an Executive Order directing the Treasury to take action to strictly enforce the termination of clean electricity tax credits under IRC Sections 45Y and 48E for wind and solar. On August 15, 2025, the IRS issued Notice 2025-42, primarily tightening the rules regarding when a solar project is considered to have commenced construction. In addition, the One Big Beautiful Bill Act included new rules addressing Foreign Entities of Concern (FEOC). These rules are supply-chain, foreign entity ownership and debt issuance restrictions that may limit eligibility for certain U.S. clean energy tax credits such as those provided for in IRC Sections 45Y and 48E.

On February 12, 2026, the Treasury and the IRS issued Notice 2026-15, which provides interim guidance on the FEOC restrictions on certain clean electricity tax credits. Additionally, the IRS is expected to issue further guidance on the tax provisions of the One Big Beautiful Bill Act. The Registrants do not currently anticipate these rules or guidance to result in limitations on its clean energy projects and associated tax credits but will continue to monitor closely.

7. Utility Rate Regulation

Regulatory Assets and Liabilities

(All Registrants)

PPL, PPL Electric, LG&E and KU reflect the effects of regulatory actions in the financial statements for their rate-regulated utility operations. Regulatory assets and liabilities are classified as current if, upon initial recognition, the entire amount related to an item will be recovered or refunded within a year of the balance sheet date.

(PPL)

RIE is subject to the jurisdiction of the RIPUC, the Rhode Island Division of Public Utilities and Carriers, and the FERC. RIE operates under a FERC-approved open access transmission tariff. RIE's base distribution rates are calculated based on recovery of costs as well as a return on rate base. Certain other recovery mechanisms exist to recover expenses and capital investments with a return on rate base separate from the base distribution rate case process.

(PPL, LG&E and KU)

LG&E is subject to the jurisdiction of the KPSC and the FERC, and KU is subject to the jurisdiction of the KPSC, the VSCC and the FERC.

Prior to January 1, 2026, LG&E's and KU's Kentucky base rates were calculated based on a return on capitalization (common equity, long-term debt and short-term debt) including adjustments for certain net investments and costs recovered separately through other means. Effective January 1, 2026, pursuant to the KPSC rate case, Kentucky base rates are calculated based on a return on rate base (net utility plant plus certain regulatory assets and working capital less accumulated deferred income taxes and certain regulatory liabilities) and include recovery of applicable operations and maintenance expenses.

(PPL and KU)

KU's Virginia base rates are calculated based on recovery of costs as well as a return on rate base (net utility plant plus working capital less accumulated deferred income taxes and miscellaneous deductions). As all regulatory assets and liabilities, except for regulatory assets and liabilities related to the levelized fuel factor, accumulated deferred income taxes, pension and postretirement benefits, and AROs related to certain CCR impoundments, are excluded from the return on rate base utilized in the calculation of Virginia base rates, no return is earned on the related assets.

KU's rates to municipal customers for wholesale power requirements are calculated based on annual updates to a formula rate that utilizes a return on rate base (net utility plant plus working capital less accumulated deferred income taxes and miscellaneous deductions). As all regulatory assets and liabilities, except accumulated deferred income taxes, are excluded from the return on rate base utilized in the development of municipal rates, no return is earned on the related assets.

(PPL and PPL Electric)

PPL Electric is subject to the jurisdiction of the PAPUC and the FERC. PPL Electric's distribution base rates are calculated based on recovery of costs as well as a return on distribution rate base (net utility plant plus a working capital allowance less plant-related deferred taxes and other miscellaneous additions and deductions). PPL Electric's transmission revenues are billed in accordance with a FERC tariff that allows for recovery of transmission costs incurred, a return on transmission-related rate base (net utility plant plus a working capital allowance less plant-related deferred taxes and other miscellaneous additions and deductions) and an annual update. See "Transmission Formula Rate" below for additional information on this tariff. All regulatory assets and liabilities are excluded from distribution and transmission return on investment calculations; therefore, generally no return is earned on PPL Electric's regulatory assets.

(All Registrants)

The following table provides information about the regulatory assets and liabilities of cost-based rate-regulated utility operations at December 31:

	PPL		PPL Electric		LG&E		KU	
	2025	2024	2025	2024	2025	2024	2025	2024
Current Regulatory Assets:								
Gas supply clause	$ 10	$ 3	$ —	$ —	$ 10	$ 3	$ —	$ —
Rate adjustment mechanisms	86	95	—	—	—	—	—	—
Renewable energy certificates	21	14	—	—	—	—	—	—
Storm damage expense rider	53	68	53	68	—	—	—	—
Transmission service charge	61	44	—	27	—	—	—	—
ISR deferral	6	22	—	—	—	—	—	—
TCJA	40	21	40	21	—	—	—	—
Other	31	53	19	17	9	5	1	1
Total current regulatory assets	$ 308	$ 320	$ 112	$ 133	$ 19	$ 8	$ 1	$ 1
Noncurrent Regulatory Assets:								
Defined benefit plans	$ 961	$ 967	$ 477	$ 473	$ 212	$ 226	$ 144	$ 149
Plant outage costs	23	30	—	—	5	7	18	23
Net metering	164	147	—	—	—	—	—	—
Environmental cost recovery	102	96	—	—	—	—	—	—
Storm costs	113	113	42	22	24	20	38	29
Unamortized loss on debt	18	20	2	3	8	9	6	6
Terminated interest rate swaps	47	53	—	—	28	31	19	22
Accumulated cost of removal of utility plant	184	173	184	173	—	—	—	—
AROs	263	280	—	—	73	75	190	205
RAR	76	83	—	—	76	83	—	—
Gas line inspections	24	24	—	—	22	22	2	2
Advanced metering infrastructure	67	28	—	—	28	14	39	14
IT system costs	18	—	18	—	—	—	—	—
Other	32	46	2	2	6	4	11	8
Total noncurrent regulatory assets	$ 2,092	$ 2,060	$ 725	$ 673	$ 482	$ 491	$ 467	$ 458

	PPL		PPL Electric		LG&E		KU	
	2025	2024	2025	2024	2025	2024	2025	2024
Current Regulatory Liabilities:								
Generation supply charge	$ 45	$ 52	$ 45	$ 52	$ —	$ —	$ —	$ —
Transmission service charge	17	—	17	—	—	—	—	—
Universal service rider	17	3	17	3	—	—	—	—
Transmission formula rate	62	1	23	—	—	—	—	—
Rate adjustment mechanisms	124	71	—	—	—	—	—	—
Energy efficiency	26	25	—	—	—	—	—	—
DSM	21	17	—	—	8	7	13	10
Environmental cost recovery	6	12	—	—	3	6	3	6
Revenue decoupling mechanism	55	10	—	—	—	—	—	—
Other	3	32	1	2	2	1	—	6
Total current regulatory liabilities	$ 376	$ 223	$ 103	$ 57	$ 13	$ 14	$ 16	$ 22
Noncurrent Regulatory Liabilities:								
Accumulated cost of removal of utility plant	$ 1,043	$ 1,022	$ —	$ —	$ 334	$ 314	$ 415	$ 408
Net deferred taxes	1,798	1,899	708	739	415	439	467	498
Defined benefit plans	342	294	120	100	23	24	69	65
Terminated interest rate swaps	52	54	—	—	26	27	26	27
Advanced metering infrastructure	30	13	—	—	10	4	20	9
Other	53	53	—	—	1	7	—	2
Total noncurrent regulatory liabilities	$ 3,318	$ 3,335	$ 828	$ 839	$ 809	$ 815	$ 997	$ 1,009

Following is an overview of selected regulatory assets and liabilities presented in the preceding tables. Specific developments with respect to certain of these regulatory assets and liabilities are discussed in "Regulatory Matters."

Defined Benefit Plans

(All Registrants)

Defined benefit plan regulatory assets and liabilities represent prior service cost and net actuarial gains and losses that will be recovered in defined benefit plans expense through future base rates based upon established regulatory practices and, generally, are amortized over the average remaining service lives of plan participants. These regulatory assets and liabilities are adjusted at least annually or whenever the funded status of defined benefit plans is remeasured.

(PPL, LG&E and KU)

As a result of previous rate case settlements and orders, the difference between pension cost calculated in accordance with LG&E's and KU's pension accounting policy and pension cost calculated using a 15-year amortization period for actuarial gains and losses and settlements are recorded as a regulatory asset. As of December 31, 2025, the balances were $72 million for PPL, $41 million for LG&E and $31 million for KU. As of December 31, 2024, the balances were $79 million for PPL, $44 million for LG&E and $35 million for KU.

(PPL)

RIE is subject to a pension rate adjustment mechanism whereby the difference in amounts allowed to be recovered in base rates and the actual costs of RIE's pension and other postretirement benefit plans that are to be recovered from or passed back to customers in future periods, are also recorded as regulatory assets and liabilities.

(All Registrants)

Storm Costs

PPL Electric, LG&E and KU have the ability to establish or request regulatory assets for expenses related to specific extraordinary storms from the PAPUC, the KPSC and the VSCC, for regulatory accounting and reporting purposes. Once such authority is granted, LG&E and KU can request recovery of those expenses in a base rate case and begin amortizing the costs when recovery starts. PPL Electric can recover qualifying expenses caused by major storm events, as defined in its retail tariff, over three years through the Storm Damage Expense Rider commencing in the application year after the storm occurred. LG&E's and KU's regulatory assets for storm costs approved for base rate recovery are being amortized through various dates ending in 2031.

As provided in the Amended Settlement Agreement (ASA), RIE has the authority from the RIPUC to treat certain incremental O&M expenses related to specific extraordinary storms as a regulatory asset and defer such costs for regulatory accounting and reporting purposes. Once all expenses for the extraordinary storm have been finalized, RIE files a final accounting of those storm expenses with the RIPUC that is subject to review by the RIPUC and the Rhode Island Division of Public Utilities and Carriers.

Unamortized Loss on Debt

Unamortized loss on debt represents losses on long-term debt refinanced, reacquired or redeemed that have been deferred and will be amortized and recovered over either the original life of the extinguished debt or the life of the replacement debt (in the case of refinancing). Such costs are being amortized through 2053 for PPL Electric, through 2042 for KU, and through 2044 for LG&E.

Accumulated Cost of Removal of Utility Plant

RIE, LG&E and KU charge costs of removal through depreciation expense with an offsetting credit to a regulatory liability. The regulatory liability is relieved as costs are incurred.

PPL Electric does not accrue for costs of removal. When costs of removal are incurred, PPL Electric records the costs as a regulatory asset. Such deferral is included in rates and amortized over the subsequent five-year period.

Net Deferred Taxes

Regulatory liabilities associated with net deferred taxes represent the future revenue impact from the adjustment of deferred income taxes required primarily for excess deferred taxes and unamortized investment tax credits, largely a result of the TCJA.

(PPL and PPL Electric)

Generation Supply Charge (GSC)

The GSC is a cost recovery mechanism that permits PPL Electric to recover costs incurred to provide generation supply to PLR customers who receive basic generation supply service. The recovery includes charges for generation supply, as well as administration of the acquisition process. In addition, the GSC contains a reconciliation mechanism whereby any over- or under-recovery from prior periods is refunded to, or recovered from, customers through the adjustment factor determined for the subsequent rate filing period.

Transmission Service Charge (TSC)

PPL Electric is charged by PJM for transmission service-related costs applicable to its PLR customers. PPL Electric passes these costs on to customers, who receive basic generation supply service through the PAPUC-approved TSC cost recovery mechanism. The TSC contains a reconciliation mechanism whereby any over- or under-recovery from customers is either refunded to, or recovered from, customers through the adjustment factor determined for the subsequent year.

RIE arranges transmission service on behalf of its customers and bills the costs of those services to customers, pursuant to its Transmission Service Cost Adjustment Provision. The TSC contains a reconciliation mechanism whereby any over- or under-recovery from customers is either refunded to, or recovered from, customers through the adjustment factor determined for the subsequent year.

Transmission Formula Rate

PPL Electric's transmission revenues are billed in accordance with a FERC-approved Open Access Transmission Tariff that utilizes a formula-based rate recovery mechanism. Under this formula, rates are put into effect on January 1st of each year based upon actual expenditures from the most recently filed FERC Form 1, forecasted capital additions, and other data based on PPL Electric's books and records. Rates are compared during the year to the estimated annual expenses and capital additions that will be filed in PPL Electric's annual FERC Form 1, filed under the FERC's Uniform System of Accounts. Under the mechanism, any difference between the revenue requirement in effect and actual expenditures incurred for that year is recorded as a regulatory asset or regulatory liability, and the regulatory asset or regulatory liability is to be recovered from or returned to customers starting one year after the conclusion of the rate year.

Storm Damage Expense Rider (SDER)

The SDER is a reconcilable automatic adjustment clause under which PPL Electric annually will compare actual storm costs to storm costs allowed in base rates and refund or recover any differences from customers. In the 2015 rate case settlement approved by the PAPUC in November 2015, it was determined that reportable storm damage expenses to be recovered annually through base rates will be set at $20 million. The SDER will recover from or refund to customers the applicable expenses from reportable storms as compared to the $20 million recovered annually through base rates.

Universal Service Rider (USR)

The USR provides for recovery of costs associated with universal service programs, OnTrack and Winter Relief Assistance Program (WRAP), provided by PPL Electric to residential customers. OnTrack is a special payment program for low-income households and WRAP provides low-income customers a means to reduce electric bills through energy saving methods. The USR rate is applied to residential customers who receive distribution service. The actual program costs are reconcilable, and any over- or under-recovery from customers will be refunded or recovered annually in the subsequent year.

TCJA

As a result of the reduced U.S federal corporate income tax rate as enacted by the TCJA, the PAPUC ruled that these tax benefits should be refunded to customers. Timing differences between the recognition of these tax benefits and the refund of the benefit to the customer creates a regulatory liability. PPL Electric's liability is being credited back to distribution customers through a temporary negative surcharge and remains in place until PPL Electric files and the PAPUC approves new base rates. The TCJA is reconcilable, and any over- or under-recovery from customers will be refunded or recovered annually in the subsequent year.

IT System Costs

IT system costs represent expenditures incurred associated with implementing strategic information technology investments. As part of the ongoing rate case proceedings, PPL Electric has requested certain of these implementation costs to be treated as capital for ratemaking purposes to be recovered over the useful life of the associated IT asset. Recovery of these costs is subject to approval by the PAPUC, but PPL and PPL Electric believe recovery of these costs is probable.

(PPL, LG&E and KU)

AROs

As discussed in Note 1, for LG&E and KU, all ARO accretion and depreciation expenses are reclassified as a regulatory asset or regulatory liability. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, deferred accretion and depreciation expense is recovered through cost of removal.

Terminated Interest Rate Swaps

Net realized gains and losses on all interest rate swaps are recovered through regulated rates. As such, any gains and losses on these derivatives are included in regulatory assets or liabilities and are primarily recognized in "Interest Expense" on the Statements of Income over the life of the associated debt.

Plant Outage Costs

From July 1, 2017 through June 30, 2021, plant outage costs were normalized for ratemaking purposes based on an average level of expenses. Plant outage expenses that were greater or less than the average would be collected from or returned to customers, through future base rates. Effective July 1, 2021, under-recovered plant outage costs are being amortized through 2029 for LG&E and KU.

Advanced Metering Infrastructure (AMI)

In 2021 base rate case orders from the KPSC, LG&E and KU received approval to record regulatory assets comprised of the operating expenses associated with implementation of the AMI project, the incremental difference between AFUDC accrued at LG&E's and KU's weighted average cost of capital and that calculated using the methodology approved by the FERC, and the remaining net book value of the retired legacy meters replaced by AMI. Additionally, LG&E and KU received approval to record regulatory liabilities comprised of meter reading and field service expense savings since their previous rate case and the cost of capital impact for legacy meters replaced and retired during the AMI implementation. Recovery and/or return of these costs was approved effective January 1, 2026 in the base rate case proceedings.

(PPL)

Energy Efficiency

The energy efficiency mechanism is designed to collect the estimated costs of RIE's energy efficiency plan for the upcoming calendar year. Any differences between revenue billed to customers through RIE's energy efficiency charge and the costs of RIE's energy efficiency programs, as approved by the RIPUC, are recorded as regulatory assets or regulatory liabilities. The final annual over or under collection is reconciled in the next year's energy efficiency plan filing, as part of the reconciliation factor calculation. RIE may file to change the energy efficiency plan charge at any time should significant over-or under-recoveries occur.

Net Metering

The net metering mechanism provides for recovery of costs associated with customer-installed on-site generation facilities, including the costs of renewable generation credits. Net metering is reconcilable annually, and any over- or under-recovery from customers will be refunded to, or recovered from, customers through the adjustment factor determined for the subsequent year.

Rate Adjustment Mechanisms

In addition to commodity costs, RIE is subject to a number of additional rate adjustment mechanisms whereby a regulatory asset or regulatory liability is recognized resulting from differences between actual revenues and the underlying cost being recovered or differences between actual revenues and targeted amounts as approved by the RIPUC. The rate adjustment mechanisms are reconcilable, and any over- or under-recovery from customers are to be refunded or recovered annually in the subsequent year.

Renewable Energy Certificates

The Renewable Energy Certificates regulatory asset represents deferred costs associated with RIE's compliance obligation with the Rhode Island Renewable Portfolio Standard (RPS). The RPS is legislation established to foster the development of new renewable energy sources. The regulatory asset will be recovered over the next year.

Environmental Cost Recovery

(PPL, LG&E and KU)

Kentucky law permits LG&E and KU to recover the costs, including a return of operating expenses and a return of and on capital invested, of complying with the Clean Air Act and those federal, state or local environmental requirements, which apply to coal combustion wastes and by-products from coal-fired electricity generating facilities. The KPSC requires reviews of the past operations of the environmental surcharge for six-month and two-year billing periods to evaluate the related charges, credits and rates of return, as well as to provide for the opportunity to roll-in ECR amounts to base rates each two-year period. The KPSC has authorized a return on equity of 9.35% for existing approved ECR projects. The ECR regulatory asset or liability represents the amount that has been under- or over-recovered due to timing or adjustments to the mechanism and is typically recovered or refunded within 12 months.

(PPL)

RIE's rate plans provide for specific rate allowances for RIE's share of the estimated costs to investigate and perform certain remediation activities at sites with which it may be associated, with variances deferred for future recovery from, or return to, customers. RIE believes future costs, beyond the expiration of current rate plans, will continue to be recovered through rates. The regulatory asset represents the excess of amounts incurred for RIE's actual site investigation and remediation costs versus amounts received in rates.

(PPL and LG&E)

Gas Supply Clause

LG&E's natural gas rates contain a gas supply clause, whereby the expected cost of natural gas supply and variances between actual and expected costs and customer usage from prior periods are adjusted quarterly in LG&E's rates, subject to approval by the KPSC. The gas supply clause previously included a separate natural gas procurement incentive mechanism, which allowed LG&E's rates to be adjusted annually to share savings between the actual cost of gas purchases and market indices, with the shareholders and the customers during each performance-based rate year (12 months ending October 31). The operation of this incentive mechanism expired on October 31, 2024, but savings achieved through October 31, 2024 will be included in LG&E's rates through October 31, 2026. The regulatory assets or liabilities represent the total amounts that have been under- or over-recovered due to timing or adjustments to the mechanisms and are typically recovered or refunded within 18 months.

RAR

The RAR rider was established by KPSC orders in 2021 to provide recovery of and return on the retirement costs of certain electric generating units, including the remaining net book value of each unit, materials and supplies that cannot be used at other plants and any associated removal costs, upon their retirement over a ten-year period following retirement. Costs included as of December 31, 2025 represent the remaining retirement costs of Mill Creek Unit 1 to be recovered through April 2034.

Regulatory Matters

Rhode Island Activities *(PPL)*

Rate Case Proceeding

On November 26, 2025, RIE filed a request with the RIPUC for an increase in electric and natural gas base distribution rates, and approval of certain regulatory and accounting treatments. In its application, RIE seeks to implement a two-year rate plan. In the first year of the rate plan, RIE's proposed base distribution rates for electric and gas combined are designed to collect additional operating revenue of approximately $181 million ($66 million or 18.2% in electricity revenues and $115 million or 36.4% in gas revenues). In the second year of the rate plan, RIE's proposed base distribution rates for electric and gas combined are designed to collect the proposed base distribution rate increases for electric and gas in the first year of the rate plan and additional operating revenues of approximately $49 million ($17 million or 3.6% in electricity revenues and $32 million or 7.4% in gas revenues).

The application is based on a historical test year of September 1, 2024 through August 31, 2025 and requested an authorized ROE of 10.75%. Subject to RIPUC approval, new rates are expected to become effective on September 1, 2026. Certain counterparties have intervened in the proceeding. A ruling from the RIPUC is anticipated during the third quarter of 2026. PPL cannot predict the outcome of the proceeding.

Hold Harmless Implementation Agreement

As a condition of its approval of the acquisition of RIE in May 2022, the Rhode Island Division of Public Utilities and Carriers required PPL to hold harmless Rhode Island customers from the impact of future rate increases resulting from changes in Accumulated Deferred Income Taxes as a result of the Acquisition (the Hold Harmless Commitment). On June 13, 2025, an agreement was entered into by and among RIE, PPL, PPL Rhode Island Holdings and the Rhode Island Division of Public Utilities and Carriers Advocacy Section (the Hold Harmless Implementation Agreement) to satisfy the Hold Harmless Commitment by providing approximately $155 million in miscellaneous bill credits issued to customers, with approximately $74 million to be issued in the first quarter of 2026 and approximately $81 million to be issued in the first quarter of 2027. The bill credits would be recorded as a reduction to revenue in the periods in which the credits are applied to customers' bills. On September 10, 2025, the Rhode Island Division of Public Utilities and Carriers issued an order confirming that RIE's provision of proposed miscellaneous bill credits as set forth in the Hold Harmless Implementation Agreement would satisfy the Hold Harmless Commitment. Also on September 10, 2025, the RIPUC opened a docket to evaluate the miscellaneous bill credit proposal set forth in the Hold Harmless Implementation Agreement, including the underlying rate accounting, and required RIE to file a tariff advice with the RIPUC, which RIE filed on October 2, 2025. After responding to discovery in that proceeding and before the evidentiary hearing was held or convened, RIE filed a notice of withdrawal of its tariff advice filing noting that it would hold in abeyance a comprehensive satisfaction of the Hold Harmless Commitment at this time. As a result of RIE's filing the notice of withdrawal, the Commission cancelled the evidentiary hearing. The docket remains open, but there has been no further activity since RIE's withdrawal of the tariff advice and the RIPUC's cancellation of the evidentiary hearing. PPL cannot predict whether there will be any further proceedings on the docket or the outcome of any further proceedings that may occur.

Winter Bill Volatility Docket

At an Open Meeting on November 24, 2025, the RIPUC approved several measures to help mitigate winter bill increases for electric customers. First, the RIPUC approved miscellaneous bill credits for all residential electric customers of $23.54 per month for January, February, and March 2026. Second, the RIPUC paused the Storm Fund Replenishment Factor for usage on and after January 1, 2026, subject to further review through the 2026 Annual Retail Rate Filing. Third, the RIPUC paused the electric Energy Efficiency Charge for usage beginning January 1, 2026 through March 31, 2026. To offset the costs of the miscellaneous bill credits, the RIPUC directed RIE to apply the December 31, 2025 electric Energy Efficiency fund balance, net of any earned incentives, and directed RIE to transfer $11 million from the storm fund balance. The RIPUC approved future cost recovery for RIE of any unfunded balance of the miscellaneous bill credits through future identified offsets and/or a reconciling recovery mechanism to be determined in conjunction with the 2026 electric retail rate filing to allow recovery by December 31, 2026. Any remaining unfunded balance shall accrue at RIE's weighted average cost of capital.

FY 2026 Gas ISR Plan

On March 28, 2025, the RIPUC approved the FY 2026 Gas ISR Plan of $165 million, of which $147 million is for capital investment spend and $18 million is spend for paving costs as operation and maintenance (O&M), plus a potential additional $15 million is available if certain regulations are implemented by the PHMSA. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

FY 2027 Gas ISR Plan

On December 22, 2025, RIE filed its FY 2027 Gas ISR Plan with the RIPUC with a budget of $184 million that primarily included $166 million of capital investment spend and $17 million for spending on curb-to-curb paving. A decision from the RIPUC on the Plan is expected by March 31, 2026. RIE cannot predict the outcome of this matter.

FY 2026 Electric ISR Plan

On March 28, 2025, the RIPUC approved a FY 2026 Electric ISR Plan of $219 million for capital investment spend (including $88 million for Advanced Metering Functionality), $14 million for vegetation operations and maintenance spend and $1 million for Other O&M spend. On March 31, 2025, the RIPUC approved RIE's compliance filing for rates effective April 1, 2025.

FY 2027 Electric ISR Plan

On December 22, 2025, RIE filed its FY 2027 Electric ISR Plan with the RIPUC with a budget that primarily included $154 million of capital investment spend (including $18 million for Advanced Metering Functionality) and $13 million of vegetation operation and maintenance spend. A decision from the RIPUC is expected by March 31, 2026. RIE cannot predict the outcome of this matter.

Kentucky Activities

(PPL, LG&E and KU)

Rate Case Proceedings

On May 30, 2025, LG&E and KU filed requests with the KPSC for an increase in annual electricity and gas revenues of approximately $391 million ($105 million and $226 million in electricity revenues at LG&E and KU and $60 million in gas revenues at LG&E) and approval of certain regulatory and accounting treatments. The revenue increases would be an increase of 8.3% and 11.5% in electricity revenues at LG&E and KU, and an increase of 14.0% in gas revenues at LG&E.

The applications were based on a forecasted test year of January 1, 2026 through December 31, 2026 and requested an authorized ROE of 10.95%. New interim rates became effective on January 1, 2026, subject to refund pursuant to the KPSC's final order. Certain counterparties have intervened in the proceedings.

On October 20, 2025, LG&E and KU filed with the KPSC a stipulation and recommendation (the agreement) regarding a proposed resolution of issues with a majority of the intervenors in the proceedings.

Under the agreement, the parties proposed that the KPSC should issue orders granting a revised increase in annual electricity and gas revenues of approximately $235 million ($58 million and $132 million in electricity revenues at LG&E and KU and $45 million in gas revenues at LG&E.) The agreement proposed a revised authorized ROE of 9.90%.

The agreement proposed a "stay out" commitment from LG&E and KU to refrain from effective base rate increases before August 1, 2028, subject to certain exceptions. In connection with the stay out period, the agreement also proposed the establishment of two new rate adjustment clause mechanisms, a Generation Cost Recovery Adjustment Clause (GCR) and a Sharing Mechanism Adjustment Clause (SM).

The proposed GCR mechanism would provide LG&E and KU recovery of and return on investment of covered costs (excluding fuel amounts, which LG&E and KU can recover via an existing rate mechanism) of relevant new generation and energy storage assets authorized in the 2022 and 2025 CPCN proceedings (excluding the Mill Creek Unit 6 NGCC, see "2025 CPCN" for more information regarding the Mill Creek Unit 6 NGCC) as they are placed in service.

The proposed SM mechanism would address any base rate revenue deficiency or surplus during the final thirteen months of the stay out period, July 2027 through July 2028, below or above a suggested ROE band of 9.40% to 10.15%. Any such base rate revenue deficiency or surplus would be collected from or returned to customers over a thirteen-month billing period beginning November 2028.

Following issuance of the 2025 CPCN Order, LG&E and KU filed supplemental testimony with the KPSC in the rate case proceedings seeking recovery of the Mill Creek Unit 2 stay open costs through a proposed additional rate adjustment clause mechanism.

The agreement further proposed that LG&E and KU use regulatory deferral accounting for actual expenses above or below base rate levels for certain expenses including: pension and post-retirement benefits, storm restoration, vegetation management, transmission waivers and credits, and gas line or well activities, with recovery of such deferred asset or liability amounts to be addressed in future rate cases.

On February 16, 2026, the KPSC issued orders approving portions of the October 2025 stipulation and recommendation, with modifications.

The KPSC orders provide for increases in annual electricity and gas revenues of $233 million ($59 million and $128 million in electricity revenues at LG&E and KU and $46 million in gas revenues at LG&E.) The orders include authorized returns on equity of 9.775% for base rate purposes and 9.675% for capital rate adjustment mechanisms.

The KPSC orders approve LG&E's and KU's requests for establishment of certain new rate adjustment mechanisms or tariffs, with modifications:

- a temporary Pilot Generation Recovery Adjustment Clause (PGR) to provide recovery of and return on investment of applicable costs of certain new generation and storage assets being built or anticipated to be built by LG&E and KU as authorized in the 2022 CPCN proceeding;
- the inclusion in the PGR of recovery of and return on investment of certain costs associated with a potential extension of the operating life of LG&E's Mill Creek Unit 2 beyond its original 2027 retirement date; and
- an Extremely High Load Factor Tariff for future applicable customers, such as data centers, which includes requirements such as long-term contracts, minimum revenue payments and collateral security structures that help protect the interests of LG&E, KU and of other ratepayers.

The PGR mechanism is similar to the GCR proposed in the stipulation, but restructured by the KPSC to be a pilot adjustment mechanism with a term until the earlier of ten months following the submission of LG&E's and KU's next base rate proceeding or the effective date of new rates in such proceeding, with the expectation that the mechanism would be reviewed in such proceeding. The pilot mechanism will apply to the planned Mill Creek Unit 5, Brown Battery Energy Storage System, Mercer County Solar and Marion County Solar generation-related projects. The KPSC also included Mill Creek Unit 2's potential stay-open costs in the PGR in lieu of approving the stipulation's request for a stand-alone adjustment mechanism for such costs. Finally, the KPSC excluded from coverage under the PGR costs related to Mill Creek Unit 6 and Brown Unit 12 planned new generation assets due to their anticipated in-service dates falling outside of the estimated pilot mechanism's duration, but without prejudice to LG&E and KU seeking recovery of such costs in future proceedings.

The KPSC orders also approved, approved with modifications, or denied in some cases, other requested accounting and rate matters relating to regulatory assets or liabilities, depreciation rates, and other areas.

The rate changes have a retroactive effective date as of January 1, 2026. Consistent with authorized rate case procedures, LG&E and KU will refund to customers amounts billed in excess of the final approved rates within sixty days.

The KPSC orders did not approve the SM adjustment clause that had been requested in the stipulation and made no modifications to the stay out offer by LG&E and KU to refrain from effective base rate increases prior to August 2028.

LG&E and KU and all intervenors have rights to request rehearing or appeal of the orders of the KPSC and because the KPSC orders modified or denied terms of the proposed stipulation, LG&E and KU and all stipulating parties have the right to withdraw from the stipulation.

LG&E and KU continue to evaluate the details contained in the orders and related matters as they consider next steps. PPL, LG&E and KU cannot predict the outcome of this matter.

2025 CPCN

On February 28, 2025, LG&E and KU filed an application with the KPSC regarding certain future plans for new generation and generation-related construction matters. The proposals included in the application were intended to serve anticipated load growth, including from potential data center demand in LG&E's or KU's service territory. The proposals did not include retirements of coal or other fossil-fueled plants, which would require additional KPSC approval procedures under Kentucky legislation enacted in 2023 and 2024.

LG&E and KU submitted a joint application to the KPSC for approval of certain certificates of public convenience and necessity, site compatibility certificates, and accounting treatment, where applicable, relating to a number of generation-related plans or projects that generally are expected to become operational or established within the next six years. The aggregate projected capital expenditures associated with these proposals were expected to be $3.7 billion. The application included proposals to build:

- a 645 MW NGCC generation unit at KU's E.W. Brown station (Brown Unit 12),
- a 645 MW NGCC generation unit at LG&E's Mill Creek station (Mill Creek Unit 6),
- a four-hour 400 MW (1600 MWh total) battery energy storage system (BESS) at LG&E's Cane Run station, and
- a selective catalytic reduction (SCR) environmental facility at KU's Ghent station Unit 2 (Ghent Unit 2).

The new NGCC units are anticipated to be wholly owned by LG&E and the BESS unit jointly owned by LG&E (32%) and KU (68%), with actual project costs allocated consistent with LG&E's and KU's ultimate ownership shares and existing shared dispatch, cost allocation, tariff or other frameworks. The proposed Mill Creek Unit 6 NGCC is in addition to a new NGCC unit currently under construction at that location (Mill Creek Unit 5).

The filing also noted projected in service dates for the projects, including the Brown Unit 12 NGCC in 2030, the Mill Creek Unit 6 NGCC in 2031, the Cane Run BESS in 2028 and the Ghent Unit 2 SCR in 2028.

On July 29, 2025, LG&E and KU filed with the KPSC a stipulation and recommendation regarding a proposed resolution of issues with several of the intervenors in the CPCN proceeding (stipulation). The stipulation recommended to the KPSC the approval of the large majority of LG&E's and KU's requested generation-related projects and associated accounting matters, subject to certain changes. Under the stipulation, the parties agreed the KPSC should issue an order granting a CPCN for the proposed: (a) Brown Unit 12 NGCC; (b) Mill Creek Unit 6 NGCC; and (c) Ghent Unit 2 SCR. In addition, the proposal to build the $775 million Cane Run BESS would be withdrawn without prejudice, the relevant costs regarding the proposed $1.4 billion Mill Creek Unit 6 NGCC would be recovered through a new rate adjustment clause mechanism, the retirement date for the existing Mill Creek Unit 2 coal unit would be extended from 2027 to the operational date of the proposed Mill Creek Unit 6 NGCC or afterwards, subject to relevant future economic analysis, regulatory or environmental authorizations, and the relevant costs to continue to operate the Mill Creek Unit 2 coal unit would be recovered through a new rate adjustment clause mechanism. The stipulation also contained provisions relating to regulatory asset accounting, proposed data center tariffs, future renewable power requests-for-proposals and other matters. LG&E and KU would retain the right to seek approval of the potentially withdrawn Cane Run BESS or similar substitute project in future regulatory proceedings.

On October 28, 2025, the KPSC issued an order approving much of LG&E's and KU's July 2025 stipulation, with certain modifications. The order granted the requested CPCNs and site-related permits to construct the proposed Brown Unit 12 NGCC, Mill Creek Unit 6 NGCC, and Ghent Unit 2 SCR. The order authorized inclusion of relevant costs of the Ghent Unit 2 SCR in KU's existing environmental cost recovery rate mechanism. The order established a separate monitoring case to receive and consider information during the construction of Mill Creek Unit 6 NGCC.

The order approved requests regarding regulatory asset deferral accounting treatment for certain AFUDC related amounts and noted the KPSC's expectation that the stipulating parties would follow through with their commitments regarding tariffs and power supply contracts related to potential future data center or high load customers in LG&E's and KU's pending rate proceedings. The order also approved other elements of the stipulation or the originally-filed application, with minor modifications.

The KPSC decided not to approve LG&E's and KU's proposed new rate adjustment cost recovery mechanisms for certain costs associated with Mill Creek Unit 6 NGCC and costs associated with operating the Mill Creek Unit 2 coal plant beyond its original retirement date in 2027. However, the denials were without prejudice to resubmission and the KPSC encouraged the parties to provide additional evidence on such matters in separate proceedings. LG&E and KU provided such evidence addressing recovery of the Mill Creek Unit 2 stay open costs in their pending rate case proceedings. Recovery of Mill Creek Unit 6 costs will be addressed in a future proceeding. The KPSC declined to rule on the matter related to the retirement date of Mill Creek Unit 2 coal plant. The KPSC indicated that a request for a new retirement approval proceeding may be required should LG&E elect to operate Mill Creek Unit 2 beyond its existing approved retirement date and seek to later retire the unit.

In light of the conditional withdrawal in the stipulation, the order did not include a CPCN for the Cane Run BESS. LG&E and KU retain the right to seek approval of the Cane Run BESS project or similar substitute projects at any time in future regulatory proceedings.

Kentucky January 2025 Storm

In January 2025, LG&E and KU experienced snow, ice, sleet and freezing rain in their service territories, resulting in substantial damage to certain of LG&E's and KU's assets. On January 31, 2025, LG&E and KU submitted a filing with the KPSC requesting regulatory asset treatment of the extraordinary operations and maintenance (O&M) expenses portion of the costs incurred related to the storm. On March 19, 2025, the KPSC issued an order authorizing LG&E and KU to establish, for accounting purposes only, regulatory assets based on the jurisdictional incremental costs of extraordinary O&M expense incurred by LG&E and KU as a result of the 2025 winter storm, with recovery amounts and amortization thereof to be determined in subsequent base rate proceedings. LG&E and KU cannot predict the outcome of these matters. As of December 31, 2025, LG&E and KU had recorded regulatory assets related to the storm of $2 million and $7 million.

Mill Creek Unit 1 and Unit 2 RAR Application (PPL and LG&E)

In November 2023, the KPSC issued an order approving, among other items, the requested retirement of Mill Creek Units 1 and 2.

On October 4, 2024, LG&E submitted an application related to the retirement of Mill Creek Unit 1, which occurred on December 31, 2024, requesting recovery of associated costs under the RAR. On February 24, 2025, the KPSC issued an order approving LG&E's cost recovery for Mill Creek Unit 1 under the RAR of $125 million and related amounts were included in bills beginning in May 2025.

LG&E anticipates the recovery of associated costs, including the remaining net book value, for Mill Creek Unit 2 through the RAR. The remaining net book value of Mill Creek Unit 2 was approximately $199 million at December 31, 2025 and LG&E is continuing to depreciate using the current approved rates through its retirement date. LG&E expects to reclassify the net book value remaining at retirement to a regulatory asset to be amortized over a period of ten years in accordance with the RAR. There can be no assurance that these costs will be recovered in the amounts or over the time periods that LG&E expects. See the "2025 CPCN" and "Rate Case Proceedings" discussions above for information regarding potential changes in the retirement date of Mill Creek Unit 2.

Pennsylvania Activities *(PPL and PPL Electric)*

Rate Case Proceeding

On September 30, 2025, PPL Electric filed a request with the PAPUC for an increase in distribution base rates of approximately $356 million, more than $50 million of which is already included in customer bills through rate recovery mechanisms, and approval of certain regulatory and accounting treatments. The proposed increase in distribution base rates would increase PPL Electric's total annual revenue by approximately 8.6%. The application is based on a fully projected future test year of July 1, 2026 through June 30, 2027 and requested an authorized ROE of 11.3%. Subject to PAPUC approval, new rates are expected to become effective on July 1, 2026. Certain counterparties have intervened in the proceeding. A ruling from the PAPUC is anticipated during the second quarter of 2026. PPL and PPL Electric cannot predict the outcome of the proceeding.

DSIC Petition

On April 26, 2024, PPL Electric filed a Petition with the PAPUC requesting that the PAPUC waive PPL Electric's DSIC cap of 5% of billed revenues and increase the maximum allowable DSIC to 9% for bills rendered on or after January 1, 2025. On February 28, 2025, the PAPUC issued its written order permitting PPL Electric to increase its DSIC cap from 5% to 7.5% for bills rendered on or after March 13, 2025 until the effective date of rates established in PPL Electric's next base rate case or the end of the PPL Electric's 2023-2027 Long-term Infrastructure Improvement Plan, whichever occurs first, at which time it will return to 5%.

Federal Matters

FERC Transmission Rate Filing (PPL, LG&E and KU)

In 2018, LG&E and KU applied to the FERC requesting elimination of certain on-going waivers and credits to a sub-set of transmission customers relating to the 1998 merger of LG&E's and KU's parent entities and the 2006 withdrawal of LG&E and KU from the Midcontinent Independent System Operator, Inc. (MISO), a regional transmission operator and energy market. The application sought termination of LG&E's and KU's commitment to provide certain Kentucky municipalities mitigation for certain horizontal market power concerns arising out of the 1998 LG&E and KU merger and 2006 MISO withdrawal. The amounts at issue are generally waivers or credits granted to a limited number of Kentucky municipalities for either certain LG&E and KU or MISO transmission charges incurred for transmission service received. In 2019, the FERC granted LG&E's and KU's request to remove the ongoing credits, conditioned upon the implementation by LG&E and KU of a transition mechanism for certain existing power supply arrangements, which was subsequently filed, modified, and approved by the FERC in 2020 and 2021. In 2020, LG&E and KU and other parties filed appeals with the U.S. Court of Appeals - D.C. Circuit (D.C. Circuit Court of Appeals) regarding the FERC's orders on the elimination of the mitigation and required transition mechanism. In August 2022, the D.C. Circuit Court of Appeals issued an order remanding the proceedings back to the FERC. On May 18, 2023, the FERC issued an order on remand reversing its 2019 decision and requiring LG&E and KU to refund credits previously withheld, including under such transition mechanism. LG&E and KU filed a petition for review of the FERC's May 18, 2023 order with the D.C. Circuit Court of Appeals and provided refunds in accordance with the FERC order on December 1, 2023. The FERC issued an order on LG&E's and KU's compliance filing on November 16, 2023, and LG&E and KU filed a petition for review of this November 16, 2023 order on February 14, 2024. The FERC issued the substantive order on rehearing on March 21, 2024, reaffirming its prior decision. On August 8, 2025, the D.C. Circuit Court of Appeals issued a procedural ruling vacating the FERC's prior orders and remanded the matter back to the FERC for further proceedings. LG&E and KU cannot predict the ultimate outcome of the proceedings or any other post decision process but do not expect the annual impact to have a material effect on their operations or financial condition. LG&E and KU currently receive recovery of certain waivers and credits primarily through existing base rate levels.

Recovery of Transmission Costs (PPL)

NE-ISO allocates RIE's costs among transmission customers in New England, in accordance with the ISO Open Access Transmission Tariff (ISO-NE OATT).

The ROE for transmission rates under the ISO-NE OATT is the subject of four complaints that are pending before the FERC. On October 16, 2014, the FERC issued an order on the first complaint, Opinion No. 531-A, resetting the base ROE applicable to transmission assets under the ISO-NE OATT from 11.14% to 10.57% effective as of October 16, 2014 and establishing a maximum ROE of 11.74%. On April 14, 2017, this order was vacated and remanded by the D.C. Circuit Court of Appeals (Court of Appeals). After the remand, the FERC issued an order on October 16, 2018 applicable to all four pending cases where it proposed a new base ROE methodology that, with subsequent input and support from the New England Transmission Owners (NETO), yielded a base ROE of 10.41%. Subsequent to the FERC's October 2018 order in the New England Transmission Owners cases, the FERC further refined its ROE methodology in another proceeding and has applied that refined methodology to transmission owners' ROEs in other jurisdictions, and the NETOs filed further information in the New England matters to distinguish their case. Those determinations in other jurisdictions have been vacated and remanded back to the FERC for further proceedings by the D.C. Circuit Court of Appeals. The proceeding and the final base rate ROE determination in the New England matters remain open, pending a final order from the FERC. PPL cannot predict the outcome of this matter, and an estimate of the impact cannot be determined.

Other

Purchase of Receivables Program

(PPL and PPL Electric)

In accordance with RIPUC-approved and PAPUC-approved purchase of accounts receivable programs, RIE and PPL Electric purchase certain accounts receivable from alternative electricity suppliers at a discount, which reflects a provision for uncollectible accounts. The alternative electricity suppliers have no continuing involvement or interest in the purchased accounts receivable. Accounts receivable that are acquired are initially recorded at fair value on the date of acquisition.

During 2025, 2024 and 2023, RIE purchased $314 million, $299 million and $235 million of accounts receivable from alternative suppliers.

During 2025, 2024 and 2023, PPL Electric purchased $1.6 billion, $1.5 billion and $1.5 billion of accounts receivable from alternative suppliers.

8. Financing Activities

Credit Arrangements and Short-term Debt

(All Registrants)

The Registrants maintain credit facilities to enhance liquidity, provide credit support and provide a backstop to commercial paper programs. For reporting purposes, on a consolidated basis, the credit facilities and commercial paper programs of PPL Electric, LG&E and KU also apply to PPL. The amounts listed in the borrowed column below are recorded as "Short-term debt" on the Balance Sheets. The following credit facilities were in place at:

		December 31, 2025				December 31, 2024	
	Expiration Date	Capacity	Borrowed	Letters of Credit and Commercial Paper Issued (a)	Unused Capacity	Borrowed	Letters of Credit and Commercial Paper Issued (a)
PPL							
PPL Capital Funding (b)							
Syndicated Credit Facility (c)(d)(e)	Dec. 2029	$ 1,500	$ —	$ 456	$ 1,044	$ —	$ 138
Bilateral Credit Facility (c)(d)	Feb. 2026	100	—	—	100	—	—
Bilateral Credit Facility (c)(d)	Feb. 2026	100	—	17	83	—	15
Total PPL Capital Funding Credit Facilities		$ 1,700	$ —	$ 473	$ 1,227	$ —	$ 153
PPL Electric							
Syndicated Credit Facility (c)(d)	Dec. 2029	750	—	6	744	—	1
Total PPL Electric Credit Facilities		$ 750	$ —	$ 6	$ 744	$ —	$ 1
LG&E							
Syndicated Credit Facility (c)(d)	Dec. 2029	600	—	—	600	—	25
Total LG&E Credit Facilities		$ 600	$ —	$ —	$ 600	$ —	$ 25
KU							
Syndicated Credit Facility (c)(d)	Dec. 2029	600	—	—	600	—	140
Total KU Credit Facilities		$ 600	$ —	$ —	$ 600	$ —	$ 140

(a) Commercial paper issued reflects the undiscounted face value of the issuance.
(b) PPL Capital Funding's obligations are fully and unconditionally guaranteed by PPL.
(c) Each company pays customary fees under its respective facility and borrowings generally bear interest at applicable secured overnight financing rates or base rates, plus an applicable margin.

(d) The facilities contain a financial covenant requiring debt to total capitalization not to exceed70% for PPL Capital Funding, RIE, PPL Electric, LG&E and KU, as calculated in accordance with the facilities and other customary covenants. Additionally, subject to certain conditions, PPL Capital Funding may request that the capacity of one of its bilateral credit facilities expiring in February 2026 be increased by up to $30 million and that the capacity of its syndicated credit facility be increased by up to $400 million. PPL Electric, LG&E and KU may each request up to a $250 million increase in its syndicated credit facility's capacity, subject to regulatory approval of the increased capacity. Participation in any such increase is at the sole discretion of each lender.

(e) Includes a $400 million borrowing sublimit for RIE and a $1.1 billion sublimit for PPL Capital Funding at December 31, 2025 and a $250 million borrowing sublimit for RIE and a $1 billion sublimit for PPL Capital Funding at December 31, 2024. At December 31, 2025, PPL Capital Funding had $355 million of commercial paper outstanding and RIE had $101 million commercial paper outstanding. At December 31, 2024, PPL Capital Funding had $138 million of commercial paper outstanding and RIE had no commercial paper outstanding. RIE's obligations under the facility are not guaranteed by PPL.

(PPL)

In January 2026, PPL Capital Funding amended its existing $1.50 billion syndicated credit facility to extend the termination date of certain commitments from December 6, 2029 to December 6, 2030.

(PPL and PPL Electric)

In January 2026, PPL Electric amended its existing $750 million syndicated credit facility to extend the termination date of certain commitments from December 6, 2029 to December 6, 2030.

(PPL and LG&E)

In January 2026, LG&E amended its existing $600 million syndicated credit facility to extend the termination date of certain commitments from December 6, 2029 to December 6, 2030.

(PPL and KU)

In January 2026, KU amended its existing $600 million syndicated credit facility to extend the termination date of certain commitments from December 6, 2029 to December 6, 2030.

(All Registrants)

The Registrants maintain commercial paper programs to provide an additional financing source to fund short-term liquidity needs. Commercial paper issuances, included in "Short-term debt" on the Balance Sheets, are supported by the respective Registrant's credit facilities. The following commercial paper programs were in place at:

	December 31, 2025				December 31, 2024	
	Weighted - Average Interest Rate	Capacity	Commercial Paper Issuances (a)	Unused Capacity	Weighted - Average Interest Rate	Commercial Paper Issuances (a)
PPL Capital Funding (b)(c)	4.16%	$ 1,600	$ 355	$ 1,245	4.76%	$ 138
RIE (c)	4.21%	400	101	299		—
PPL Electric		750	—	750		—
LG&E		600	—	600	4.72%	25
KU		600	—	600	4.71%	140
Total		$ 3,950	$ 456	$ 3,494		$ 303

(a) Commercial paper issued reflects the undiscounted face value of the issuance.

(b) PPL Capital Funding's obligations are fully and unconditionally guaranteed by PPL.

(c) Issuances under the PPL Capital Funding and RIE commercial paper programs are supported by the PPL Capital Funding syndicated credit facility, which at December 31, 2025, had a total capacity of $1.50 billion, with a $400 million borrowing sublimit for RIE and a $1.1 billion sublimit for PPL Capital Funding. At December 31, 2024, the borrowing sublimits were $250 million for RIE and $1 billion for PPL Capital Funding. RIE's obligations under the facility are not guaranteed by PPL. The sublimits of each borrower may be decreased or increased at the borrowers' option up to a prescribed amount such that all borrowings under the syndicated credit facility cannot exceed the size of the credit facility of $1.50 billion. PPL Capital Funding's commercial paper program is also backed by a separate bilateral credit facility for $100 million.

(PPL Electric, LG&E and KU)

See Note 13 for a discussion of intercompany borrowings.

Long-term Debt *(All Registrants)*

	Weighted-Average Rate (d)		Maturities (d)	December 31, 2025	December 31, 2024
PPL					
Senior Unsecured Notes	4.34	%	2026 - 2047	$ 4,316	$ 4,316
Senior Secured Notes/First Mortgage Bonds (a)(b)(c)	4.64	%	2026 - 2055	12,227	10,878
Exchangeable Senior Unsecured Notes	2.94	%	2028 - 2030	2,150	1,000
Junior Subordinated Notes	6.61	%	2067	480	480
Total Long-term Debt before adjustments				19,173	16,674
Long-term Debt, repurchased affiliate bonds				(84)	—
Unamortized premium and (discount), net				(58)	(57)
Unamortized debt issuance costs				(137)	(114)
Total Long-term Debt				18,894	16,503
Less current portion of Long-term Debt				904	551
Total Long-term Debt, noncurrent				$ 17,990	$ 15,952
PPL Electric					
Senior Secured Notes/First Mortgage Bonds (a)(b)	4.72	%	2027 - 2055	$ 5,799	$ 5,299
Total Long-term Debt Before Adjustments				5,799	5,299
Unamortized discount				(45)	(42)
Unamortized debt issuance costs				(47)	(43)
Total Long-term Debt				5,707	5,214
Less current portion of Long-term Debt				—	—
Total Long-term Debt, noncurrent				$ 5,707	$ 5,214
LG&E					
Senior Secured Notes/First Mortgage Bonds (a)(c)	4.52	%	2026 - 2055	$ 2,889	$ 2,489
Total Long-term Debt Before Adjustments				2,889	2,489
Unamortized discount				(4)	(4)
Unamortized debt issuance costs				(20)	(14)
Total Long-term Debt				2,865	2,471
Less current portion of Long-term Debt				90	300
Total Long-term Debt, noncurrent				$ 2,775	$ 2,171
KU					
Senior Secured Notes/First Mortgage Bonds (a)(c)	4.60	%	2026 - 2055	$ 3,539	$ 3,089
Total Long-term Debt Before Adjustments				3,539	3,089
Unamortized premium				4	4
Unamortized discount				(8)	(8)
Unamortized debt issuance costs				(25)	(19)
Total Long-term Debt				3,510	3,066
Less current portion of Long-term Debt				164	250
Total Long-term Debt, noncurrent				$ 3,346	$ 2,816

(a) Includes PPL Electric's senior secured and first mortgage bonds that are secured by the lien of PPL Electric's 2001 Mortgage Indenture, which covers substantially all of PPL Electric's tangible distribution properties and certain of its tangible transmission properties located in Pennsylvania, subject to certain exceptions and exclusions. The carrying value of PPL Electric's property, plant and equipment was approximately $14.6 billion and $13.3 billion at December 31, 2025 and 2024.

Includes LG&E's first mortgage bonds that are secured by the lien of the LG&E 2010 Mortgage Indenture which creates a lien, subject to certain exceptions and exclusions, on substantially all of LG&E's real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity and the storage and distribution of natural gas. The aggregate carrying value of the property subject to the lien was $6.4 billion and $6.0 billion at December 31, 2025 and 2024.

Includes KU's first mortgage bonds that are secured by the lien of the KU 2010 Mortgage Indenture which creates a lien, subject to certain exceptions and exclusions, on substantially all of KU's real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity. The aggregate carrying value of the property subject to the lien was $8.0 billion and $7.5 billion at December 31, 2025 and 2024.

(b) Includes PPL Electric's series of senior secured bonds that secure its obligations to make payments with respect to each series of Pollution Control Bonds that were issued by the LCIDA on behalf of PPL Electric. These senior secured bonds were issued in the same principal amount, contain payment and redemption provisions that correspond to and bear the same interest rate as such Pollution Control Bonds. These senior secured bonds were issued under PPL Electric's 2001 Mortgage Indenture and are secured as noted in (a) above. The tax-exempt revenue bonds are subject to mandatory redemption upon determination that the interest rate on the bonds would be included in the holders' gross income for federal tax purposes.

(c) Includes LG&E's and KU's series of first mortgage bonds that were issued to the respective trustees of tax-exempt revenue bonds to secure its respective obligations to make payments with respect to each series of bonds. The first mortgage bonds were issued in the same principal amounts, contain payment and redemption provisions that correspond to and bear the same interest rate as such tax-exempt revenue bonds. These first mortgage bonds were issued under the LG&E 2010 Mortgage Indenture and the KU 2010 Mortgage Indenture and are secured as noted in (a) above. The related tax-exempt revenue bonds were issued by various governmental entities, principally counties in Kentucky, on behalf of LG&E and KU. The related revenue bond documents allow LG&E and KU to convert the interest rate mode on the bonds from time to time to a commercial paper rate, daily rate, weekly rate, term rate of at least one year or, in some cases, an auction rate or a SOFR index rate. At December 31, 2025, the aggregate tax-exempt revenue bonds issued on behalf of LG&E and KU that were in a term rate mode totaled $894 million for PPL, comprised of $538 million and $356 million for LG&E and KU. At December 31, 2025, the aggregate tax-exempt revenue bonds issued on behalf of LG&E and KU that were in a variable rate mode totaled $66 million and $33 million for LG&E and KU. These variable rate tax-exempt revenue bonds are subject to tender for purchase by LG&E and KU at the option of the holder and to mandatory tender for purchase by LG&E and KU upon the occurrence of certain events.

(d) The table reflects principal maturities only, based on stated maturities, sinking fund requirements, or earlier put dates, and the weighted-average rates as of December 31, 2025.

The aggregate maturities of long-term debt, based on sinking fund requirements, stated maturities or earlier put dates, for the periods 2026 through 2030 and thereafter are as follows:

	PPL (a)	PPL Electric	LG&E	KU
2026	$ 904	$ —	$ 90	$ 164
2027	428	108	260	60
2028	1,350	—	—	—
2029	116	116	—	—
2030	2,181	—	—	—
Thereafter	14,110	5,575	2,539	3,315
Total	$ 19,089	$ 5,799	$ 2,889	$ 3,539

(a) Reduced by $84 million of repurchased affiliate bonds as of December 31, 2025. See "Open Market Repurchase Program" below for additional information.

Exchangeable Notes

(PPL)

In November 2025, PPL Capital Funding issued $1.15 billion of 3.000% Exchangeable Senior Notes due 2030 (the Notes). PPL Capital Funding received proceeds of $1.14 billion, net of underwriting fees, which were used to repay short-term debt and for general corporate purposes. The Notes are senior unsecured obligations of PPL Capital Funding, fully and unconditionally guaranteed on a senior unsecured basis by PPL. The Notes are scheduled to mature on December 1, 2030, unless earlier exchanged, redeemed or repurchased.

The Notes are exchangeable at an initial exchange rate of approximately 23.44 shares of PPL's common stock per $1,000 principal amount (equivalent to an initial exchange price of approximately $42.66 per share of common stock). The initial exchange rate is subject to adjustment, as provided in the indenture for anti-dilutive events and fundamental change and redemption provisions. Upon exchange of the Notes, PPL Capital Funding expects to redeem the aggregate principal amount of the Notes in cash. PPL Capital Funding will pay cash, deliver shares of common stock or a combination of cash and shares of common stock, at PPL Capital Funding's election, in respect of the remainder, if any, of its exchange obligation in excess of the aggregate principal amount of the Notes being exchanged. Prior to the close of business on the business day immediately preceding September 1, 2030, the Notes will be exchangeable at the option of the noteholders only upon the satisfaction of specified conditions and during certain periods described in the indenture pursuant to which the Notes were issued. On or after the close of business on the business day immediately preceding September 1, 2030 until the maturity date, the Notes will be exchangeable at the option of the noteholders at any time regardless of these conditions or periods.

PPL Capital Funding may not redeem the Notes prior to December 5, 2028. PPL Capital Funding may redeem for cash all or any portion of the Notes, at its option, on or after December 5, 2028, if the last reported sale price of the common stock has been at least 130% of the exchange price then in effect for at least 20 trading days (whether or not consecutive), during any 30 consecutive trading day period, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus any accrued and unpaid interest to, but excluding, the redemption date. No sinking fund is provided for the Notes.

Subject to certain conditions, holders of the Notes will have the right to require PPL Capital Funding to repurchase all or a portion of their Notes upon the occurrence of a fundamental change, as defined in the indenture pursuant to which the Notes were issued at a repurchase price of 100% of their principal amount plus any accrued and unpaid interest. In connection with certain corporate events or if PPL Capital Funding calls any Notes for redemption, PPL Capital Funding will, under certain circumstances, increase the exchange rate for noteholders who elect to exchange their Notes in connection with any such corporate event or exchange their Notes called for redemption.

Open Market Repurchase Program

In the fourth quarter of 2025, PPL repurchased $84 million of affiliate bonds that included $36 million of PPL Electric bonds, $8 million of LG&E bonds and $40 million of KU bonds. On a consolidated basis, PPL's repurchases have been accounted for as debt extinguishments and resulted in a pre-tax gain of $18 million, net of unamortized debt issuance fees and discounts, which has been recorded as a reduction of Interest Expense on PPL's Consolidated Statements of Income. Intercompany interest expense related to the repurchased bonds was immaterial for the year ended December 31, 2025.

First Mortgage Bond Issuances

(PPL and PPL Electric)

In August 2025, PPL Electric issued $500 million of 5.55% First Mortgage Bonds due 2055. PPL Electric received proceeds of $491 million, net of discounts and underwriting fees, to be used to repay short-term debt and for other general corporate purposes.

(PPL and LG&E)

In August 2025, LG&E issued $700 million of 5.85% First Mortgage Bonds due 2055. LG&E received proceeds of $694 million, net of discounts and underwriting fees, to be used to repay short-term debt, the current portion of certain long-term debt and for other general corporate purposes.

(PPL and KU)

In August 2025, KU issued $700 million of 5.85% First Mortgage Bonds due 2055. KU received proceeds of $694 million, net of discounts and underwriting fees, to be used to repay short-term debt, the current portion of certain long-term debt and for other general corporate purposes.

(PPL Electric, LG&E and KU)

See Note 13 for additional information related to intercompany borrowings.

Legal Separateness *(All Registrants)*

The subsidiaries of PPL are separate legal entities. PPL's subsidiaries are not liable for the debts of PPL. Accordingly, creditors of PPL may not satisfy their debts from the assets of PPL's subsidiaries absent a specific contractual undertaking by a subsidiary to pay PPL's creditors or as required by applicable law or regulation. Similarly, other than PPL's guarantee of PPL Capital Funding's obligations, PPL is not liable for the debts of its subsidiaries, nor are its subsidiaries liable for the debts of one another. Accordingly, creditors of PPL's subsidiaries may not satisfy their debts from the assets of PPL or its other subsidiaries absent a specific contractual undertaking by PPL or its other subsidiaries to pay the creditors or as required by applicable law or regulation.

Similarly, the subsidiaries of PPL Electric are each separate legal entities. These subsidiaries are not liable for the debts of PPL Electric. Accordingly, creditors of PPL Electric may not satisfy its debts from the assets of its subsidiaries absent a specific contractual undertaking by a subsidiary to pay the creditors or as required by applicable law or regulation. Similarly, PPL Electric is not liable for the debts of its subsidiaries, nor are its subsidiaries liable for the debts of one another. Accordingly, creditors of these subsidiaries may not satisfy their debts from the assets of PPL Electric (or its other subsidiaries) absent a specific contractual undertaking by PPL Electric or any such other subsidiary to pay such creditors or as required by applicable law or regulation.

(PPL)

Equity Securities

ATM Program

In February 2025, PPL entered into an equity distribution agreement, pursuant to which PPL may sell, from time to time, up to an aggregate of $2 billion of its common stock through an ATM Program, which may utilize an optional forward sales component. Each forward contract under the agreement must be settled within 24 months. The compensation paid to the selling agents by PPL may be up to 2% of the gross offering proceeds of the shares. As of December 31, 2025, PPL had entered into forward contracts to sell approximately 38.7 million shares of its common stock at a blended initial forward price of approximately $35.62 per share. The forward sale price may be adjusted based on changes in daily interest rates, for certain stock loan fees as determined by a third-party agent, and will be subject to predetermined reductions based on expected dividends. Each outstanding forward contract must be settled on or before dates ranging from December 30, 2025 to August 11, 2027. PPL may elect, at its discretion, to physically settle, net share settle or net cash settle the forward contracts. On December 29, 2025, PPL settled forward sale contracts with physical delivery of approximately 11.3 million shares of common stock for proceeds of approximately $394 million, net of issuance fees. At December 31, 2025, PPL could have settled the remaining forward sale contracts with physical delivery of approximately 27.4 million shares of common stock for proceeds of approximately $981 million. The forward contracts under the ATM program are classified as equity transactions.

Distributions and Related Restrictions

In November 2025, PPL declared its quarterly common stock dividend, payable January 2, 2026, at 27.25 cents per share (equivalent to $1.09 per annum). On February 20, 2026, PPL announced a quarterly common stock dividend of 28.50 cents per share, payable April 1, 2026, to shareowners of record as of March 10, 2026. Future dividends will be declared at the discretion of the Board of Directors and will depend upon future earnings, cash flows, financial and legal requirements and other factors.

Neither PPL Capital Funding nor PPL may declare or pay any cash dividend or distribution on its capital stock during any period in which PPL Capital Funding defers interest payments on its 2007 Series A Junior Subordinated Notes due 2067. At December 31, 2025, no interest payments were deferred.

9. Acquisitions, Development and Divestitures

(PPL)

Acquisitions

Acquisition of Narragansett Electric

On May 25, 2022, PPL Rhode Island Holdings acquired 100% of the outstanding shares of common stock of Narragansett Electric from National Grid U.S., a subsidiary of National Grid plc (the Acquisition). Narragansett Electric, whose service area covers substantially all of Rhode Island, is primarily engaged in the transmission and distribution of electricity and distribution of natural gas.

In connection with the Acquisition, National Grid USA Service Company, Inc., National Grid U.S. and Narragansett Electric entered into a transition services agreement (TSA), pursuant to which the National Grid entities agreed to provide certain transition services to Narragansett Electric to facilitate the transition of the operation of Narragansett Electric to PPL following the Acquisition, as agreed upon in the Narragansett share purchase agreement. The TSA was for an initial two-year term and was completed in the third quarter of 2024. TSA costs of $137 million and $228 million were incurred for the years ended December 31, 2024 and 2023. RIE will not seek to recover in rates any markup charged by National Grid U.S. and/or its affiliates under the TSA which were $10 million, and $7 million for the years ended December 31, 2024 and 2023.

As a condition to the Acquisition, RIE will forgo potential recovery of any and all transition costs, which includes (1) the installation of certain information technology systems; (2) modification and enhancements to physical facilities in Rhode Island; and (3) severance payments, communications and branding changes, and other transition related costs. These costs, which are being expensed as incurred, were $71 million, $307 million, and $262 million for the years ended December 31, 2025, 2024, and 2023.

Developments *(PPL, LG&E and KU)*

Mill Creek Unit 5 Construction

In December 2022, LG&E and KU filed a CPCN with the KPSC requesting approval to construct a 645 MW net summer rating Natural Gas Combined Cycle (NGCC) combustion turbine at LG&E's Mill Creek Generating Station. In November 2023, the KPSC issued an order approving the request as well as the requested AFUDC accounting treatment for associated financing costs relating to the NGCC. The new NGCC facility will be jointly owned by LG&E (31%) and KU (69%). In February 2024, LG&E and KU entered into agreements to begin construction of Mill Creek Unit 5. Total project costs are estimated at approximately $1.0 billion, including AFUDC. Commercial operation of the facility is anticipated to begin in mid-2027.

10. Retirement and Postemployment Benefits

(All Registrants)

Defined Benefits

Certain employees of PPL's subsidiaries are eligible for pension benefits under non-contributory defined benefit pension plans with benefits based on length of service and final average pay, as defined by the plans.

Effective January 1, 2012, PPL's primary defined benefit pension plan was closed to all newly hired salaried employees. Effective July 1, 2014, PPL's primary defined benefit pension plan was closed to all newly hired bargaining unit employees. Newly hired employees are eligible to participate in the PPL Retirement Savings Plan, a 401(k) savings plan with enhanced employer contributions.

The defined benefit pension plans of LKE and its subsidiaries were closed to new salaried and bargaining unit employees hired after December 31, 2005. Employees hired after December 31, 2005 receive additional company contributions above the standard matching contributions to their savings plans. The pension plans sponsored by LKE and LG&E were merged effective January 1, 2020 into the LG&E and KU Pension Plan. The merged plan is sponsored by LKE. LG&E and KU participate in this plan.

The RIE defined benefit plans were closed to new salaried employees in 2012 and bargaining unit employees in 2013. Employees hired after the defined benefit plans were closed receive additional company contributions above the standard matching contributions to their savings plans.

PPL and certain of its subsidiaries also provide supplemental retirement benefits to executives and other key management employees through unfunded nonqualified retirement plans.

Certain employees of PPL's subsidiaries are eligible for certain health care and life insurance benefits upon retirement through contributory plans. Effective January 1, 2014, the PPL Postretirement Medical Plan was closed to all newly hired salaried employees. Effective July 1, 2014, the PPL Postretirement Medical Plan was closed to all newly hired bargaining unit employees. Effective January 1, 2024, newly hired salaried employees and certain bargaining unit employees of LKE will no longer be eligible for postretirement medical benefits under the LKE Postretirement Plan. Postretirement health benefits may be paid from 401(h) accounts established as part of the PPL Retirement Plan and the LG&E and KU Pension Plan within the PPL Services Corporation Master Trust, funded VEBA trusts and company funds.

The Rhode Island postretirement benefit plans provide health care and life insurance coverage to eligible retired employees. Eligibility is based on age and length of service requirements and, in most cases, retirees must contribute to the cost of their coverage.

(PPL)

The following table provides the components of net periodic defined benefit costs (credits) for PPL's pension and other postretirement benefit plans for the years ended December 31.

	Pension Benefits			Other Postretirement Benefits		
	2025	2024	2023	2025	2024	2023
Net periodic defined benefit costs (credits):						
Service cost	$ 31	$ 35	$ 34	$ 6	$ 6	$ 6
Interest cost	185	183	188	30	29	30
Expected return on plan assets	(287)	(299)	(309)	(30)	(30)	(30)
Amortization of:						
Prior service cost (credit)	—	3	6	2	1	1
Actuarial (gain) loss	18	10	2	(4)	(5)	(5)
Net periodic defined benefit costs (credits)	$ (53)	$ (68)	$ (79)	$ 4	$ 1	$ 2
Other Changes in Plan Assets and Benefit Obligations Recognized in OCI and Regulatory Assets/Liabilities - Gross:						
Net (gain) loss	$ 27	$ 134	$ 193	$ —	$ 1	$ (6)
Prior service cost (credit)	(5)	(13)	2	2	—	—
Amortization of:						
Prior service (cost) credit	—	(3)	(6)	(2)	(1)	(1)
Actuarial gain (loss)	(18)	(10)	(2)	4	5	5
Total recognized in OCI and regulatory assets/liabilities	4	108	187	4	5	(2)
Total recognized in net periodic defined benefit costs, OCI and regulatory assets/liabilities	$ (49)	$ 40	$ 108	$ 8	$ 6	$ —

For PPL's pension and postretirement benefits, the amounts recognized in OCI and regulatory assets/liabilities for the years ended December 31 were as follows:

	Pension Benefits			Other Postretirement Benefits		
	2025	2024	2023	2025	2024	2023
OCI	$ 21	$ 25	$ 52	$ 2	$ 2	$ —
Regulatory assets/liabilities	(17)	83	135	2	3	(2)
Total recognized in OCI and regulatory assets/liabilities	$ 4	$ 108	$ 187	$ 4	$ 5	$ (2)

(PPL)

PPL uses base mortality tables issued by the Society of Actuaries for all defined benefit pension and other postretirement benefit plans. The Pri-2012 base table and the MP-2020 projection scale with varying adjustment factors based on the underlying demographic and geographic differences and experience of the plan participants was used for all periods.

The following weighted-average assumptions were used in the valuation of the benefit obligations at December 31.

	Pension Benefits		Other Postretirement Benefits	
	2025	2024	2025	2024
PPL				
Discount rate	5.72 %	5.93 %	5.74 %	5.91 %
Rate of compensation increase	3.43 %	3.43 %	3.43 %	3.44 %

The following weighted-average assumptions were used to determine the net periodic defined benefit costs for the years ended December 31.

	Pension Benefits			Other Postretirement Benefits		
	2025	2024	2023	2025	2024	2023
PPL						
Discount rate	5.93 %	5.52 %	5.52 %	5.91 %	5.54 %	5.54 %
Rate of compensation increase	3.43 %	3.43 %	3.43 %	3.44 %	3.43 %	3.43 %
Expected return on plan assets (a)	8.25 %	8.25 %	8.25 %	7.27 %	7.28 %	7.38 %

(a) The expected long-term rates of return for pension and other postretirement benefits are based on management's projections using a best-estimate of expected returns, volatilities and correlations for each asset class. Each plan's specific current and expected asset allocations are also considered in developing a reasonable return assumption.

The following table provides the assumed health care cost trend rates for the years ended December 31:

	2025	2024	2023
PPL			
Health care cost trend rate assumed for next year			
– obligations	7.50 %	7.00 %	6.25 %
– cost	7.00 %	6.25 %	6.50 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)			
– obligations	4.50 %	5.00 %	5.00 %
– cost	5.00 %	5.00 %	5.00 %
Year that the rate reaches the ultimate trend rate			
– obligations	2038	2033	2029
– cost	2033	2029	2029

The funded status of PPL's plans at December 31 was as follows:

	Pension Benefits		Other Postretirement Benefits	
	2025	2024	2025	2024
Change in Benefit Obligation				
Benefit Obligation, beginning of period	$ 3,244	$ 3,454	$ 523	$ 538
Service cost	31	35	6	6
Interest cost	185	183	30	29
Participant contributions	—	—	8	8
Plan amendments	(5)	(13)	1	—
Actuarial (gain) loss	77	(131)	20	(4)
Gross benefits paid	(297)	(284)	(51)	(56)
Federal subsidy	—	—	—	2
Benefit Obligation, end of period	3,235	3,244	537	523
Change in Plan Assets				
Plan assets at fair value, beginning of period	2,936	3,176	417	438
Actual return on plan assets	338	34	51	25
Employer contributions	10	10	11	14
Participant contributions	—	—	7	7
Transfer out (a)	—	—	—	(13)
Gross benefits paid	(297)	(284)	(54)	(54)
Plan assets at fair value, end of period	2,987	2,936	432	417
Funded Status, end of period	$ (248)	$ (308)	$ (105)	$ (106)
Amounts recognized in the Balance Sheets consist of:				
Noncurrent asset	$ 44	$ 19	$ 9	$ 8
Current liability	(11)	(10)	(10)	(13)
Noncurrent liability	(281)	(317)	(104)	(101)
Net amount recognized, end of period	$ (248)	$ (308)	$ (105)	$ (106)
Amounts recognized in AOCI and regulatory assets/liabilities (pre-tax) consist of:				
Prior service cost (credit)	$ (11)	$ (6)	$ 8	$ 9
Net actuarial (gain) loss	1,173	1,164	(86)	(90)
Total	$ 1,162	$ 1,158	$ (78)	$ (81)
Total accumulated benefit obligation for defined benefit pension plans	$ 3,105	$ 3,116		

(a) Transfer of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to be used to pay medical claims of active bargaining unit employees.

For PPL's pension and other postretirement benefit plans, the amounts recognized in AOCI and regulatory assets/liabilities at December 31 were as follows:

	Pension Benefits		Other Postretirement Benefits	
	2025	2024	2025	2024
AOCI	$ 304	$ 283	$ 18	$ 16
Regulatory assets/liabilities	858	875	(96)	(97)
Total	$ 1,162	$ 1,158	$ (78)	$ (81)

The actuarial loss for pension plans in 2025 was primarily related to a change in the discount rate used to measure the benefit obligations of those plans. The actuarial gain for pension plans in 2024 was related to a change in the discount rate used to measure the benefit obligations of those plans.

The following tables provide information on pension plans where the projected benefit obligation (PBO) or accumulated benefit obligation (ABO) exceed the fair value of plan assets:

	PBO in excess of plan assets	
	2025	2024
Projected benefit obligation	$ 2,704	$ 2,719
Fair value of plan assets	2,412	2,392

	ABO in excess of plan assets	
	2025	2024
Accumulated benefit obligation	$ 2,600	$ 2,618
Fair value of plan assets	2,412	2,392

(PPL Electric)

Although PPL Electric does not directly sponsor any defined benefit plans, it is allocated a portion of the funded status and costs of plans sponsored by PPL Services based on its participation in those plans, which management believes are reasonable. The actuarially determined obligations of current active employees and retirees are used as a basis to allocate total plan activity, including active and retiree costs and obligations. Allocations to PPL Electric resulted in assets/(liabilities) at December 31 as follows:

	2025	2024
Pension	$ (62)	$ (83)
Other postretirement benefits	(53)	(60)

(LG&E)

Although LG&E does not directly sponsor any defined benefit plans, it is allocated a portion of the funded status and costs of plans sponsored by LKE. LG&E is also allocated costs of defined benefits plans from LKS for defined benefit plans sponsored by LKE. See Note 13 for additional information on costs allocated to LG&E from LKS. These allocations are based on LG&E's participation in those plans, which management believes are reasonable. The actuarially determined obligations of current active employees and retired employees of LG&E are used as a basis to allocate total plan activity, including active and retiree costs and obligations. Allocations to LG&E resulted in assets/(liabilities) at December 31 as follows:

	2025	2024
Pension	$ 46	$ 29
Other postretirement benefits	(46)	(44)

(KU)

Although KU does not directly sponsor any defined benefit plans, it is allocated a portion of the funded status and costs of plans sponsored by LKE. KU is also allocated costs of defined benefit plans from LKS for defined benefit plans sponsored by LKE. See Note 13 for additional information on costs allocated to KU from LKS. These allocations are based on KU's participation in those plans, which management believes are reasonable. The actuarially determined obligations of current active employees and retired employees of KU are used as a basis to allocate total plan activity, including active and retiree costs and obligations. Allocations to KU resulted in assets/(liabilities) at December 31 as follows.

	2025	2024
Pension	$ 56	$ 46
Other postretirement benefits	(10)	(8)

Plan Assets - Pension Plans

(PPL)

All of PPL's qualified pension plans are invested in the PPL Services Corporation Master Trust (the Master Trust) that also includes 401(h) accounts that are restricted for certain other postretirement benefit obligations of PPL, RIE and LKE. The investment strategy for the Master Trust is to achieve a risk-adjusted return on a mix of assets that, in combination with PPL's funding policy, will ensure that sufficient assets are available to provide long-term growth and liquidity for benefit payments, while also managing the duration of the assets to complement the duration of the liabilities. The Master Trust benefits from a wide diversification of asset types, investment fund strategies and external investment fund managers, and therefore has no significant concentration of risk.

The investment policy of the Master Trust outlines investment objectives and defines the responsibilities of the EBPB, external investment managers, investment advisor and trustee and custodian. The investment policy is reviewed annually by PPL's Board of Directors.

The EBPB created a risk management framework around the trust assets and pension liabilities. This framework considers the trust assets as being composed of three sub-portfolios: growth, immunizing and liquidity portfolios. The growth portfolio is comprised of investments that generate a return at a reasonable risk, including equity securities, certain debt securities and alternative investments. The immunizing portfolio consists of debt securities, generally with long durations, and derivative positions. The immunizing portfolio is designed to offset a portion of the change in the pension liabilities due to changes in interest rates. The liquidity portfolio consists primarily of cash and cash equivalents.

Target allocation ranges have been developed for each portfolio based on input from external consultants with a goal of limiting funded status volatility. The EBPB monitors the investments in each portfolio and seeks to obtain a target portfolio that emphasizes reduction of risk of loss from market volatility. In pursuing that goal, the EBPB establishes revised guidelines from time to time. EBPB investment guidelines as of the end of 2025 are presented below.

The asset allocation for the trust and the target allocation by portfolio at December 31 are as follows:

	Percentage of trust assets		2025
	2025	2024	Target Asset Allocation
Growth Portfolio	**55 %**	**55 %**	**55 %**
Equity securities	30 %	30 %	
Debt securities (a)	13 %	13 %	
Alternative investments	12 %	12 %	
Immunizing Portfolio	**43 %**	**43 %**	**43 %**
Debt securities (a)	31 %	35 %	
Derivatives (b)	12 %	8 %	
Liquidity Portfolio	**2 %**	**2 %**	**2 %**
Total	100 %	100 %	100 %

(a) Includes commingled debt funds, which PPL treats as debt securities for asset allocation purposes.
(b) Includes posted collateral to support derivative instruments subject to counterparty risk.

(PPL)

The fair value of net assets in the Master Trust by asset class and level within the fair value hierarchy was:

	December 31, 2025				December 31, 2024			
	Fair Value Measurements Using				Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
PPL Services Corporation Master Trust								
Cash and cash equivalents	$ 239	$ 239	$ —	$ —	$ 212	$ 212	$ —	$ —
Equity securities:								
U.S. Equity	69	69	—	—	63	63	—	—
U.S. Equity fund measured at NAV (a)	469	—	—	—	461	—	—	—
International equity fund measured at NAV (a)	375	—	—	—	376	—	—	—
Commingled debt measured at NAV (a)	464	—	—	—	461	—	—	—
Debt securities:								
U.S. Treasury and U.S. government sponsored agency	273	273	—	—	150	149	1	—
Corporate	753	—	742	11	867	—	848	19
Other	7	—	7	—	13	—	13	—
Alternative investments:								
Real estate measured at NAV (a)	71	—	—	—	72	—	—	—
Private equity measured at NAV (a)	122	—	—	—	114	—	—	—
Private credit partnerships measured at NAV (a)	20	—	—	—	16	—	—	—
Hedge funds measured at NAV (a)	179	—	—	—	181	—	—	—
Derivatives	(7)	—	(7)	—	(38)	—	(38)	—
PPL Services Corporation Master Trust assets, at fair value	3,034	$ 581	$ 742	$ 11	2,948	$ 424	$ 824	$ 19
Receivables and payables, net (b)	69				102			
401(h) accounts restricted for other postretirement benefit obligations	(116)				(114)			
Total PPL Services Corporation Master Trust pension assets	$ 2,987				$ 2,936			

(a) In accordance with accounting guidance, certain investments that are measured at fair value using the net asset value per share (NAV), or its equivalent, have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

(b) Receivables and payables, net represents amounts for investments sold/purchased but not yet settled along with interest and dividends earned but not yet received.

A reconciliation of the Master Trust assets classified as Level 3 at December 31, 2025 is as follows:

	Corporate debt
Balance at beginning of period	$ 19
Actual return on plan assets:	
Relating to assets sold during the period	(1)
Purchases, sales and settlements	(7)
Balance at end of period	$ 11

A reconciliation of the Master Trust assets classified as Level 3 at December 31, 2024 is as follows:

	Corporate debt
Balance at beginning of period	$ 10
Actual return on plan assets:	
Relating to assets still held at the reporting date	(2)
Relating to assets sold during the period	7
Purchases, sales and settlements	4
Balance at end of period	$ 19

Cash and cash equivalents include deposits in banks, collateral accounts with brokers, and short-term investment funds, for which the carrying amounts disclosed approximate fair value based on their short-term nature.

The market approach is used to measure fair value of equity securities. The fair value measurements of equity securities (excluding commingled funds), which are generally classified as Level 1, are based on quoted prices in active markets. These securities represent actively and passively managed investments that are managed against various equity indices.

Investments in commingled equity and debt funds are categorized as equity securities within the fair value hierarchy, however, the debt funds are treated as fixed income for asset allocation and target allocation purposes. Investments in commingled equity funds include funds that invest in U.S. and international equity securities. Investments in commingled debt funds include funds that invest in a diversified portfolio of emerging market debt obligations, as well as funds that invest in investment grade long-duration fixed-income securities.

The fair value measurements of debt securities are generally based on evaluations that reflect observable market information, such as actual trade information for identical securities or for similar securities, adjusted for observable differences. The fair value of debt securities is generally measured using a market approach, including the use of pricing models, which incorporate observable inputs. Common inputs include benchmark yields, relevant trade data, broker/dealer bid/ask prices, benchmark securities and credit valuation adjustments. When necessary, the fair value of debt securities is measured using the income approach, which incorporates similar observable inputs as well as payment data, future predicted cash flows, collateral performance and new issue data. For the Master Trust, these securities represent investments in securities issued by U.S. Treasury and U.S. government sponsored agencies; investments securitized by residential mortgages, auto loans, credit cards and other pooled loans; investments in investment grade and non-investment grade bonds issued by U.S. companies across several industries; investments in debt securities issued by foreign governments and corporations.

Investments in real estate represent an investment in a partnership whose purpose is to manage investments in U.S. real estate properties diversified geographically and across major property types (e.g., office, industrial, retail, etc.). The partnership has limitations on the amounts that may be redeemed based on available cash to fund redemptions. Additionally, the general partner may decline to accept redemptions when necessary to avoid adverse consequences for the partnership, including legal and tax implications, among others. The fair value of the investment is based upon a partnership unit value.

Investments in private equity represent interests in partnerships in multiple early-stage venture capital funds and private equity fund of funds that use a number of diverse investment strategies. The partnerships have limited lives of at least 10 years, after which liquidating distributions will be received. Prior to the end of each partnership's life, the investment cannot be redeemed with the partnership; however, the interest may be sold to other parties, subject to the general partner's approval. Fair value is based on an ownership interest in partners' capital to which a proportionate share of net assets is attributed.

Investments in private credit represent pools of actively managed loans that span capital structure and borrower type. Strategies carry different types and levels of risk. Returns from those strategies will vary in terms of yield, fees generated, loan loss rates and the pace of principal repayment. Investments have limited lives of approximately 2-8 years. The investment cannot be redeemed with the general partner; however, the interest may be sold to other parties, subject to the general partner's approval. Fair value is based on an ownership interest in partners' capital to which a proportionate share of net assets is attributed.

At December 31, 2025, the Master Trust had unfunded commitments of $49 million that may be required during the lives of the real estate, private equity and private credit partnerships.

Investments in hedge funds represent investments in a fund of hedge funds. Hedge funds seek a return utilizing a number of diverse investment strategies. The strategies, when combined, aim to reduce volatility and risk while attempting to deliver positive returns under most market conditions. Major investment strategies for the fund of hedge funds include long/short equity, tactical trading, event driven, and relative value. Shares may be redeemed with 45 days prior written notice. The fund is subject to short term lockups and other restrictions. The fair value for the fund has been estimated using the net asset value per share.

The fair value measurements of derivative instruments utilize various inputs that include quoted prices for similar contracts or market-corroborated inputs. In certain instances, these instruments may be valued using models, including standard option valuation models and standard industry models. These securities primarily represent investments in treasury futures, total return swaps, interest rate swaps and swaptions (the option to enter into an interest rate swap), which are valued based on quoted prices, changes in the value of the underlying exposure or on the swap details, such as swap curves, notional amount, index and term of index, reset frequency, volatility and payer/receiver credit ratings.

Plan Assets - Other Postretirement Benefit Plans

The investment strategy with respect to other postretirement benefit obligations is to fund VEBA trusts and/or 401(h) accounts with voluntary contributions and to invest in a tax efficient manner. Excluding the 401(h) accounts included in the Master Trust, other postretirement benefit plans are invested in a mix of assets for long-term growth with an objective of earning returns that provide liquidity as required for benefit payments. These plans benefit from diversification of asset types, investment fund strategies and investment fund managers and, therefore, have no significant concentration of risk. Equity securities include investments in a large-cap commingled fund and a global equity exchange-traded fund. Ownership interests in commingled funds that invest entirely in debt securities are classified as equity securities within the fair value hierarchy, but treated as debt securities for asset allocation and target allocation purposes. Ownership interests in money market funds are treated as cash and cash equivalents for asset allocation and target allocation purposes. The asset allocation for the PPL VEBA trusts and the target allocation, by asset class, at December 31 are detailed below.

	Percentage of plan assets		Target Asset Allocation
	2025	2024	2025
Asset Class			
Equity securities	46 %	45 %	45 %
Debt securities (a)	48 %	49 %	49 %
Cash and cash equivalents (b)	6 %	6 %	6 %
Total	100 %	100 %	100 %

(a) Includes commingled debt funds and debt securities.
(b) Includes money market funds.

The fair value of assets in the other postretirement benefit plans by asset class and level within the fair value hierarchy was:

	December 31, 2025				December 31, 2024			
	Fair Value Measurement Using				Fair Value Measurement Using			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Money market funds	$ 19	$ 19	$ —	$ —	$ 19	$ 19	$ —	$ —
Equity securities:								
Large-cap equity fund measure at NAV (a)	75	—	—	—	71	—	—	—
Commingled debt fund measured at NAV (a)	82	—	—	—	78	—	—	—
Global equity exchange-traded fund	74	74	—	—	70	70	—	—
Long-term bond exchange-traded fund	75	75	—	—	74	74	—	—
Total VEBA trust assets, at fair value	325	$ 168	$ —	$ —	312	$ 163	$ —	$ —
Receivables and payables, net (b)	(9)				(9)			
401(h) account assets	116				114			
Total other postretirement benefit plan assets	$ 432				$ 417			

(a) In accordance with accounting guidance certain investments that are measured at fair value using the net asset value per share (NAV), or its equivalent, have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.
(b) Receivables and payables represent amounts for investments sold/purchased but not yet settled along with interest and dividends earned but not yet received.

Investments in money market funds represent investments in funds that invest primarily in a diversified portfolio of investment grade money market instruments, including, but not limited to, commercial paper, notes, repurchase agreements and other evidences of indebtedness with a maturity not exceeding 13 months from the date of purchase. The primary objective of the fund is a level of current income consistent with stability of principal and liquidity. Redemptions can be made daily on this fund.

Investments in large-cap equity securities represent investments in a passively managed equity index fund that invests in securities and a combination of other collective funds. Fair value measurements are not obtained from a quoted price in an active market but are based on firm quotes of net asset values per share as provided by the trustee of the fund. Redemptions can be made daily on this fund.

Investments in commingled debt securities represent investments in a fund that invests in a diversified portfolio of investment grade long-duration fixed income securities. Redemptions can be made daily on these funds.

Investments in global equity exchange-traded fund represents a passively-managed pooled investment vehicle that invests in developed market equities and is designed to track the performance of the MSCI World Index. Fair value measurements can be obtained from a quoted price on the exchange. Redemptions can be made daily on this fund.

Investments in long-term bond exchange-traded fund represents a passively-managed pooled investment vehicle that is designed to track the performance of the Bloomberg U.S. Long Government/Credit Float Adjusted Index, which includes all medium and larger issues of U.S. Government, investment-grade corporate and investment-grade international dollar-denominated bonds that have maturities of greater than 10 years. Fair value measurements can be obtained from a quoted price on the exchange. Redemptions can be made daily on this fund.

Expected Cash Flows - Defined Benefit Plans *(PPL)*

PPL does not plan to contribute to its pension plans in 2026, as PPL's defined benefit pension plans have the option to utilize available prior year credit balances to meet current and future contribution requirements.

PPL sponsors various non-qualified supplemental pension plans for which no assets are segregated from corporate assets. PPL expects to make approximately $11 million of benefit payments under these plans in 2026.

PPL is not required to make contributions to its other postretirement benefit plans that are funded through VEBA trusts and 401(h) accounts. However, postretirement benefits for certain non-union employees are not funded in such trusts. PPL pays for these benefits from its general assets and expects to make $10 million of postretirement benefit plan payments for these employees in 2025.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the plans and the following federal subsidy payments are expected to be received by PPL.

		Other Postretirement	
	Pension	Benefit Payment	Expected Federal Subsidy
2026	$ 307	$ 50	$ —
2027	294	49	—
2028	287	49	—
2029	279	48	—
2030	272	48	—
2031-2035	1,271	224	—

Savings Plans *(All Registrants)*

Substantially all employees of PPL's subsidiaries are eligible to participate in deferred savings plans (401(k)s). Employer contributions to the plans were:

	2025	2024	2023
PPL	$ 60	$ 53	$ 48
PPL Electric	10	9	8
LG&E	10	8	8
KU	8	6	6

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11. Jointly Owned Facilities

(PPL, LG&E and KU)

At December 31, 2025 and 2024, the Balance Sheets reflect the owned interests in the generating plants listed below.

	Ownership Interest	Electric Plant	Accumulated Depreciation	Construction Work in Progress
PPL				
December 31, 2025				
Trimble County Unit 1	75.00 %	$ 464	$ 141	$ 20
Trimble County Unit 2	75.00 %	1,543	344	20
December 31, 2024				
Trimble County Unit 1	75.00 %	$ 462	$ 124	$ 1
Trimble County Unit 2	75.00 %	1,549	323	10
LG&E				
December 31, 2025				
E.W. Brown Units 6-7	38.00 %	$ 53	$ 31	$ —
Paddy's Run Unit 13 & E.W. Brown Unit 5	53.00 %	52	32	—
Trimble County Unit 1	75.00 %	464	141	20
Trimble County Unit 2	14.25 %	474	88	9
Trimble County Units 5-6	29.00 %	37	20	—
Trimble County Units 7-10	37.00 %	82	44	2
Cane Run Unit 7	22.00 %	137	31	2
E.W. Brown Solar Unit	39.00 %	10	4	—
Solar Share	44.00 %	3	1	—
Mercer Solar	37.00 %	7	—	14
Mill Creek Unit 5	31.00 %	1	—	219
Brown Wind	36.00 %	—	—	—
December 31, 2024				
E.W. Brown Units 6-7	38.00 %	$ 53	$ 29	$ —
Paddy's Run Unit 13 & E.W. Brown Unit 5	53.00 %	52	30	—
Trimble County Unit 1	75.00 %	462	124	1
Trimble County Unit 2	14.25 %	472	79	5
Trimble County Units 5-6	29.00 %	37	19	—
Trimble County Units 7-10	37.00 %	82	41	1
Cane Run Unit 7	22.00 %	137	27	—
E.W. Brown Solar Unit	39.00 %	10	4	—
Solar Share	44.00 %	3	—	—
Mercer Solar	37.00 %	10	—	1
Mill Creek Unit 5	31.00 %	—	—	74
Brown Wind	36.00 %	—	—	—

	Ownership Interest	Electric Plant	Accumulated Depreciation	Construction Work in Progress
KU				
December 31, 2025				
E.W. Brown Units 6-7	62.00 %	$ 88	$ 51	$ —
Paddy's Run Unit 13 & E.W. Brown Unit 5	47.00 %	47	28	—
Trimble County Unit 2	60.75 %	1,069	256	12
Trimble County Units 5-6	71.00 %	87	47	—
Trimble County Units 7-10	63.00 %	136	74	3
Cane Run Unit 7	78.00 %	486	109	6
E.W. Brown Solar Unit	61.00 %	16	7	—
Solar Share	56.00 %	4	1	—
Mercer Solar	63.00 %	13	—	23
Mill Creek Unit 5	69.00 %	1	—	486
Brown Wind	64.00 %	1	—	—
December 31, 2024				
E.W. Brown Units 6-7	62.00 %	$ 87	$ 48	$ —
Paddy's Run Unit 13 & E.W. Brown Unit 5	47.00 %	46	26	—
Trimble County Unit 2	60.75 %	1,077	224	5
Trimble County Units 5-6	71.00 %	87	44	—
Trimble County Units 7-10	63.00 %	136	69	1
Cane Run Unit 7	78.00 %	485	95	1
E.W. Brown Solar Unit	61.00 %	16	6	—
Solar Share	56.00 %	4	1	—
Mercer Solar	63.00 %	16	—	2
Mill Creek Unit 5	69.00 %	—	—	164
Brown Wind	64.00 %	1	—	—

Each subsidiary owning these interests provides its own funding for its share of the facility. Each receives a portion of the total output of the generating plants equal to its percentage ownership. The share of fuel and other operating costs associated with the plants is included in the corresponding operating expenses on the Statements of Income.

12. Commitments and Contingencies

Energy Purchase Commitments

(PPL, LG&E and KU)

LG&E and KU enter into purchase contracts to supply the coal and natural gas requirements for generation facilities and LG&E's retail natural gas supply operations. These contracts include the following commitments:

Contract Type	Maximum Maturity Date
Natural Gas Fuel	2027
Natural Gas Retail Supply	2026
Coal	2030
Coal Transportation and Fleeting Services	2033
Natural Gas Transportation	2055

LG&E and KU have a PPA with OVEC expiring in June 2040. See footnote (d) to the table in "Guarantees and Other Assurances" below for information on the OVEC power purchase contract. Future obligations for power purchases from OVEC are demand payments, comprised of debt-service payments and contractually-required reimbursements of plant operating, maintenance and other expenses, and are projected as follows:

	LG&E	KU	Total
2026	$ 19	$ 8	$ 27
2027	24	10	34
2028	24	11	35
2029	25	11	36
2030	23	10	33
Thereafter	184	83	267
Total	$ 299	$ 133	$ 432

LG&E and KU had total energy purchases under the OVEC PPA for the years ended December 31 as follows:

	2025	2024	2023
LG&E	$ 26	$ 21	$ 20
KU	11	9	9
Total	$ 37	$ 30	$ 29

(PPL)

RIE enters into purchase contracts to supply electricity for electricity distribution operations and for the delivery, storage and supply of natural gas for RIE's retail natural gas operations.

These contracts include the following commitments:

Contract Type	Maximum Maturity Date
Electric power	2027
Gas-related	2043

RIE's commitments under these long-term contracts subsequent to December 31, 2025 are summarized in the table below.

	Total	2026	2027-2028	2029-2030	Thereafter
Energy Purchase Obligations	$ 939	$ 268	$ 199	$ 126	$ 346

Long-term Contracts for Renewable Energy *(PPL)*

Several of the obligations included in the table above relate to certain long-term contracts for renewable energy, including:

- the Deepwater Wind PPA, a small-scale renewable energy generation project of up to eight offshore wind turbines with an aggregate nameplate capacity of up to 30 MW to benefit the Town of New Shoreham and an underwater cable to Block Island, placed into service in 2016;
- the Three-State Procurement, involving six clean energy long-term contracts pursuant to the Rhode Island Long-Term Contracting Standard (LTCS) of which approximately 36 MW is currently operational and with respect to which RIE collects 2.75% remunerations in the annual payments pursuant to the LTCS; and
- the Offshore Wind Energy Procurement, pursuant to a 20-year PPA with Deep Water Wind Rev I, LLC (Revolution Wind), with an expected nameplate capacity of 407 MW and is expected to be operational in 2026; this contract was approved without remuneration but allows RIE to seek costs incurred under the agreement.

In addition, RIE is obligated under the LTCS (as amended in 2014) to annually solicit for renewable projects until 90 MW of renewable contracting capacity has been secured. The RIPUC-approved solicitations currently in service include: (i) a 15-year PPA with Orbit Energy Rhode Island, LLC for a 3.2 MW nameplate anaerobic digester biogas project located in Johnston, Rhode Island, placed in service in 2017, (ii) a 15-year PPA with Black Bear Development Holdings, LLC for a 3.9 MW nameplate run-of-river hydroelectric plant located in Orono, Maine, placed in service in 2013, (iii) a 15-year PPA with Copenhagen Wind Farm, LLC for an 80 MW nameplate land-based wind project located in Denmark, New York, placed in service in 2018, and (iv) a 15-year PPA with Rhode Island LFG Genco, LLC for a 32.1 MW nameplate combined cycle combustion turbine generating facility fueled by a landfill gas project located in Johnston, Rhode Island, placed in service in 2013. On December 23, 2025, the RIPUC approved the RFP for soliciting renewable energy under LTCS. Under the approved schedule, the RFP will be released, and the solicitation will commence on May 13, 2026 with the deadline for the submission of bids proposals on August 12, 2026.

In addition to the LTCS, on December 19, 2025, RIE along with state agencies and utilities in Maine, Massachusetts, Connecticut and Vermont, released a multi-state RFP to identify competitive proposals for renewable energy and associated transmission infrastructure in Northern Maine under the Affordable Clean Energy Security Act (ACES), as amended in 2022. Bids are due at the end of February 2026 and the selection process will conclude in the third quarter of 2026.

As approved by the RIPUC, RIE is allowed to pass through commodity-related/purchased power costs to customers and collect remuneration equal to 2.75% for long-term contracts approved prior to January 1, 2022, pursuant to LTCS as amended in 2022, and that have achieved commercial operation. For long-term contracts approved pursuant to LTCS or ACES, both as amended, on or after January 1, 2022, RIE is entitled to financial remuneration equal to 1.0% through December 31, 2026, for those projects that are commercially operating. For long-term contracts approved pursuant to LTCS or ACES on or after January 1, 2027, RIE is not entitled to any financial remuneration, unless otherwise granted by the RIPUC. Also, the 2022 amendments to LTCS and ACES added a provision, which provides that for any calendar year in which RIE's actual return on equity exceeds the return on equity allowed by the RIPUC in the last general rate case, the RIPUC may adjust any or all remuneration to assure that such remuneration does not result in or contribute toward RIE earning above its allowed return for such calendar year.

Legal Matters

(All Registrants)

PPL and its subsidiaries are involved in legal proceedings, claims and litigation in the ordinary course of business. PPL and its subsidiaries cannot predict the outcome of such matters, or whether such matters may result in material liabilities, unless otherwise noted.

Narragansett Electric Litigation *(PPL)*

Energy Efficiency Programs Investigation

Narragansett Electric, while under the ownership of National Grid, performed an internal investigation into conduct associated with its energy efficiency programs. On June 27, 2022, the RIPUC opened a new docket (RIPUC Docket No. 22-05-EE) to investigate RIE's actions and the actions of employees of National Grid USA and affiliates during the time RIE was a National Grid USA affiliate being provided services by National Grid USA Service Company, Inc. relating to the manipulation of the reporting of invoices affecting the calculation of past energy efficiency shareholder incentives and the resulting impact on customers. The Rhode Island Attorney General and National Grid USA intervened in the docket and the Rhode Island Division of Public Utilities and Carriers (the Division) is an automatic party in the docket.

On February 21, 2025, the Division filed testimony confirming its initial testimony that $12 million is the appropriate amount to be refunded to the energy efficiency program. On March 4, 2025, a Settlement Agreement between RIE, the Division, and the Rhode Island Attorney General was filed with the RIPUC requiring refunds of $10 million. Of this amount, $2 million has already been refunded through the energy efficiency mechanism with the remaining $8 million to reduce the storm cost regulatory asset recorded on PPL's balance sheet. The settlement also included reimbursement of minor consulting fees and various other compliance actions. On March 5, 2025, the RIPUC approved the Settlement Agreement.

E.W. Brown Environmental Assessment *(PPL and KU)*

KU is undertaking extensive remedial measures at the E.W. Brown plant including closure of the former ash pond, implementation of a groundwater remedial action plan and performance of a corrective action plan including aquatic study of adjacent surface waters and risk assessment. The aquatic study and risk assessment are being undertaken pursuant to a 2017 Agreed Order with the Kentucky Energy and Environment Cabinet (KEEC). KU conducted sampling of Herrington Lake in 2017 and 2018. In June 2019, KU submitted to the KEEC the required aquatic study and risk assessment, conducted by an independent third-party consultant, finding that discharges from the E.W. Brown plant have not had any significant impact on Herrington Lake and that the water in the lake is safe for recreational use and meets safe drinking water standards. On May 31, 2021, the KEEC approved the report and released a response to public comments. On August 6, 2021, KU submitted a *Supplemental Remedial Alternatives Analysis* report to the KEEC that outlines proposed additional fish, water, and sediment testing. On February 18, 2022, the KEEC provided approval to KU to proceed with the proposed sampling, which commenced in the spring of 2022. On November 17, 2022, KU submitted a *Supplemental Performance Monitoring Report* to the KEEC finding that there are no significant unaddressed risks to human health or the environment at the plant. KU revised the *Supplemental Performance Monitoring Report* on June 8, 2023, in response to KEEC comments from April 24, 2023. On September 1, 2023, the KEEC requested KU to propose additional monitoring or remedial measures. KU submitted a revised *Supplemental Performance Monitoring and Corrective Action Completion* on December 28, 2023. In August 2024, KU submitted a proposed environmental covenant to the KEEC specifying certain site restrictions. Discussions between KU and the KEEC are ongoing, but KU cannot predict the outcome of this matter.

(PPL, LG&E and KU)

EPA Deregulatory Initiative

On March 12, 2025, the EPA announced a plan to reconsider 31 environmental rules including the Section 111 performance standards and emissions limits for greenhouse gases, the endangerment finding for greenhouse gases, the Good Neighbor Plan, the Mercury and Air Toxics Standards, revisions to the fine particulate matter standard, the ELGs, and the CCRs Rule. Supplementing previous Executive Orders directing various regulatory changes, on April 9, 2025, President Trump issued an Executive Order and Presidential Memorandum directing review of existing rules, repeal of unlawful rules, and initiation of a zero-based budgeting process by which certain rules would automatically expire unless extended. While the current Presidential administration may seek to implement some regulatory changes outside of the rulemaking process, changes to existing rules are generally expected to require formal rulemaking proceedings. Any final EPA actions repealing or revising current rules will likely result in legal challenges. PPL, LG&E, and KU are unable to predict future regulatory changes, if any, that may result from the EPA's deregulatory plan or the outcome of any associated legal challenges. PPL, LG&E, and KU are closely monitoring the ongoing EPA initiative and any related litigation for the impact to our business including planned capital expenditures to comply with the EPA rules.

Water/Waste

ELGs

In 2015, the EPA finalized ELGs for wastewater discharge permits for new and existing steam electricity generating facilities. These guidelines require deployment of additional control technologies providing physical, chemical and biological treatment and mandate operational changes including "zero discharge" requirements for certain wastewaters. The implementation date for individual generating stations was to be determined by the states on a case-by-case basis according to criteria provided by the EPA. In September 2017, the EPA issued a rule to postpone the compliance date for certain requirements. In October 2020, the EPA issued revisions to its best available technology standards for certain wastewaters and potential extensions to compliance dates (the Reconsideration Rule). On May 9, 2024, the EPA issued a final rule modifying the 2020 ELG revisions. The rule increases the stringency of previous control technology and zero discharge requirements, revises certain exemptions for generating units planned for retirement, and requires case-by-case limitations for legacy wastewaters based on the best professional judgment of the state regulators. Legal challenges to the final rule have been consolidated before the U.S. Court of Appeals for the Eighth Circuit. The final rule could potentially result in significant operational changes and additional controls for LG&E and KU plants, but in March 2025 the EPA announced its plan to reconsider the rule. The ELGs are expected to be implemented by the states or applicable permitting authorities in the course of their normal permitting activities. Certain costs are included in the Registrants' capital plans and expected to be recovered from customers through rate recovery mechanisms, but additional costs and recovery will depend on further regulatory developments at the state level. On December 31, 2025, the EPA issued a final rule extending the retirement exemption category application deadline an additional six years, from December 2025 to December 2031 and a five-year extension to the zero liquid discharge deadlines, from December 2029 to December 2034. The EPA announced that it will conduct a technology review of the zero liquid discharge technology in a future rulemaking.

CCRs

In 2015, the EPA issued a final rule governing management of CCRs, which include fly ash, bottom ash and sulfur dioxide scrubber wastes (2015 CCR Rule). The 2015 CCR Rule imposed extensive new requirements for certain CCR impoundments and landfills, including public notifications, location restrictions, design and operating standards, groundwater monitoring and corrective action requirements, and closure and post-closure care requirements, and specifies restrictions relating to the beneficial use of CCRs. In January 2022, the EPA issued several proposed regulatory determinations, facility notifications, and public announcements which indicate increased scrutiny by the EPA to determine the adequacy of measures taken by facility owners and operators to achieve closure of CCR surface impoundments and landfills. In particular, the agency indicated that it will focus on certain practices which it views as posing a threat of continuing groundwater contamination. On May 8, 2024, the EPA issued a final rule (2024 CCR Rule) establishing regulatory requirements for inactive surface impoundments at inactive electricity generation facilities (legacy impoundments). The 2024 CCR Rule also establishes identification, groundwater monitoring, corrective action, closure, and post-closure care requirements for all CCR management units, as defined in the rule, at regulated CCR facilities regardless of how or when the CCR was placed. The rule also requires LG&E and KU to complete applicability determinations, implement site security measures, initiate weekly inspections and monthly monitoring of the impoundment, create a website, and complete hazard assessments and reports for its legacy impoundments. Additionally, the rule could potentially subject CCR management units that have previously completed remedial action and closure and certain beneficial use projects to additional federal regulatory requirements. Legal challenges to the rule have been filed in the D.C. Circuit Court. In March 2025, the EPA announced its plan to update the rule. On July 22, 2025, the EPA published a proposed rule to extend the deadline for select CCR management units for the Facility Evaluation Report Part 1 and Part 2 by one year to February 2027 and February 2028, respectively. The proposed rule would also extend the groundwater monitoring deadline to August 8, 2030, with the initial groundwater monitoring report extended to January 31, 2031.

In connection with the 2015 CCR Rule, LG&E and KU recorded adjustments to existing AROs beginning in 2015. In connection with the 2024 CCR Rule, in the second quarter of 2024, LG&E and KU recognized ARO obligations related to preliminary risk assessments, facility evaluations, feasibility studies and sampling. See Note 18 for additional information. The results of those evaluations, as well as future guidance, regulatory determinations, rulemakings, implementation determinations and other developments could potentially require revisions to current LG&E and KU compliance plans including additional monitoring and remediation at surface impoundments and landfills, the cost of which could be material. PPL, LG&E and KU are unable to predict the outcome of the ongoing litigation, rulemaking, and regulatory determinations or potential impacts on current LG&E and KU compliance plans. PPL, LG&E and KU are currently finalizing or revising closure plans and schedules in accordance with applicable regulations and further material changes to AROs, current capital plans or operating costs may be required as estimates are refined based on closure developments, groundwater monitoring results, and regulatory or legal proceedings. Costs relating to this rule are expected to be subject to rate recovery.

LG&E and KU received KPSC approval for a compliance plan associated with the 2015 CCR Rule providing for the closure of impoundments at the Mill Creek, Trimble County, E.W. Brown, and Ghent stations, and construction of process water management facilities at those plants. In addition to the foregoing measures required for compliance with the federal CCR Rule, KU also received KPSC approval for its plans to close impoundments at the retired Green River, Pineville and Tyrone plants to comply with applicable state law. LG&E and KU have completed planned closure measures at most of the subject impoundments and have commenced post closure groundwater monitoring as required at those facilities. Associated costs are subject to rate recovery through the Companies' ECR adjustment clause.

Superfund and Other Remediation

(All Registrants)

The Registrants are potentially responsible for investigating and remediating contamination under the federal Superfund program and similar state programs. Actions are under way at certain sites including former manufactured gas plants in Pennsylvania, Rhode Island and Kentucky previously owned or operated by, or currently owned by predecessors or affiliates of, PPL subsidiaries.

Depending on the outcome of investigations at identified sites where investigations have not begun or been completed, or developments at sites for which information is incomplete, additional costs of remediation could be incurred. PPL, PPL Electric, LG&E and KU lack sufficient information about such additional sites to estimate any potential liability or range of reasonably possible losses, if any, related to these sites. Such costs, however, are not currently expected to be significant.

The EPA is evaluating the risks associated with polycyclic aromatic hydrocarbons and naphthalene, chemical by-products of manufactured gas plant operations. As a result, individual states may establish stricter standards for water quality and soil cleanup, that could require several PPL subsidiaries to take more extensive assessment and remedial actions at former manufactured gas plants. The Registrants cannot reasonably estimate a range of possible losses, if any, related to these matters.

(PPL and PPL Electric)

PPL Electric is a potentially responsible party for a share of clean-up costs at certain sites. Cleanup actions have been or are being undertaken at these sites as requested by governmental agencies, the costs of which have not been and are not expected to be significant to PPL Electric.

At December 31, 2025 and December 31, 2024, PPL Electric had a recorded liability of $8 million and $8 million, representing its best estimate of the probable loss incurred to remediate these sites.

(PPL)

RIE is a potentially responsible party for a share of clean-up costs at certain sites including former manufactured gas plant facilities formerly owned by the Blackstone Valley Gas and Electric Company and the Rhode Island gas distribution assets of the New England Gas division of Southern Union Company and electric operations at certain RIE facilities. RIE is currently investigating and remediating, as necessary, those sites and certain other properties under agreements with governmental agencies, the costs of which have not been and are not expected to be significant to PPL.

At December 31, 2025 and December 31, 2024, RIE had a recorded liability of $98 million and $98 million, representing its best estimate of the remaining costs of environmental remediation activities. These undiscounted costs are expected to be incurred over approximately 30 years and to be subject to rate recovery. However, remediation costs for each site may be materially higher than estimated, depending on changing technologies and regulatory standards, selected end uses for each site, and actual environmental conditions encountered. RIE has recovered amounts from certain insurers and potentially responsible parties, and, where appropriate, may seek additional recovery from other insurers and potentially responsible parties, but it is uncertain whether, and to what extent, such efforts will be successful.

The RIPUC has approved two settlement agreements that provide for rate recovery of qualified remediation costs of certain contaminated sites located in Rhode Island and Massachusetts. Rate-recoverable contributions for electric operations of approximately $3 million are added annually to RIE's Environmental Response Fund, established with RIPUC approval in March 2000 to address such costs, along with interest and any recoveries from insurance carriers and other third-parties. In addition, RIE recovers approximately $1 million annually for gas operations under a distribution adjustment charge in which the qualified remediation costs are amortized over 10 years. See Note 7 for additional information on RIE's recorded environmental regulatory assets and liabilities.

Regulatory Issues

See Note 7 for information on regulatory matters related to utility rate regulation.

Electricity - Reliability Standards

The NERC is responsible for establishing and enforcing mandatory reliability standards (Reliability Standards) regarding the bulk electric system in North America. The FERC oversees this process and independently enforces the Reliability Standards.

The Reliability Standards have the force and effect of law and apply to certain users of the bulk electric system, including electric utility companies, generators and marketers. Under the Federal Power Act, the FERC may assess civil penalties for certain violations.

PPL Electric, LG&E, KU and RIE monitor their compliance with the Reliability Standards and self-report or self-log potential violations of applicable reliability requirements whenever identified, and submit accompanying mitigation plans, as required. The resolution of a small number of potential violations is pending. Penalties incurred to date have not been significant. Any Regional Reliability Entity determination concerning the resolution of violations of the Reliability Standards remains subject to the approval of the NERC and the FERC.

In the course of implementing their programs to ensure compliance with the Reliability Standards by those PPL affiliates subject to the standards, certain other instances of potential non-compliance may be identified from time to time. The Registrants cannot predict the outcome of these matters, and an estimate or range of possible losses cannot be determined.

Gas - Security Directives *(PPL and LG&E)*

In May and July of 2021, the Department of Homeland Security's (DHS) Transportation Security Administration issued two security directives applicable to certain notified owners and operators of natural gas pipeline facilities (including local distribution companies) that the Transportation Security Administration has determined to be critical. Both security directives have been updated and extended multiple times. The Transportation Security Administration has determined that LG&E is within the scope of the directives, while RIE has not been notified of this distinction. The first directive, most recently updated and now effective through January 2027, requires notified owners/operators to report specified cybersecurity incidents to the DHS, designate a cybersecurity coordinator, and perform a gap assessment of current entity cybersecurity practices against certain voluntary Transportation Security Administration security guidelines and report results and proposed mitigation to the DHS. The second security directive, updated and effective through May 2026, requires refinement of a Transportation Security Administration-approved Cybersecurity Implementation Plan (CIP) and the Cybersecurity Assessment Plan (CAP). The Transportation Security Administration has transitioned to a performance-based regulatory model, requiring operators to meet defined cybersecurity outcomes rather than implement prescriptive controls. Key requirements now include: maintaining a Transportation Security Administration-approved CIP; reporting significant cybersecurity incidents to the Cybersecurity and Infrastructure Security Agency (CISA) within 24 hours; completing annual CAPs with all CIP measures assessed on a three-year cycle; conducting annual testing of at least two Cybersecurity Incident Response Plan (CIRP) objectives; meeting new 2026 vetting requirements for non-U.S. citizen cybersecurity coordinators (who must participate in a trusted traveler program); and complying with clarified rules governing shared responsibilities when third parties support pipeline operations. LG&E does not believe these security directives or their updates have had, or are expected to have, a material impact on its operations or financial condition.

Other

Guarantees and Other Assurances

(All Registrants)

In the normal course of business, the Registrants enter into agreements that provide financial performance assurance to third parties on behalf of certain subsidiaries. Examples of such agreements include: guarantees, stand-by letters of credit issued by financial institutions and surety bonds issued by insurance companies. These agreements are entered into primarily to support or enhance the creditworthiness attributed to a subsidiary on a stand-alone basis or to facilitate the commercial activities in which these subsidiaries engage.

(PPL)

PPL fully and unconditionally guarantees all of the debt securities and loan obligations of PPL Capital Funding.

(All Registrants)

The table below details guarantees provided as of December 31, 2025. "Exposure" represents the estimated maximum potential amount of future payments that could be required to be made under the guarantee. The Registrants believe the probability of expected payment/performance under each of these guarantees is remote, except for the guarantee related to the payment obligations of Safari under certain sale/leaseback financing transactions and PPL's agreement to fund any increases in the fair value of those obligations, which PPL believes are reasonably possible of occurring. For reporting purposes, on a consolidated basis, the guarantees of PPL include the guarantees of its subsidiary Registrants.

	Exposure at December 31, 2025		Expiration Date
PPL			
Indemnifications related to certain tax liabilities related to the sale of the U.K. utility business	£ 50	(a)	2028
PPL guarantees related to certain sale/leaseback financing transactions related to the sale of Safari Holdings	$ 71	(b)	2028
Indemnifications for losses suffered related to items not covered by Aspen Power's representation and warranty insurance associated with the sale of Safari Holdings	140	(c)	2028
LG&E and KU			
LG&E and KU obligation of shortfall related to OVEC		(d)	

(a) PPL WPD Limited entered into a Tax Deed dated June 9, 2021 in which it agreed to a tax indemnity regarding certain potential tax liabilities of the entities sold with respect to periods prior to the completion of the sale, subject to customary exclusions and limitations. Because National Grid Holdings One plc, the buyer, agreed to purchase indemnity insurance, the amount of the cap on the indemnity for these liabilities is £1, except with respect to certain surrenders of tax losses, for which the amount of the cap on the indemnity is £50 million. In June 2025, the indemnifications were novated to PPL Energy Holdings.

(b) PPL guaranteed the payment obligations of Safari under certain sale/leaseback financing transactions executed by Safari. These guarantees will remain in place until Safari exercises its option to buy-out the projects under the sale/leaseback financings by the year 2028. Safari will indemnify PPL for any payments made by PPL or claims against PPL under the sale/leaseback transaction guarantees up to $25 million.

Separately, PPL has agreed to fund incremental payment obligations under the buy-outs resulting from increases in the fair market value of the projects from the initial fair market value determined at the time of PPL's sale of Safari Holdings to the time the buy-out options are exercised by Safari. As of December 31, 2025, PPL cannot reasonably estimate its payment obligations related to the remaining buy-out options.

(c) Aspen Power has obtained representation and warranty insurance, therefore, PPL generally has no liability for its representations and warranties under the agreement except for losses suffered related to items not covered. Expiration of these indemnifications range from 18 months to 6 years from the date of the closing of the transaction, and PPL's aggregate liability for these claims will not exceed $140 million subject to certain adjustments.

(d) Pursuant to the OVEC power purchase contract, LG&E and KU are obligated to pay for their share of OVEC's excess debt service, post-retirement and decommissioning costs, as well as any shortfall from amounts included within a demand charge designed and expected to cover these costs over the term of the contract. PPL's proportionate share of OVEC's outstanding debt was $71 million at December 31, 2025, consisting of LG&E's share of $49 million and KU's share of $22 million. The maximum exposure and the expiration date of these potential obligations are not presently determinable. See "Energy Purchase Commitments" above for additional information on the OVEC power purchase contract.

The Registrants provide other miscellaneous guarantees through contracts entered into in the normal course of business. These guarantees are primarily in the form of indemnification or warranties related to services or equipment and vary in duration. The amounts of these guarantees often are not explicitly stated, and the overall maximum amount of the obligation under such guarantees cannot be reasonably estimated. Historically, no significant payments have been made with respect to these types of guarantees and the probability of payment/performance under these guarantees is remote.

PPL, on behalf of itself and certain of its subsidiaries, maintains insurance that covers liability assumed under contract for bodily injury and property damage. The coverage provides maximum aggregate coverage of $231 million for non-wildfire liability losses and maximum aggregate coverage of $181 million for wildfire liability losses. This insurance may be applicable to obligations under certain of these contractual arrangements.

13. Related Party Transactions

Wholesale Sales and Purchases *(LG&E and KU)*

LG&E and KU jointly dispatch their generation units with the lowest cost generation used to serve their retail customers. When LG&E has excess generation capacity after serving its own retail customers and its generation cost is lower than that of KU, KU purchases electricity from LG&E and vice versa. These transactions are reflected in the Statements of Income as "Electric revenue from affiliate" and "Energy purchases from affiliate" and are recorded at a price equal to the seller's fuel cost plus any split savings. Savings realized from such intercompany transactions are shared equally between both companies. The volume of energy each company has to sell to the other is dependent on its retail customers' needs and its available generation.

Support Costs *(PPL Electric, LG&E and KU)*

PPL Services and LKS provide the Registrants, their respective subsidiaries and each other with administrative, management and support services. For all services companies, the costs of directly assignable and attributable services are charged to the respective recipients as direct support costs. General costs that cannot be directly attributed to a specific entity are allocated and charged to the respective recipients as indirect support costs. PPL Services and LKS use a three-factor methodology that includes the applicable recipients' invested capital, operation and maintenance expenses and number of employees to allocate indirect costs. PPL Services may also use a ratio of overall direct and indirect costs or a weighted average cost ratio. PPL Services and LKS charged the following amounts for the years ended December 31, including amounts applied to accounts that are further distributed between capital and expense on the books of the recipients, based on methods that are believed to be reasonable.

	2025	2024	2023
PPL Electric from PPL Services	$ 261	$ 227	$ 222
LG&E from LKS	113	105	115
LG&E from PPL Services	135	66	42
KU from LKS	141	130	150
KU from PPL Services	131	65	48

In addition to the charges for services noted above, LKS makes payments on behalf of LG&E and KU for fuel purchases and other costs for products or services provided by third parties. LG&E and KU also provide services to each other and to LKS. Billings between LG&E and KU relate to labor and overheads associated with union and hourly employees performing work for the other company, charges related to jointly-owned generating units and other miscellaneous charges. Tax settlements between PPL and LG&E and KU are reimbursed through LKS.

Intercompany Borrowings

(PPL Electric)

CEP Reserves maintains a $800 million revolving line of credit with a PPL Electric subsidiary. At December 31, 2025, CEP Reserves had $143 million of borrowings outstanding. At December 31, 2024, CEP Reserves had $222 million borrowings outstanding. The interest rates on borrowings are equal to one-month SOFR plus a spread. Interest income is reflected in "Interest Income from Affiliate" on the Income Statements.

(LG&E and KU)

LG&E participates in an intercompany money pool agreement whereby LKE and/or KU make available to LG&E funds up to the difference between LG&E's FERC borrowing limit and LG&E's commercial paper limit at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR. At December 31, 2025, LG&E's money pool unused capacity was $750 million. At December 31, 2025 LG&E had no borrowings from KU and/or LKE. At December 31, 2024, LG&E's borrowings outstanding from KU and/or LKE were $43 million.

KU participates in an intercompany money pool agreement whereby LKE and/or LG&E make available to KU funds up to the difference between KU's FERC borrowing limit and KU's commercial paper limit at an interest rate based on the lower of a market index of commercial paper issues and two additional rate options based on SOFR. At December 31, 2025, KU's money pool unused capacity was $614 million. At December 31, 2025 KU had borrowings outstanding of $36 million from LG&E and/or LKE. At December 31, 2024, KU's borrowings outstanding from LG&E and/or LKE were $73 million.

VEBA Funds Receivable

(PPL Electric)

In 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to a new subaccount within the VEBA, to be used to pay medical claims of active bargaining unit employees. In October 2024, additional excess funds were removed from the PPL Bargaining Unit Retiree Health Plan VEBA and deposited into the existing subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. Based on PPL Electric's participation in PPL's Other Postretirement Benefit plan, PPL Electric was allocated a portion of the excess funds from PPL Services. These funds have been recorded as an intercompany receivable on PPL Electric's balance sheets. The receivable balance decreases as PPL Electric pays incurred medical claims and is reimbursed by PPL Services. There was no intercompany receivable balance associated with these funds at December 31, 2025, as PPL Electric's allocation of excess funds was depleted. The intercompany receivable balance associated with these funds was $7 million at December 31, 2024, of which $4 million was reflected in "Accounts receivable from affiliates" and $3 million was reflected in "Other noncurrent assets" on PPL Electric's balance sheets.

Other *(PPL Electric, LG&E and KU)*

See Note 1 for discussions regarding the intercompany tax sharing agreement (for PPL Electric, LG&E and KU) and intercompany allocations of stock-based compensation expense (for PPL Electric). For PPL Electric, LG&E and KU, see Note 10 for discussions regarding intercompany allocations associated with defined benefits.

14. Other Income (Expense) - net

(PPL)

The components of "Other Income (Expense) - net" for the years ended December 31, were:

	2025	2024	2023
Defined benefit plans - non-service credits (Note 10)	$ 59	$ 42	$ 40
Interest income	20	33	32
AFUDC - equity component	81	47	30
Talen litigation (a)	—	(2)	(124)
Miscellaneous	(9)	(6)	(18)
Other Income (Expense) - net	$ 151	$ 114	$ (40)

(a) PPL incurred legal expenses related to litigation associated with its former affiliate, Talen Montana, LLC, and certain affiliated entities (collectively, Talen), which was settled in December 2023.

(PPL Electric)

The components of "Other Income (Expense) - net" for the years ended December 31, were:

	2025	2024	2023
Defined benefit plans - non-service credits (Note 10)	$ 14	$ 17	$ 20
Interest income	8	8	8
AFUDC - equity component	30	23	16
Miscellaneous	(4)	(3)	(5)
Other Income (Expense) - net	$ 48	$ 45	$ 39

(LG&E)

The components of "Other Income (Expense) - net" for the years ended December 31, were:

	2025	2024	2023
Defined benefit plans - non-service credits (Note 10)	$ 3	$ 3	$ —
AFUDC - equity component	16	8	3
Miscellaneous	5	1	—
Other Income (Expense) - net	$ 24	$ 12	$ 3

(KU)

The components of "Other Income (Expense) - net" for the years ended December 31, were:

	2025	2024	2023
Defined benefit plans - non-service credits (Note 10)	$ 7	$ 8	$ 6
AFUDC - equity component	21	9	3
Miscellaneous	1	(2)	(1)
Other Income (Expense) - net	$ 29	$ 15	$ 8

15. Fair Value Measurements

(All Registrants)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). A market approach (generally, data from market transactions), an income approach (generally, present value techniques and option-pricing models), and/or a cost approach (generally, replacement cost) are used to measure the fair value of an asset or liability, as appropriate. These valuation approaches incorporate inputs such as observable, independent market data and/or unobservable data that management believes are predicated on the assumptions market participants would use to price an asset or liability. These inputs may incorporate, as applicable, certain risks such as nonperformance risk, which includes credit risk. The fair value of a group of financial assets and liabilities is measured on a net basis. See Note 1 for information on the levels in the fair value hierarchy.

Recurring Fair Value Measurements

The assets and liabilities measured at fair value were:

	December 31, 2025				December 31, 2024			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
PPL								
Assets								
Cash and cash equivalents	$ 1,071	$ 1,071	$ —	$ —	$ 306	$ 306	$ —	$ —
Restricted cash and cash equivalents (a)	15	15	—	—	33	33	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	1,086	1,086	—	—	339	339	—	—
Special use funds (a):								
Money market fund	1	1	—	—	1	1	—	—
Commingled debt fund measured at NAV (c)	5	—	—	—	10	—	—	—
Commingled equity fund measured at NAV (c)	5	—	—	—	8	—	—	—
Total special use funds	11	1	—	—	19	1	—	—

	December 31, 2025				December 31, 2024			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Price risk management assets (d):								
Gas contracts	6	—	2	4	9	—	4	5
Total assets	$ 1,103	$ 1,087	$ 2	$ 4	$ 367	$ 340	$ 4	$ 5
Liabilities								
Price risk management liabilities (d):								
Interest rate derivatives	$ 5	$ —	$ 5	$ —	$ 3	$ —	$ 3	$ —
Gas contracts	10	—	6	4	13	—	10	3
Total price risk management liabilities	$ 15	$ —	$ 11	$ 4	$ 16	$ —	$ 13	$ 3
PPL Electric								
Assets								
Cash and cash equivalents	$ 30	$ 30	$ —	$ —	$ 24	$ 24	$ —	$ —
Total assets	$ 30	$ 30	$ —	$ —	$ 24	$ 24	$ —	$ —
LG&E								
Assets								
Cash and cash equivalents	$ 162	$ 162	$ —	$ —	$ 8	$ 8	$ —	$ —
Restricted cash and cash equivalents (a)	7	7	—	—	16	16	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	169	169	—	—	24	24	—	—
Total assets	$ 169	$ 169	$ —	$ —	$ 24	$ 24	$ —	$ —
Liabilities								
Price risk management liabilities (e):								
Interest rate derivatives	$ 5	$ —	$ 5	$ —	$ 3	$ —	$ 3	$ —
Total price risk management liabilities	$ 5	$ —	$ 5	$ —	$ 3	$ —	$ 3	$ —
KU								
Assets								
Cash and cash equivalents	$ 10	$ 10	$ —	$ —	$ 13	$ 13	$ —	$ —
Restricted cash and cash equivalents (a)	7	7	—	—	16	16	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	17	17	—	—	29	29	—	—
Total assets	$ 17	$ 17	$ —	$ —	$ 29	$ 29	$ —	$ —

(a) Current portion is included in "Other current assets" and noncurrent portion is included in "Other noncurrent assets" on the Balance Sheets.
(b) Total Cash, Cash Equivalents and Restricted Cash provides a reconciliation of these items reported within the Balance Sheets to the sum shown on the Statements of Cash Flows.
(c) In accordance with accounting guidance, certain investments that are measured at fair value using net asset value per share (NAV), or its equivalent, have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.
(d) Current portion is included in "Other current assets" and "Other current liabilities" and noncurrent portion is included in "Other noncurrent assets" "Other deferred credits and noncurrent liabilities" on the Balance Sheets.
(e) Current portion is included in "Other current liabilities" on the Balance Sheets.

A reconciliation of net assets classified as Level 3 for the year ended December 31 is as follows:

	Gas Contracts
2025	
Balance at beginning of period	$ 2
Total unrealized gains (losses) recognized as Regulatory Assets/Regulatory Liabilities	(2)
Balance at end of period	$ —

Special Use Funds *(PPL)*

The special use funds are investments restricted for paying active union employee medical costs. In 2018, PPL received a favorable private letter ruling from the IRS permitting a transfer of excess funds from the PPL Bargaining Unit Retiree Health Plan VEBA to a new subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. In 2024, additional excess funds were removed from the PPL Bargaining Unit Retiree Health Plan VEBA and deposited in the existing subaccount within the VEBA to be used to pay medical claims of active bargaining unit employees. The funds are invested primarily in commingled debt and equity funds measured at NAV and are classified as investments in equity securities. Changes in the fair value of the funds are recorded to the Statements of Income.

Price Risk Management Assets/Liabilities

Interest Rate Derivatives (PPL, LG&E and KU)

To manage interest rate risk, PPL, LG&E and KU use interest rate derivatives such as treasury locks, forward-starting swaps, floating-to-fixed swaps and fixed-to-floating swaps. An income approach is used to measure the fair value of these derivatives, utilizing readily observable inputs, such as forward interest rates (e.g., SOFR and government security rates), as well as inputs that may not be observable, such as credit valuation adjustments. In certain cases, market information cannot practicably be obtained to value credit risk and therefore internal models are relied upon. These models use projected probabilities of default and estimated recovery rates based on historical observances. When the credit valuation adjustment is significant to the overall valuation, the contracts are classified as Level 3.

Gas Contracts (PPL)

To manage gas commodity price risk associated with natural gas purchases, RIE utilizes over-the-counter (OTC) gas swaps contracts with pricing inputs obtained from the New York Mercantile Exchange (NYMEX) and the Intercontinental Exchange (ICE), except in cases where the ICE publishes seasonal averages or where there were no transactions within the last seven days. RIE may utilize discounting based on quoted interest rate curves, including consideration of non-performance risk, and may include a liquidity reserve calculated based on bid/ask spread. Substantially all of these price curves are observable in the marketplace throughout at least 95% of the remaining contractual quantity, or they could be constructed from market observable curves with correlation coefficients of 95% or higher. These contracts are classified as Level 2.

RIE also utilizes gas option and purchase and capacity transactions, which are valued based on internally developed models. Industry-standard valuation techniques, such as the Black-Scholes pricing model, are used for valuing such instruments. For valuations that include both observable and unobservable inputs, if the unobservable input is determined to be significant to the overall inputs, the entire valuation is classified as Level 3. This includes derivative instruments valued using indicative price quotations whose contract tenure extends into unobservable periods. In instances where observable data is unavailable, consideration is given to the assumptions that market participants would use in valuing the asset or liability. This includes assumptions about market risks such as liquidity, volatility, and contract duration. Such instruments are classified as Level 3 as the model inputs generally are not observable. RIE considers non-performance risk and liquidity risk in the valuation of derivative instruments classified as Level 2 and Level 3.

The significant unobservable inputs used in the fair value measurement of the gas derivative instruments are implied volatility and gas forward curves. A relative change in commodity price at various locations underlying the open positions can result in significantly different fair value estimates.

Financial Instruments Not Recorded at Fair Value *(All Registrants)*

The carrying amounts of long-term debt on the Balance Sheets and their estimated fair values are set forth below. Long-term debt is classified as Level 2. The effect of third-party credit enhancements is not included in the fair value measurement.

	December 31, 2025		December 31, 2024	
	Carrying Amount (a)	Fair Value	Carrying Amount (a)	Fair Value
PPL	$ 18,894	$ 18,488	$ 16,503	$ 15,562
PPL Electric	5,707	5,473	5,214	4,862
LG&E	2,865	2,784	2,471	2,295
KU	3,510	3,304	3,066	2,750

(a) Amounts are net of debt issuance costs.

The carrying amounts of other current financial instruments (except for long-term debt due within one year) approximate their fair values because of their short-term nature.

16. Derivative Instruments and Hedging Activities

(All Registrants)

Risk Management Objectives

PPL has a risk management policy approved by the Board of Directors to manage market risk associated with commodities, interest rates on debt issuances (including price, liquidity and volumetric risk) and credit risk (including non-performance risk and payment default risk). The Risk Management Committee, comprised of senior management and chaired by the Vice President-Financial Strategy and Chief Risk Officer, oversees the risk management function. Key risk control activities designed to ensure compliance with the risk policy and detailed programs include, but are not limited to, credit review and approval, validation of transactions, verification of risk and transaction limits, value-at-risk analyses (VaR, a statistical model that attempts to estimate the value of potential loss over a given holding period under normal market conditions at a given confidence level) and the coordination and reporting of the Enterprise Risk Management program.

Market Risk

Market risk includes the potential loss that may be incurred as a result of price changes associated with a particular financial or commodity instrument as well as market liquidity and volumetric risks. Forward contracts, futures contracts, options, swaps and structured transactions are utilized as part of risk management strategies to minimize unanticipated fluctuations in earnings caused by changes in commodity prices and interest rates. Many of these contracts meet the definition of a derivative. All derivatives are recognized on the Balance Sheets at their fair value, unless NPNS is elected.

The following summarizes the market risks that affect PPL and its subsidiaries.

Interest Rate Risk

- PPL and its subsidiaries are exposed to interest rate risk associated with forecasted fixed-rate and existing floating-rate debt issuances. PPL and LG&E utilize over-the-counter interest rate swaps to limit exposure to market fluctuations on floating-rate debt. PPL, LG&E and KU utilize hedging instruments to limit exposure to fluctuations in benchmark interest rates, when appropriate, in connection with future debt issuance.
- PPL and its subsidiaries are exposed to interest rate risk associated with debt securities and derivatives held by defined benefit plans. This risk is significantly mitigated to the extent that the plans are sponsored at, or sponsored on behalf of, the regulated utilities due to the recovery methods in place.

Commodity Price Risk

PPL is exposed to commodity price risk through its subsidiaries as described below.

- PPL Electric is required to purchase electricity to fulfill its obligation as a PLR. Potential commodity price risk is mitigated through its PAPUC-approved cost recovery mechanism and full-requirement supply agreements to serve its PLR customers which transfer the risk to energy suppliers.
- LG&E's and KU's rates include certain mechanisms for fuel, fuel-related expenses and energy purchases. In addition, LG&E's rates include a mechanism for natural gas supply costs. These mechanisms generally provide for timely recovery of market price fluctuations associated with these costs.
- RIE utilizes derivative instruments pursuant to its RIPUC-approved plan to manage commodity price risk associated with its natural gas purchases. RIE's commodity price risk management strategy is to reduce fluctuations in firm gas sales prices to its customers. RIE's costs associated with derivatives instruments are recoverable through its RIPUC-approved cost recovery mechanisms. RIE is also required to purchase electricity to fulfill its obligation to provide LRS. Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms and full requirements service agreements to serve LRS customers, which transfer the risk to energy suppliers. Additionally, RIE is required to contract through long-term agreements for clean energy supply under the Rhode Island Renewable Energy Growth program and Long-term Clean Energy Standard. Potential commodity price risk is mitigated through its RIPUC-approved cost recovery mechanisms, which true-up cost differences between contract prices and market prices.

Volumetric Risk

Volumetric risk is the risk related to the changes in volume of retail sales mainly due to weather, economic conditions or other factors. PPL is exposed to volumetric risk through its subsidiaries as described below:

- PPL Electric, LG&E and KU are exposed to volumetric risk on retail sales, mainly due to weather and other economic conditions for which there is limited mitigation between rate cases.
- RIE is exposed to volumetric risk, which is significantly mitigated by regulatory mechanisms. RIE's electric and gas distribution rates both have a revenue decoupling mechanism, which allows for annual adjustments to RIE's delivery rates.

Equity Securities Price Risk

- PPL and its subsidiaries are exposed to equity securities price risk associated with the fair value of the defined benefit plans' assets. This risk is significantly mitigated due to the recovery methods in place.
- PPL is exposed to equity securities price risk from future stock sales and/or purchases.

Credit Risk

Credit risk is the potential loss that may be incurred due to a counterparty's non-performance.

PPL is exposed to credit risk from "in-the-money" transactions with counterparties as well as additional credit risk through certain of its subsidiaries, as discussed below.

In the event a supplier of PPL, PPL Electric, LG&E or KU defaults on its contractual obligation, those Registrants would be required to seek replacement power or replacement fuel in the market. In general, subject to regulatory review or other processes, appropriate incremental costs incurred by these entities would be recoverable from customers through applicable rate mechanisms, thereby mitigating the financial risk for these entities.

PPL and its subsidiaries have credit policies in place to manage credit risk, including the use of an established credit approval process, daily monitoring of counterparty positions and the use of master netting agreements or provisions. These agreements generally include credit mitigation provisions, such as margin, prepayment or collateral requirements. PPL and its subsidiaries may request additional credit assurance, in certain circumstances, if the counterparties' credit ratings fall below investment grade, their tangible net worth falls below specified percentages or their exposures exceed an established credit limit.

Master Netting Arrangements *(PPL, LG&E and KU)*

Net derivative positions on the balance sheets are not offset against the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) under master netting arrangements.

PPL, LG&E and KU had no obligation to return or post cash collateral under master netting arrangements at December 31, 2025 and 2024.

See "Offsetting Derivative Instruments" below for a summary of derivative positions presented in the balance sheets where a right of setoff exists under these arrangements.

Interest Rate Risk

(All Registrants)

PPL and its subsidiaries issue debt to finance their operations, which exposes them to interest rate risk. A variety of financial derivative instruments are utilized to adjust the mix of fixed and floating interest rates in their debt portfolios, adjust the duration of the debt portfolios and lock in benchmark interest rates in anticipation of future financing, when appropriate. Risk limits under PPL's risk management program are designed to balance risk exposure to volatility in interest expense and changes in the fair value of the debt portfolio due to changes in benchmark interest rates. In addition, the interest rate risk of certain subsidiaries is potentially mitigated as a result of the existing regulatory framework or the timing of rate cases.

Cash Flow Hedges *(PPL)*

Interest rate risks include exposure to adverse interest rate movements for outstanding variable rate debt and for future anticipated financings. Financial interest rate derivatives that qualify as cash flow hedges may be entered into to hedge floating interest rate risk associated with both existing and anticipated debt issuances. As of December 31, 2025, PPL held an aggregate notional value in interest rate derivatives of $20 million that mature on June 15, 2026.

Cash flow hedges are discontinued if it is no longer probable that the original forecasted transaction will occur by the end of the originally specified time period and any amounts previously recorded in AOCI are reclassified into earnings once it is determined that the hedged transaction is not probable of occurring.

For 2025, 2024 and 2023, PPL had no cash flow hedges reclassified into earnings associated with discontinued cash flow hedges.

At December 31, 2025, the amount of accumulated net unrecognized after-tax gains (losses) on qualifying derivatives expected to be reclassified into earnings during the next 12 months is insignificant. Amounts are reclassified as the hedged interest expense is recorded.

Economic Activity *(PPL and LG&E)*

LG&E enters into interest rate swap contracts that economically hedge interest payments. Because realized gains and losses from the swaps, including terminated swap contracts, are recoverable through regulated rates, any subsequent changes in fair value of these derivatives are included in regulatory assets or liabilities until they are realized as interest expense. Realized gains and losses are recognized in "Interest Expense" on the Statements of Income at the time the underlying hedged interest expense is recorded. At December 31, 2025, LG&E held contracts with a notional amount of $64 million that mature in 2033.

Commodity Price Risk *(PPL)*

Economic Activity

RIE enters into derivative contracts that economically hedge natural gas purchases. Realized gains and losses from the derivatives are recoverable through regulated rates, therefore subsequent changes in fair value are included in regulatory assets or liabilities until they are realized as purchased gas. Realized gains and losses are recognized in "Energy Purchases" on the Statements of Income upon settlement of the contracts. See Note 7 for amounts recorded in regulatory assets and regulatory liabilities at December 31, 2025. At December 31, 2025, RIE held contracts with notional volumes of 48 Bcf that range in maturity from 2026 through 2029.

Accounting and Reporting

(All Registrants)

All derivative instruments are recorded at fair value on the Balance Sheet as an asset or liability unless the NPNS is elected. NPNS contracts include certain full-requirement purchase contracts and other physical purchase contracts. Changes in the fair value of derivatives not designated as NPNS are recognized in earnings unless specific hedge accounting criteria are met and designated as such, except for the changes in fair values of LG&E's interest rate swaps that are recognized as regulatory assets or regulatory liabilities. See Note 7 for amounts recorded in regulatory assets and regulatory liabilities at December 31, 2025 and 2024.

See Note 1 for additional information on accounting policies related to derivative instruments.

(PPL)

The following table presents the fair value and location of derivatives not designated as hedging instruments recorded on the Balance Sheets:

	December 31, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Current:				
Price Risk Management Assets/Liabilities (a):				
Interest rate derivatives (b)	$ —	$ 1	$ —	$ —
Gas contracts	6	5	7	10
Total current	6	6	7	10
Noncurrent:				
Price Risk Management Assets/Liabilities (a):				
Interest rate derivatives (b)	—	4	—	3
Gas contracts	—	5	2	3
Total noncurrent	—	9	2	6
Total derivatives	$ 6	$ 15	$ 9	$ 16

(a) Current portion is included in "Other current assets" and "Other current liabilities" and noncurrent portion is included in "Other noncurrent assets" and "Other deferred credits and noncurrent liabilities" on the Balance Sheets.
(b) Excludes accrued interest, if applicable.

The following tables present the pre-tax effect of derivative instruments recognized in income, OCI or regulatory assets and regulatory liabilities:

Derivative Relationships	Derivative Gain (Loss) Recognized in OCI	Location of Gain (Loss) Recognized in Income on Derivative	Gain (Loss) Reclassified from AOCI into Income
2025			
Cash Flow Hedges:			
Interest rate derivatives	$ 2	Interest Expense	$ (3)
Total	$ 2		$ (3)
2024			
Cash Flow Hedges:			
Interest rate derivatives	$ —	Interest Expense	$ (3)
Total	$ —		$ (3)
2023			
Cash Flow Hedges:			
Interest rate derivatives	$ —	Interest Expense	$ (3)
Total	$ —		$ (3)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	2025	2024	2023
Gas contracts	Energy Purchases	$ (9)	$ (40)	$ (19)
	Other income (expense) - net	(1)	—	(1)
	Total	$ (10)	$ (40)	$ (20)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized as Regulatory Liabilities/Assets	2025	2024	2023
Gas contracts	Regulatory assets - current	$ 3	$ 48	$ 9
	Regulatory assets - noncurrent	(2)	7	(8)
Interest rate derivatives	Regulatory assets - noncurrent	—	4	—
	Total	$ 1	$ 59	$ 1

The following table presents the effect of cash flow hedge activity on the Statement of Income for the year ended December 31, 2025:

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships
	Interest Expense
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 808
The effects of cash flow hedges:	
Gain (Loss) on cash flow hedging relationships:	
Interest rate derivatives:	
Amount of gain (loss) reclassified from AOCI to income	(3)

The following table presents the effect of cash flow hedge activity on the Statement of Income for the year ended December 31, 2024:

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships
	Interest Expense
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 738
The effects of cash flow hedges:	
Gain (Loss) on cash flow hedging relationships:	
Interest rate derivatives:	
Amount of gain (loss) reclassified from AOCI to income	(3)

The following table presents the effect of cash flow hedge activity on the Statement of Income for the year ended December 31, 2023:

	Location and Amount of Gain (Loss) Recognized in Income on Hedging Relationships
	Interest Expense
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 666
The effects of cash flow hedges:	
Gain (Loss) on cash flow hedging relationships:	
Interest rate derivatives:	
Amount of gain (loss) reclassified from AOCI to income	(3)

(LG&E)

The following table presents the fair value and the location on the Balance Sheets of derivatives not designated as hedging instruments:

	December 31, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Current:				
Price Risk Management Assets/Liabilities:				
Interest rate derivatives (a)	$ —	$ 1	$ —	$ —
Total current	—	1	—	—
Noncurrent:				
Price Risk Management Assets/Liabilities:				
Interest rate derivatives	$ —	$ 4	$ —	$ 3
Total noncurrent	—	4	—	3
Total derivatives	$ —	$ 5	$ —	$ 3

(a) Current portion is included in "Other current liabilities" on the Balance Sheets.

The following table presents the pre-tax effect of derivatives not designated as cash flow hedges that are recognized in income or regulatory assets:

Derivative Instruments	Location of Gain (Loss)	2025	2024	2023
Interest rate derivatives	Regulatory assets - noncurrent	$ (2)	$ 4	$ —

(PPL, LG&E and KU)

Offsetting Derivative Instruments

PPL, LG&E and KU or certain of their subsidiaries have master netting arrangements in place and also enter into agreements pursuant to which they purchase or sell certain energy and other products. Under the agreements, upon termination of the agreement as a result of a default or other termination event, the non-defaulting party typically would have a right to set off amounts owed under the agreement against any other obligations arising between the two parties (whether under the agreement or not), whether matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation.

PPL, LG&E and KU have elected not to offset derivative assets and liabilities and not to offset net derivative positions against the right to reclaim cash collateral pledged (an asset) or the obligation to return cash collateral received (a liability) under derivatives agreements. The table below summarizes the derivative positions presented in the balance sheets where a right of setoff exists under these arrangements and related cash collateral received or pledged.

	Assets				Liabilities			
		Eligible for Offset				Eligible for Offset		
	Gross	Derivative Instruments	Cash Collateral Received	Net	Gross	Derivative Instruments	Cash Collateral Pledged	Net
December 31, 2025 Derivatives								
PPL	$ 6	$ 3	$ —	$ 3	$ 10	$ 3	$ —	$ 7
LG&E	—	—	—	—	5	—	—	5
December 31, 2024 Derivatives								
PPL	$ 9	$ 5	$ —	$ 4	$ 16	$ 5	$ —	$ 11
LG&E	—	—	—	—	3	—	—	3

Credit Risk-Related Contingent Features

Certain derivative contracts contain credit risk-related contingent features which, when in a net liability position, would permit the counterparties to require the transfer of additional collateral upon a decrease in the credit ratings of PPL, LG&E and KU or certain of their subsidiaries. Most of these features would require the transfer of additional collateral or permit the counterparty to terminate the contract if the applicable credit rating were to fall below investment grade. Some of these features also would allow the counterparty to require additional collateral upon each downgrade in credit rating at levels that remain above investment grade. In either case, if the applicable credit rating were to fall below investment grade, and assuming no assignment to an investment grade affiliate were allowed, most of these credit contingent features require either immediate payment of the net liability as a termination payment or immediate and ongoing full collateralization on derivative instruments in net liability positions.

Additionally, certain derivative contracts contain credit risk-related contingent features that require adequate assurance of performance be provided if the other party has reasonable concerns regarding the performance of PPL's, LG&E's and KU's obligations under the contracts. A counterparty demanding adequate assurance could require a transfer of additional collateral or other security, including letters of credit, cash and guarantees from a creditworthy entity. This would typically involve negotiations among the parties. However, amounts disclosed below would represent assumed immediate payment or immediate and ongoing full collateralization for derivative instruments in net liability positions with "adequate assurance" features.

(PPL)

At December 31, 2025, derivative contracts in a net liability position that contain credit risk-related contingent features was $5 million. The aggregate fair value of additional collateral requirements in the event of a credit downgrade below investment grade was $5 million.

17. Goodwill and Other Intangible Assets

Goodwill

(PPL)

Goodwill at PPL totaled $2,247 million at December 31, 2025 and 2024, consisting of $662 million for the Kentucky Regulated segment, $725 million for the Rhode Island Regulated segment and $860 million for Corporate and Other. There were no accumulated impairment losses related to goodwill.

Other Intangible Assets

(PPL)

The gross carrying amount and the accumulated amortization of other intangible assets were:

	December 31, 2025		December 31, 2024	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Subject to amortization:				
Contracts (a)	$ 125	$ 124	$ 125	$ 116
Renewable Energy Credits	24	—	20	—
Land rights and easements	445	139	432	147
Licenses and other	2	—	2	—
Total subject to amortization	596	263	579	263
Not subject to amortization due to indefinite life:				
Land rights and easements	18	—	18	—
Total not subject to amortization due to indefinite life	18	—	18	—
Total	$ 614	$ 263	$ 597	$ 263

(a) Gross carrying amount includes the fair value at the acquisition date of the OVEC power purchase contract with terms favorable to market recognized as a result of the 2010 acquisition of LKE by PPL.

Current intangible assets are included in "Other current assets" and long-term intangible assets are included in "Other intangibles" on the Balance Sheets.

Amortization expense was as follows:

	2025	2024	2023
Intangible assets with no regulatory offset	$ 5	$ 5	$ 5
Intangible assets with regulatory offset	8	8	9
Total	$ 13	$ 13	$ 14

Amortization expense for each of the next five years is estimated to be:

	2026	2027	2028	2029	2030
Intangible assets with no regulatory offset	$ 5	$ 5	$ 5	$ 5	$ 5
Intangible assets with regulatory offset	1	—	—	—	—
Total	$ 6	$ 5	$ 5	$ 5	$ 5

(PPL Electric)

The gross carrying amount and the accumulated amortization of other intangible assets were:

	December 31, 2025		December 31, 2024	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Subject to amortization:				
Land rights and easements	$ 408	$ 145	$ 396	$ 141
Licenses and other	2	1	2	1
Total subject to amortization	410	146	398	142
Not subject to amortization due to indefinite life:				
Land rights and easements	18	—	18	—
Total	$ 428	$ 146	$ 416	$ 142

Intangible assets are shown as "Intangibles" on the Balance Sheets.

Amortization expense was as follows:

	2025	2024	2023
Intangible assets with no regulatory offset	$ 4	$ 4	$ 4

Amortization expense for each of the next five years is estimated to be:

	2026	2027	2028	2029	2030
Intangible assets with no regulatory offset	$ 4	$ 4	$ 4	$ 4	$ 4

(LG&E)

The gross carrying amount and the accumulated amortization of other intangible assets were:

	December 31, 2025		December 31, 2024	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Subject to amortization:				
Land rights and easements (a)	$ 8	$ (2)	$ 7	$ 2
OVEC power purchase agreement (b)	86	85	86	79
Total subject to amortization	$ 94	$ 83	$ 93	$ 81

(a) December 31, 2025 accumulated amortization includes salvage proceeds related to a land sale in excess of the related accumulated amortization.

(b) Gross carrying amount represents the fair value at the acquisition date of the OVEC power purchase contract recognized as a result of the 2010 acquisition by PPL. An offsetting regulatory liability was recorded related to this contract, which is being amortized over the same period as the intangible asset, eliminating any income statement impact. See Note 7 for additional information.

Long-term intangible assets are presented as "Other intangibles" on the Balance Sheets.

Amortization expense was as follows:

	2025	2024	2023
Intangible assets with regulatory offset	$ 6	$ 6	$ 6

Amortization expense for each of the next five years is immaterial.

(KU)

The gross carrying amount and the accumulated amortization of other intangible assets were:

	December 31, 2025		December 31, 2024	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Subject to amortization:				
Land rights and easements (a)	$ 30	$ (3)	$ 29	$ 4
OVEC power purchase agreement (b)	39	38	39	36
Total subject to amortization	$ 69	$ 35	$ 68	$ 40

(a) December 31, 2025 accumulated amortization includes salvage proceeds related to a land sale in excess of the related accumulated amortization.
(b) Gross carrying amount represents the fair value at the acquisition date of the OVEC power purchase contract recognized as a result of the 2010 acquisition by PPL. An offsetting regulatory liability was recorded related to this contract, which is being amortized over the same period as the intangible asset, eliminating any income statement impact. See Note 7 for additional information.

Long-term intangible assets are presented as "Other intangibles" on the Balance Sheets.

Amortization expense was as follows:

	2025	2024	2023
Intangible assets with regulatory offset	$ 2	$ 2	$ 3

Amortization expense for each of the next five years is estimated to be immaterial.

18. Asset Retirement Obligations

(PPL and PPL Electric)

PPL Electric has identified legal retirement obligations for the retirement of certain transmission assets that could not be reasonably estimated due to indeterminable settlement dates. These assets are located on rights-of-way that allow the grantor to require PPL Electric to relocate or remove the assets. Since this option is at the discretion of the grantor of the right-of-way, PPL Electric is unable to determine when these events may occur.

(PPL, LG&E and KU)

PPL's, LG&E's and KU's ARO liabilities are primarily related to CCR closure costs. See Note 12 for information on the CCR rule. LG&E and RIE also have AROs related to natural gas mains and wells. LG&E's and KU's transmission and distribution lines largely operate under perpetual property easement agreements, which do not generally require restoration upon removal of the property. Therefore, no material AROs are recorded for transmission and distribution assets. For LG&E, KU, and RIE, all ARO accretion and depreciation expenses are reclassified as a regulatory asset or regulatory liability. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, deferred accretion and depreciation expense is recovered through cost of removal.

The changes in the carrying amounts of AROs were as follows:

	PPL		LG&E		KU	
	2025	2024	2025	2024	2025	2024
ARO at beginning of period	$ 157	$ 158	$ 84	$ 85	$ 64	$ 66
Accretion	8	8	4	4	4	4
Obligations incurred	—	9	—	3	—	6
Changes in estimated timing or cost	2	4	—	3	2	1
Obligations settled	(26)	(24)	(13)	(11)	(13)	(13)
Other	(1)	2	—	—	—	—
ARO at end of period	$ 140	$ 157	$ 75	$ 84	$ 57	$ 64

19. Accumulated Other Comprehensive Income (Loss)

(PPL)

The after-tax changes in AOCI by component for the years ended December 31 were as follows:

	Unrealized gains (losses) on qualifying derivatives	Equity investees' AOCI	Defined benefit plans		Total
			Prior service costs	Actuarial gain (loss)	
PPL					
December 31, 2022	$ 3	$ 2	$ (5)	$ (124)	$ (124)
Amounts arising during the year	—	1	—	(41)	(40)
Reclassifications from AOCI	3	—	1	(3)	1
Net OCI during the year	3	1	1	(44)	(39)
December 31, 2023	$ 6	$ 3	$ (4)	$ (168)	$ (163)
Amounts arising during the year	—	1	—	(22)	(21)
Reclassifications from AOCI	3	—	1	(4)	—
Net OCI during the year	3	1	1	(26)	(21)
December 31, 2024	$ 9	$ 4	$ (3)	$ (194)	$ (184)
Amounts arising during the year	1	(1)	—	(20)	(20)
Reclassifications from AOCI	2	—	1	(1)	2
Net OCI during the year	3	(1)	1	(21)	(18)
December 31, 2025	$ 12	$ 3	$ (2)	$ (215)	$ (202)

The following table presents PPL's gains (losses) and related income taxes for reclassifications from AOCI for the years ended December 31, 2025, 2024 and 2023. The defined benefit plan components of AOCI are not reflected in their entirety in the statement of income; rather, they are included in the computation of net periodic defined benefit costs (credits) and subject to capitalization. See Note 10 for additional information.

	PPL			
Details about AOCI	2025	2024	2023	Affected Line Item on the Statements of Income
Qualifying derivatives				
Interest rate derivatives	$ (3)	$ (3)	$ (3)	Interest Expense
Total Pre-tax	(3)	(3)	(3)	
Income Taxes	1	—	—	
Total After-tax	(2)	(3)	(3)	
Defined benefit plans				
Prior service costs	(1)	(1)	(2)	
Net actuarial loss	2	4	3	
Total Pre-tax	1	3	1	
Income Taxes	(1)	—	1	
Total After-tax	—	3	2	
Total reclassifications during the year	$ (2)	$ —	$ (1)	

20. New Accounting Guidance Pending Adoption

(All Registrants)

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued guidance which requires public business entities to provide in the notes to financial statements specified information about certain costs and expenses. This includes the disclosure of amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities included in each relevant income statement expense caption. A relevant expense caption is an expense caption included on the face of the income statement within continuing operations that contains any of the specified expense categories (a)-(e). A qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated must also be disclosed. Additionally, public business entities must disclose the total amount of selling expenses and, in annual reporting periods, the entity's definition of selling expenses.

For public business entities, this guidance will be applied on a prospective basis. Retrospective application is permitted. This guidance will be effective for annual periods beginning after December 15, 2026, and interim periods reporting periods beginning after December 15, 2027. Early adoption is permitted.

Adoption of this guidance will result in additional disclosures. The Registrants plan to adopt the standard retrospectively effective for the year ending December 31, 2027.

Accounting for Internal-Use Software

In September 2025, the FASB issued guidance to clarify and modernize the accounting for costs related to internal-use software. This includes 1) eliminating the traditional stage-based model and requiring entities to start capitalizing software costs when (a) management has authorized/committed to funding the software project and (b) it is probable that the project will be completed and the software will be used to perform the function intended ("probable-to-complete recognition threshold"), 2) requiring entities to consider whether there is significant uncertainty associated with the development activities of the software when evaluating the probable-to-complete recognition threshold, and 3) clarifying disclosure requirements.

This guidance can be applied on either a prospective, modified, or retrospective basis and will be effective for annual periods beginning after December 15, 2027 and interim reporting periods within those annual reporting periods. Early adoption is permitted.

The Registrants are currently assessing the impact of adopting this guidance.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company

The Registrants' principal executive officers and principal financial officers, based on their evaluation of the Registrants' disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934) have concluded that, as of December 31, 2025, the Registrants' disclosure controls and procedures are effective to ensure that material information relating to the Registrants and their consolidated subsidiaries is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, particularly during the period for which this annual report has been prepared. The aforementioned principal officers have concluded that the disclosure controls and procedures are also effective to ensure that information required to be disclosed in reports filed under the Exchange Act is accumulated and communicated to management, including the principal executive officers and principal financial officers, to allow for timely decisions regarding required disclosure.

(b) Changes in internal control over financial reporting.

PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company, and Kentucky Utilities Company

The Registrants' principal executive officers and principal financial officers have concluded that there were no changes in the Registrants' internal control over financial reporting during the Registrants' fourth fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Registrants' internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

PPL Corporation

PPL's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) or 15d-15(f). PPL's internal control over financial reporting is a process designed to provide reasonable assurance to PPL's management and Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in "Internal Control - Integrated Framework" (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in "Internal Control - Integrated Framework" (2013), our management concluded that our internal control over financial reporting was effective as of December 31, 2025. The effectiveness of our internal control over financial reporting has been audited by Deloitte & Touche LLP, an independent registered public accounting firm.

PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company

Management of PPL's non-accelerated filer companies, PPL Electric, LG&E and KU, are responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) or 15d-15(f). Each of the aforementioned companies' internal control over financial reporting is a process designed to provide reasonable assurance to management and Board of Directors of these companies regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Under the supervision and with the participation of our management, including the principal executive officers and principal financial officers of the companies listed above, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in "Internal Control - Integrated Framework" (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in "Internal Control - Integrated Framework" (2013), management of these companies concluded that our internal control over financial reporting was effective as of December 31, 2025. This annual report does not include an attestation report of Deloitte & Touche LLP, the companies' independent registered public accounting firm regarding internal control over financial reporting for these non-accelerated filer companies. The effectiveness of internal control over financial reporting for the aforementioned companies was not subject to attestation by the companies' registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit these companies to provide only management's report in this annual report.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareowners and the Board of Directors of PPL Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of PPL Corporation and subsidiaries (the "Company") as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2025, of the Company and our report dated February 20, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Morristown, New Jersey
February 20, 2026

ITEM 9B. OTHER INFORMATION

PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company

(a) None.

(b) *Securities Trading Plans of Directors and Executive Officers*

During the three months ended December 31, 2025, none of our directors or executive officers adopted, terminated or modified any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as such terms are defined in Item 408 of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

PPL Corporation

Additional information required by this Item is incorporated by reference to, and will be contained in, our definitive proxy statement in the sections entitled: "Proposal 1: Election of Directors," "Governance of the Company – Board of Directors," "Governance of the Company – Board Committees," "Delinquent Section 16(a) Reports," and "Governance Policies Underpinning Our Compensation Framework – Insider Trading Policy." The proxy statement will be filed within 120 days after December 31, 2025; accordingly, we have omitted the information from this Item pursuant to General Instruction G(3) of Form 10-K.

PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company

Item 10 is omitted as PPL Electric, LG&E and KU meet the conditions set forth in General Instruction (I)(1)(a) and (b) of Form 10-K.

EXECUTIVE OFFICERS OF THE REGISTRANTS

Officers of the Registrants are elected annually by their Boards of Directors to serve at the pleasure of the respective Boards. There are no family relationships among any of the executive officers, nor is there any arrangement or understanding between any executive officer and any other person pursuant to which the officer was selected.

There have been no events under any bankruptcy act, no criminal proceedings and no judgments or injunctions material to the evaluation of the ability and integrity of any executive officer during the past five years.

Listed below are the executive officers at December 31, 2025.

PPL Corporation

Name	Age	Positions Held During the Past Five Years	Dates
Vincent Sorgi	54	President and Chief Executive Officer	June 2020 - Present
Joseph P. Bergstein, Jr.	55	Executive Vice President and Chief Financial Officer	April 2021 - Present
		Senior Vice President and Chief Financial Officer	July 2019 - April 2021
Wendy E. Stark	53	Executive Vice President-Utilities and Chief Legal Officer	November 2024 - Present
		Executive Vice President-Utilities, Chief Legal Officer and Corporate Secretary	March 2024 - November 2024
		Executive Vice President, Chief Legal Officer and Corporate Secretary	January 2023 - March 2024
		Senior Vice President, General Counsel, Corporate Secretary and Chief Legal Officer	January 2022 - December 2022
		Senior Vice President, General Counsel and Corporate Secretary	April 2021 - December 2021
		Senior Vice President, Legal and Regulatory Strategy and General Counsel (led the legal and regulatory affairs departments, overseeing all legal matters and regulatory strategy for several electric and gas utilities in multiple jurisdictions) at Pepco Holdings, LLC (a subsidiary of Exelon)	December 2018 - April 2021
Angela K. Gosman	57	Executive Vice President and Chief Human Resources Officer	January 2023 - Present
		Senior Vice President and Chief Human Resources Officer	January 2022 - December 2022
		Vice President and Chief Human Resources Officer-PPL Services	August 2021 - December 2021
		Vice President - Human Resources-PPL EU Services	May 2020 - July 2021
Dean A. Del Vecchio	59	Executive Vice President and Chief Technology & Innovation Officer	February 2024 - Present
		Executive Vice President, Chief Information and Operations Officer (with responsibility for implementing a strategic technology vision, leading enterprise customer service and operations, shared services organization in India, real estate and facilities, physical security, office services, source-to-pay process for procurement efficiency, and enterprise imaging) at The Guardian Life Insurance Company of America	August 2013 - February 2024

Name	Age	Positions Held During the Past Five Years	Dates
Lonnie E. Bellar	61	Executive Vice President-Engineering, Construction and Generation	March 2025 - Present
		Senior Vice President-Engineering & Construction- PPL Services	March 2024 – March 2025
		Chief Operating Officer-LKE	March 2018 - March 2024
David J. Bonenberger	64	Executive Vice President and Chief Operating Officer-Utilities	March 2025 - Present
		Senior Vice President and Chief Operating Officer-Utilities-PPL Services	March 2024 - March 2025
		President-RIE	May 2022 - March 2024
		Vice President-Operations Integration-PPL Services	April 2021 - present
		Vice President-Transmission and Substations-PPL Electric	January 2018 - April 2021
		Vice President-Distribution Operations-PPL Electric	December 2017 - July 2021
J. Gregory Cornett (a)	55	President-RIE	March 2024 - Present
		Vice President and Deputy General Counsel-Litigation-PPL Services	December 2021 - March 2024
		Associate General Counsel and Director of Legal Services-PPL Services	May 2018 - December 2021
John R. Crockett III (a)	61	President-LKE	October 2021 - Present
		General Counsel, Chief Compliance Officer and Corporate Secretary - LKE	January 2018 - September 2021
Christine M. Martin (a)	53	President-PPL Electric	September 2023 - Present
		Senior Vice President-Public Affairs and Chief Sustainability Officer-PPL Services	January 2023 - August 2023
		Vice President-Public Affairs and Chief Sustainability Officer-PPL Services	April 2022 - January 2023
		Vice President-Public Affairs and Sustainability-PPL Services	August 2018 - April 2022
Tadd J. Henninger	50	Senior Vice President-Finance and Treasurer	January 2023 - Present
		Vice President-Finance and Treasurer	July 2019 - January 2023
Marlene C. Beers	54	Vice President and Controller	March 2019 - Present

(a) Designated an executive officer of PPL by virtue of their respective positions at a PPL subsidiary.

ITEM 11. EXECUTIVE COMPENSATION

PPL Corporation

The information required by this Item is incorporated by reference to, and will be contained in, our definitive proxy statement in the sections entitled: "Governance of the Company – Compensation of Directors," "Executive Compensation – People and Compensation Committee Report" "Executive Compensation – Compensation Discussion and Analysis," "Executive Compensation - Executive Compensation Tables," and "Executive Compensation – CEO Pay Ratio." The proxy statement will be filed within 120 days after December 31, 2025; accordingly, we have omitted the information from this Item pursuant to General Instruction G(3) of Form 10-K.

PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company

Item 11 is omitted as PPL Electric, LG&E and KU meet the conditions set forth in General Instructions (I)(1)(a) and (b) of Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

PPL Corporation

Additional information required by this Item is incorporated by reference to, and will be contained in, our definitive proxy statement in the section entitled: "Stock Ownership." The proxy statement will be filed within 120 days after December 31, 2025; accordingly, we have omitted the information from this Item pursuant to General Instruction G(3) of Form 10-K. In addition, provided below in tabular format is information as of December 31, 2025, with respect to compensation plans (including individual compensation arrangements) under which equity securities of PPL are authorized for issuance.

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans **(3) (4)**
Equity compensation plans approved by security holders **(1)**			1,010,182 – DDCP 5,556,839 – SIP 559,780 – ICPKE 7,126,801 – Total
Equity compensation plans not approved by security holders **(2)**			

(1) Includes (a) the ICPKE, under which restricted stock, restricted stock units, performance units, dividend equivalents and other stock-based compensation awards may be awarded to non-executive key employees of PPL and its subsidiaries; (b) the SIP approved by shareowners in 2017 under which restricted stock, restricted stock units, performance units, dividend equivalents and other stock-based compensation awards may be awarded to executive officers of PPL and its subsidiaries; and (c) the DDCP, under which stock units may be awarded to directors of PPL.

(2) All of PPL's current compensation plans under which equity securities of PPL are authorized for issuance have been approved by PPL's shareowners.

(3) As of December 31, 2025, there were 4,189,745 stock awards outstanding under the plans. The following stock awards are outstanding under the SIP, ICPKE and DDCP: 1,354,533 restricted stock units, 983,384 TSR performance awards, 510,343 EG performance awards and 510,343 LTS performance awards under the SIP; 768 restricted stock units under the ICPKE; and 830,374 stock units under the DDCP.

(4) Based upon the following aggregate award limitations under the SIP, ICPKE and DDCP: (a) under the SIP, 15,000,000 awards; (b) under the ICPKE, 16,573,608 awards (i.e., 5% of the total PPL common stock outstanding as of January 1, 2003) granted after April 25, 2003, reduced by outstanding awards for which common stock was not yet issued as of such date of 2,373,812 resulting in a limit of 14,199,796; and (c) under the DDCP, the number of stock units available for issuance was reduced to 2,000,000 stock units in March 2012. In addition, the ICPKE includes an annual award limitation of 2% of total PPL common stock outstanding as of January 1 of each year.

PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company

Item 12 is omitted as PPL Electric, LG&E and KU meet the conditions set forth in General Instructions (I)(1)(a) and (b) of Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

PPL Corporation

The information required by this Item is incorporated by reference to, and will be contained in, our definitive proxy statement in the sections entitled: "Governance of the Company – Board of Directors" and "Transactions with Related Persons." The proxy statement will be filed within 120 days after December 31, 2025; accordingly, we have omitted the information from this Item pursuant to General Instruction G(3) of Form 10-K.

PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company

Item 13 is omitted as PPL Electric, LG&E and KU meet the conditions set forth in General Instructions (I)(1)(a) and (b) of Form 10-K.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

PPL Corporation

The information required by this Item is incorporated by reference to, and will be contained in, our definitive proxy statement in the section entitled: "Proposal 3: Ratification of the Appointment of Independent Registered Public Accounting Firm -- Fees to Independent Auditor for 2025 and 2024." The proxy statement will be filed within 120 days after December 31, 2025; accordingly, we have omitted the information from this Item pursuant to General Instruction G(3) of Form 10-K.

PPL Electric Utilities Corporation

For the fiscal years ended 2025 and 2024, Deloitte & Touche LLP (Deloitte) served as PPL Electric's independent auditor. The following table presents an allocation of fees billed, including expenses, by the independent auditor to PPL Electric, for professional services rendered for the audits of PPL Electric's annual financial statements and for fees billed for other services rendered by Deloitte.

	2025	2024
	(in thousands)	
Audit fees (a)	$ 1,412	$ 1,302
Audit-related fees (b)	21	21

(a) Includes estimated fees for audit of annual financial statements and review of financial statements included in PPL Electric's Quarterly Reports on Form 10-Q and for services in connection with statutory and regulatory filings or engagements, including comfort letters and consents for financings and filings made with the SEC.
(b) Fees for agreed-upon procedures related to annual EPA filings.

Louisville Gas and Electric Company

For the fiscal years ended 2025 and 2024, Deloitte served as LG&E's independent auditor. The following table presents an allocation of fees billed, including expenses, by the independent auditor to LG&E, for professional services rendered for the audits of LG&E's annual financial statements and for fees billed for other services rendered by Deloitte.

	2025	2024
	(in thousands)	
Audit fees (a)	$ 943	$ 903

(a) Includes estimated fees for audit of annual financial statements and review of financial statements included in LG&E's Quarterly Reports on Form 10-Q and for services in connection with statutory and regulatory filings or engagements, including comfort letters and consents for financings and filings made with the SEC.

Kentucky Utilities Company

For the fiscal years ended 2025 and 2024, Deloitte served as KU's independent auditor. The following table presents an allocation of fees billed, including expenses, by the independent auditor to KU, for professional services rendered for the audits of KU's annual financial statements and for fees billed for other services rendered by Deloitte.

	2025	2024
	(in thousands)	
Audit fees (a)	$ 1,181	$ 1,053

(a) Includes estimated fees for audit of annual financial statements and review of financial statements included in KU's Quarterly Reports on Form 10-Q and for services in connection with statutory and regulatory filings or engagements, including comfort letters and consents for financings and filings made with the SEC.

PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company

Approval of Fees. The Audit Committee of PPL has procedures for pre-approving audit and non-audit services to be provided by the independent auditor. These procedures are designed to ensure the continued independence of the independent auditor. More specifically, the use of the independent auditor to perform either audit or non-audit services is prohibited unless specifically approved in advance by the Audit Committee of PPL. As a result of this approval process, the Audit Committee of PPL has pre-approved specific categories of services and authorization levels. All services outside of the specified categories and all amounts exceeding the authorization levels are approved by the Chair of the Audit Committee of PPL, who serves as the Committee designee to review and approve audit and non-audit related services during the year. A listing of the approved audit and non-audit services is reviewed with the full Audit Committee of PPL no later than its next meeting.

The Audit Committee of PPL approved 100% of the 2025 and 2024 services provided by Deloitte.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company

(a) The following documents are filed as part of this report:

1. Financial Statements - Refer to the "Table of Contents" for an index of the financial statements included in this report.

2. Supplementary Data and Supplemental Financial Statement Schedule - included in response to Item 8.

   All other schedules are omitted because of the absence of the conditions under which they are required or because the required information is included in the financial statements or notes thereto.

3. Exhibits

   See Exhibit Index immediately following "Shareowner and Investor Information."

SHAREOWNER AND INVESTOR INFORMATION

Annual Meeting: The 2026 annual meeting of shareowners of PPL will be held on Wednesday, May 13, 2026 in a virtual meeting format.

Proxy Statement Material: A proxy statement and notice of PPL's annual meeting will be provided to all shareowners who are holders of record as of March 4, 2026. The latest proxy statement can be accessed at www.pplweb.com/PPLCorpProxy.

PPL Annual Report: The report will be published in the beginning of April and will be provided to all shareowners who are holders of record as of March 4, 2026. The latest annual report can be accessed at www.pplweb.com/PPLCorpProxy.

Dividends: Subject to the declaration of dividends on PPL common stock by the PPL Board of Directors or its Executive Committee, dividends are paid on the first business day of April, July, October and January. The 2026 record dates for dividends are expected to be March 10, June 10, September 10 and December 10.

PPL's Website (www.pplweb.com): Shareowners can access PPL publications such as annual and quarterly reports to the Securities and Exchange Commission (SEC Forms 10-K and 10-Q), other PPL filings, corporate governance materials, news releases, stock quotes and historical performance. Visitors to our website can subscribe to receive automated email alerts for SEC filings, earnings releases, daily stock prices or other financial news.

Financial reports which are available at www.pplweb.com will be mailed without charge upon request.

By mail:
PPL Treasury Dept.
645 Hamilton Street
Allentown, PA 18101

By email: invserv@pplweb.com

By telephone:
610-774-5151 or Toll-free at 1-800-345-3085

Online Account Access: Registered shareowners can activate their account for online access by visiting shareowneronline.com.

Direct Stock Purchase and Dividend Reinvestment Plans (Plan): PPL offers investors the opportunity to acquire shares of PPL common stock through its Plan. Through the Plan, participants are eligible to invest up to $25,000 per calendar month in PPL common stock. Shareowners may choose to have dividends on their PPL common stock fully or partially reinvested in PPL common stock or can receive full payment of cash dividends by check or electronic funds transfer. Participants in the Plan may choose to have their common stock certificates deposited into their Plan account.

Direct Registration System: PPL participates in the Direct Registration System (DRS). Shareowners may choose to have their common stock certificates converted to book entry form within the DRS by submitting their certificates to PPL's transfer agent.

Listed Securities:

New York Stock Exchange

PPL Corporation:
Common Stock (Code: PPL)

PPL Capital Funding, Inc.:
2007 Series A Junior Subordinated Notes due 2067 (Code: PPL/67)

Fiscal Agents:

Transfer Agent and Registrar; Dividend Disbursing Agent; Plan Administrator
Equiniti Trust Company
Shareowner Services
1110 Centre Pointe Curve, Suite 101
Mendota Heights, MN 55120

Toll Free: 1-800-345-3085
Outside U.S.: 651-450-4064
Website: shareowneronline.com

Indenture Trustee
The Bank of New York Mellon
Corporate Trust Administration
500 Ross Street
Pittsburgh, PA 15262

EXHIBIT INDEX

The following Exhibits indicated by an asterisk preceding the Exhibit number are filed herewith. The balance of the Exhibits has heretofore been filed with the Commission and pursuant to Rule 12(b)-32 are incorporated herein by reference. Exhibits indicated by a [_] are filed or listed pursuant to Item 601(b)(10)(iii) of Regulation S-K.

1(a)	-	Securities Purchase and Registration Rights Agreement, dated March 5, 2014, among PPL Capital Funding, Inc., PPL Corporation, and the several purchasers named in Schedule B thereto (Exhibit 1.1 to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 10, 2014)
2(a)	-	Separation Agreement among PPL Corporation, Talen Energy Holdings, Inc., Talen Energy Corporation, PPL Energy Supply, LLC, Raven Power Holdings LLC, C/R Energy Jade, LLC and Sapphire Power Holdings LLC., dated as of June 9, 2014 (Exhibit 2.1 to PPL Energy Supply, LLC Form 8-K Report (File No. 1-32944) dated June 12, 2014)
2(b)	-	Transaction Agreement among PPL Corporation, Talen Energy Holdings, Inc., Talen Energy Corporation, PPL Energy Supply, LLC, Talen Energy Merger Sub, Inc., C/R Energy Jade, LLC, Sapphire Power Holdings LLC. and Raven Power Holdings LLC, dated as of June 9, 2014 (Exhibit 2.2 to PPL Energy Supply, LLC Form 8-K Report (File No. 1-32944) dated June 12, 2014)
2(c)	-	Share Purchase Agreement, dated as of March 17, 2021, by and among PPL WPD Limited, National Grid Holdings One plc and National Grid plc. (Exhibit 2.1 to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 18, 2021)
2(d)-1	-	Share Purchase Agreement, dated as of March 17, 2021, by and among PPL Energy Holdings, LLC, PPL Corporation (solely as guarantor), and National Grid USA (Exhibit 2.2 to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 18, 2021)
2(d)-2	-	Assignment and Assumption Agreement, dated as of May 3, 2021, by and among PPL Energy Holdings, LLC, PPL Corporation, National Grid USA and PPL Rhode Island Holdings, LLC (Exhibit 2(b)-2 to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended March 31, 2021)
2(e)	-	Tax Deed, dated as of June 9, 2021, by and among PPL WPD Limited, National Grid Holdings One plc (Exhibit 2.1 to PPL Corporation Form 8-K Report (File No. 1-11459) dated June 14, 2021)
3(a)	-	Amended and Restated Articles of Incorporation of PPL Corporation, effective as of May 25, 2016 (Exhibit 3(i) to PPL Corporation Form 8-K Report (File No. 1-11459) dated May 26, 2016)
3(a)-1	-	Certificate of Change: an amendment, effective as of July 31, 2024, to the Amended and Restated Articles of Incorporation of PPL Corporation, effective as of May 25, 2016 (Exhibit 3(a).1 to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended June 30, 2024)
3(b)	-	Bylaws of PPL Corporation, effective as of December 16, 2022 (Exhibit 3(ii) to PPL Corporation Form 8-K Report (File No. 1-11459) dated December 19, 2022)
3(c)	-	Amended and Restated Articles of Incorporation of PPL Electric Utilities Corporation, effective as of October 31, 2013 (Exhibit 3(a) to PPL Electric Utilities Corporation Form 10-Q Report (File No. 1-905) for the quarter ended September 30, 2013)
3(c)-1	-	Certificate of Change: an amendment, effective as of July 31, 2024, to the Amended and Restated Articles of Incorporation of PPL Electric Utilities Corporation, effective as of October 31, 2013 (Exhibit 3(b).1 to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended June 30, 2024)
3(d)	-	Bylaws of PPL Electric Utilities Corporation, effective as of October 27, 2015 (Exhibit 3(a) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended September 30, 2015)
3(g)-1	-	Amended and Restated Articles of Incorporation of Louisville Gas and Electric Company, effective as of November 6, 1996 (Exhibit 3(a) to Registration Statement filed on Form S-4 (File No. 333-173676))

3(g)-2	-	Articles of Amendment to Articles of Incorporation of Louisville Gas and Electric Company, effective as of April 6, 2004 (Exhibit 3(b) to Registration Statement filed on Form S-4 (File No. 333-173676))
3(g)-3	-	Statement of Change of Principal Office Address: an amendment, dated March 28, 2025, to the Amended and Restated Articles of Incorporation of Louisville Gas and Electric Company, effective November 6, 1996, as amended, effective April 6, 2004 (Exhibit 3(g)-3 to PPL Corporation Form 10-Q Report (File No11459) for the quarter ended March 31, 2025)
3(h)	-	Bylaws of Louisville Gas and Electric Company, effective as of December 16, 2003 (Exhibit 3(c) to Registration Statement filed on Form S-4 (File No. 333-173676))
3(i)-1	-	Amended and Restated Articles of Incorporation of Kentucky Utilities Company, effective as of December 14, 1993 (Exhibit 3(a) to Registration Statement filed on Form S-4 (File No. 333-173675))
3(i)-2	-	Articles of Amendment to Articles of Incorporation of Kentucky Utilities Company, effective as of April 8, 2004 (Exhibit 3(b) to Registration Statement filed on Form S-4 (File No. 333-173675))
3(j)	-	Bylaws of Kentucky Utilities Company, effective as of December 16, 2003 (Exhibit 3(c) to Registration Statement filed on Form S-4 (File No. 333-173675))
4(a)-1	-	Amended and Restated Employee Stock Ownership Plan, dated December 1, 2016 (Exhibit 4(a) to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2016)
4(a)-2	-	Amendment No. 1 to PPL Employee Stock Ownership Plan, dated October 2, 2017 (Exhibit 4(c) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended September 30, 2017)
4(a)-3	-	Amendment No. 2 to PPL Employee Stock Ownership Plan, dated December 1, 2018 (Exhibit 4(a)-3 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2018)
4(a)-4	-	Amendment No. 3 to PPL Employee Stock Ownership Plan, dated January 1, 2019 (Exhibit 4(a)-4 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2018)
4(b)-1	-	Indenture, dated as of November 1, 1997, among PPL Corporation, PPL Capital Funding, Inc. and JPMorgan Chase Bank (formerly The Chase Manhattan Bank), as Trustee (Exhibit 4.1 to PPL Corporation Form 8-K Report (File No. 1-11459) dated November 12, 1997)
4(b)-2	-	Supplemental Indenture No. 12, dated as of May 24, 2013, to said Indenture (Exhibit 4.4 to PPL Corporation Form 8-K Report (File No. 1-11459) dated May 24, 2013)
4(b)-3	-	Supplemental Indenture No. 13, dated as of March 10, 2014, to said Indenture (Exhibit 4.2 to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 10, 2014)
4(b)-4	-	Supplemental Indenture No. 14, dated as of March 10, 2014, to said Indenture (Exhibit 4.3 to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 10, 2014)
4(b)-5	-	Supplemental Indenture No. 15, dated as of May 17, 2016, to said Indenture (Exhibit 4(b) to PPL Corporation Form 8-K Report (File No. 1-11459) dated May 17, 2016)
4(b)-6	-	Supplemental Indenture No. 16, dated as of September 8, 2017, to said Indenture (Exhibit 4(b) to PPL Corporation Form 8-K Report (File No. 1-11459) dated September 6, 2017)
4(b)-7	-	Supplemental Indenture No. 17, dated as of April 1, 2020, to said Indenture (Exhibit 4(b) to PPL Corporation Form 8-K Report (File No. 1-11459) dated April 3, 2020)

4(b)-8	-	Supplemental Indenture No. 18, dated as of August 9, 2024, to said Indenture (Exhibit 4(b) to PPL Corporation 8-K Report (File No. 1-11459) dated August 9, 2024)
4(c)-1	-	Indenture, dated as of August 1, 2001, by PPL Electric Utilities Corporation and JPMorgan Chase Bank (formerly The Chase Manhattan Bank), as Trustee (Exhibit 4.1 to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated August 21, 2001)
4(c)-2	-	Supplemental Indenture No. 7, dated as of August 1, 2007, to said Indenture (Exhibit 4(b) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated August 14, 2007)
4(c)-3	-	Supplemental Indenture No. 9, dated as of October 1, 2008, to said Indenture (Exhibit 4(c) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated October 31, 2008)
4(c)-4	-	Supplemental Indenture No. 10, dated as of May 1, 2009, to said Indenture (Exhibit 4(b) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated May 22, 2009)
4(c)-5	-	Supplemental Indenture No. 11, dated as of July 1, 2011, to said Indenture (Exhibit 4.1 to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated July 13, 2011)
4(c)-6	-	Supplemental Indenture No. 12, dated as of July 1, 2011, to said Indenture (Exhibit 4(a) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated July 18, 2011)
4(c)-7	-	Supplemental Indenture No. 13, dated as of August 1, 2011, to said Indenture (Exhibit 4(a) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated August 23, 2011)
4(c)-8	-	Supplemental Indenture No. 14, dated as of August 1, 2012, to said Indenture (Exhibit 4(a) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated August 24, 2012)
4(c)-9	-	Supplemental Indenture No. 15, dated as of July 1, 2013, to said Indenture (Exhibit 4(a) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated July 11, 2013)
4(c)-10	-	Supplemental Indenture No. 16, dated as of June 1, 2014, to said Indenture (Exhibit 4(a) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated June 5, 2014)
4(c)-11	-	Supplemental Indenture No. 17, dated as of October 1, 2015, to said Indenture (Exhibit 4(a) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated October 1, 2015)
4(c)-12	-	Supplemental Indenture No. 18, dated as of March 1, 2016, to said Indenture (Exhibit 4(c) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated March 10, 2016)
4(c)-13	-	Supplemental Indenture No. 19, dated as of May 1, 2017, to said Indenture (Exhibit 4(a) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated May 11, 2017)
4(c)-14	-	Supplemental Indenture No. 20, dated as of June 1, 2018, to said Indenture (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated June 14, 2018)
4(c)-15	-	Supplemental Indenture No. 21, dated as of September 1, 2019, to said Indenture (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated September 6, 2019)
4(c)-16	-	Supplemental Indenture No. 23, dated as of June 15, 2020, to said Indenture (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated June 24, 2021)
4(c)-17	-	Supplemental Indenture No. 24, dated as of March 1, 2023, to said Indenture (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 2, 2023)

4(c)-18	-	Supplemental Indenture No. 25, dated as of January 1, 2024, to said Indenture (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated January 5, 2024)
4(c)-19		Supplemental Indenture No. 26, dated as of August 1, 2025 to said Indenture (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated August 6, 2025)
4(c)-20		Supplemental Indenture No. 27, dated as of September 15, 2025 to said Indenture (Exhibit 4(d) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended September 30, 2025)
4(d)-1	-	Pollution Control Facilities Loan Agreement, dated as of October 1, 2008, between Pennsylvania Economic Development Financing Authority and PPL Electric Utilities Corporation (Exhibit 4(a) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated October 31, 2008)
4(d)-2	-	Pollution Control Facilities Loan Agreement, dated as of March 1, 2016, between PPL Electric Utilities Corporation and the Lehigh County Industrial Development Authority (Exhibit 4(a) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated March 10, 2016)
4(d)-3	-	Pollution Control Facilities Loan Agreement, dated as of March 1, 2016, between PPL Electric Utilities Corporation and the Lehigh County Industrial Development Authority (Exhibit 4(b) to PPL Electric Utilities Corporation Form 8-K Report (File No. 1-905) dated March 10, 2016)
4(e)-1	-	Subordinated Indenture, dated as of March 1, 2007, between PPL Capital Funding, Inc., PPL Corporation and The Bank of New York, as Trustee (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 20, 2007)
4(e)-2	-	Supplemental Indenture No. 1, dated as of March 1, 2007, to said Subordinated Indenture (Exhibit 4(b) to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 20, 2007)
4(e)-3	-	Supplemental Indenture No. 4, dated as of March 15, 2013, to said Subordinated Indenture (Exhibit 4(b) to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 15, 2013)
4(f)-1	-	Indenture, dated as of October 1, 2010, between Kentucky Utilities Company and The Bank of New York Mellon, as Trustee (Exhibit 4(q)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(f)-2	-	Supplemental Indenture No. 1, dated as of October 15, 2010, to said Indenture (Exhibit 4(q)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(f)-3	-	Supplemental Indenture No. 2, dated as of November 1, 2010, to said Indenture (Exhibit 4(q)-3 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(f)-4	-	Supplemental Indenture No. 3, dated as of November 1, 2013, to said Indenture (Exhibit 4(b) to PPL Corporation Form 8-K Report (File No. 1-11459) dated November 13, 2013)
4(f)-5	-	Supplemental Indenture No. 4, dated as of September 1, 2015, to said Indenture (Exhibit 4(b) to Kentucky Utilities Company Form 8-K Report (File No. 1-3464) dated September 28, 2015)
4(f)-6	-	Supplemental Indenture No. 5, dated as of August 1, 2016, to said Indenture (Exhibit 4(b) to Kentucky Utilities Company Form 8-K Report (File No. 1-3464) dated August 26, 2016)
4(f)-7	-	Supplemental Indenture No. 6, dated as of August 1, 2018, to said Indenture (Exhibit 4(a) to PPL Corporation 10-Q Report (File No. 1-11459) for the quarter ended September 30, 2018)
4(f)-8	-	Supplemental Indenture No. 7, dated as of March 1, 2019, to said Indenture (Exhibit 4(b) to PPL Corporation Form 8-K Report (File No. 1-11459) dated April 1, 2019)

4(f)-9	-	Supplemental Indenture No. 8, dated as of May 15, 2020, to said Indenture (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated June 3, 2020)
4(f)-10	-	Supplemental Indenture No. 9, dated as of March 1, 2023, to said Indenture (Exhibit 4(c) to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 20, 2023)
4(f)-11	-	Supplemental Indenture No. 10, dated as of November 1, 2023, to said Indenture (Exhibit 4(e) to PPL Corporation Form 8-K Report (File No. 1-11459) dated December 6, 2023)
4(f)-12		Supplemental Indenture No. 11 dated as of August 1, 2025, to said Indenture (Exhibit 4(c) to PPL Corporation Form 8-K Report (File No. 1-11459) dated August 13, 2025)
4(g)-1	-	Indenture, dated as of October 1, 2010, between Louisville Gas and Electric Company and The Bank of New York Mellon, as Trustee (Exhibit 4(r)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(g)-2	-	Supplemental Indenture No. 1, dated as of October 15, 2010, to said Indenture (Exhibit 4(r)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(g)-3	-	Supplemental Indenture No. 2, dated as of November 1, 2010, to said Indenture (Exhibit 4(r)-3 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(g)-4	-	Supplemental Indenture No. 3, dated as of November 1, 2013, to said Indenture (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated November 13, 2013)
4(g)-5	-	Supplemental Indenture No. 4, dated as of September 1, 2015, to said Indenture (Exhibit 4(a) to Louisville Gas and Electric Company Form 8-K Report (File No. 1-2893) dated September 28, 2015)
4(g)-6	-	Supplemental Indenture No. 5, dated as of September 1, 2016, to said Indenture (Exhibit 4(b) to Louisville Gas and Electric Company Form 8-K (File No. 1-2893) dated September 15, 2016)
4(g)-7	-	Supplemental Indenture No. 6, dated as of May 15, 2017, to said Indenture (Exhibit 4(b) to Louisville Gas and Electric Company Form 8-K Report (File No. 1-2893) dated June 1, 2017)
4(g)-8	-	Supplemental Indenture No. 7, dated as of March 1, 2019, to said Indenture (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated April 1, 2019)
4(g)-9	-	Supplemental Indenture No. 8, dated as of March 1, 2023, to said Indenture (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 20, 2023)
4(g)-10	-	Supplemental Indenture No. 9, dated as of November 1, 2023, to said Indenture (Exhibit 4(b) to PPL Corporation Form 8-K Report (File No. 1-11459) dated December 6, 2023)
4(g)-11		Supplemental Indenture No. 10, dated as of August 1, 2025, to said Indenture (Exhibit 4(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated August 13, 2025)
4(h)-1	-	2002 Series A Carroll County Loan Agreement, dated February 1, 2002, by and between Kentucky Utilities Company, and County of Carroll, Kentucky (Exhibit 4(w)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(h)-2	-	Amendment No. 1 dated as of September 1, 2010 to said Loan Agreement by and between Kentucky Utilities Company, and County of Carroll, Kentucky (Exhibit 4(w)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)

4(i)-1	-	2002 Series B Carroll County Loan Agreement, dated February 1, 2002, by and between Kentucky Utilities Company, and County of Carroll, Kentucky (Exhibit 4(x)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(i)-2	-	Amendment No. 1 dated as of September 1, 2010, to said Loan Agreement by and between Kentucky Utilities Company, and County of Carroll, Kentucky (Exhibit 4(x)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(j)-1	-	2004 Series A Carroll County Loan Agreement, dated October 1, 2004 and amended and restated as of September 1, 2008, by and between Kentucky Utilities Company, and County of Carroll, Kentucky (Exhibit 4(z)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(j)-2	-	Amendment No. 1 dated as of September 1, 2010, to said Loan Agreement by and between Kentucky Utilities Company, and County of Carroll, Kentucky (Exhibit 4(z)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(k)-1	-	2006 Series B Carroll County Loan Agreement, dated October 1, 2006 and amended and restated September 1, 2008, by and between Kentucky Utilities Company, and County of Carroll, Kentucky (Exhibit 4(aa)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(k)-2	-	Amendment No. 1 dated as of September 1, 2010, to said Loan Agreement by and between Kentucky Utilities Company, and County of Carroll, Kentucky (Exhibit 4(aa)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(l)-1	-	2008 Series A Carroll County Loan Agreement, dated August 1, 2008 by and between Kentucky Utilities Company, and County of Carroll, Kentucky (Exhibit 4(cc)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(l)-2	-	Amendment No. 1 dated September 1, 2010, to said Loan Agreement by and between Kentucky Utilities Company, and County of Carroll, Kentucky (Exhibit 4(cc)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(m)	-	2016 Series A Carroll County Loan Agreement dated as of August 1, 2016 between Kentucky Utilities Company and the County of Carroll, Kentucky (Exhibit 4(a) to Kentucky Utilities Company Form 8-K Report (File No. 1-3464) dated August 26, 2016)
4(n)-1	-	2002 Series A Mercer County Loan Agreement, dated February 1, 2002, by and between Kentucky Utilities Company, and County of Mercer, Kentucky (Exhibit 4(ee)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(n)-2	-	Amendment No. 1 dated September 1, 2010, to said Loan Agreement by and between Kentucky Utilities Company, and County of Mercer, Kentucky (Exhibit 4(ee)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(o)-1	-	2002 Series A Muhlenberg County Loan Agreement, dated February 1, 2002, by and between Kentucky Utilities Company, and County of Muhlenberg, Kentucky (Exhibit 4(ff)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(o)-2	-	Amendment No. 1 dated September 1, 2010, to said Loan Agreement by and between Kentucky Utilities Company, and County of Muhlenberg, Kentucky (Exhibit 4(ff)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(p)	-	2018 Series A Carroll County Loan Agreement, dated as of August 1, 2018, by and between Kentucky Utilities Company and County of Carroll, Kentucky (Exhibit 4(b) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended September 30, 2018)

4(q)	-	2023 Series A Trimble County Loan Agreement, dated November 1, 2023 by and between Kentucky Utilities Company and County of Trimble, Kentucky (Exhibit 4(d) to PPL Corporation Form 8-K Report (File No. 1-11459) dated December 6, 2023)
4(r)-1	-	2001 Series A Jefferson County Loan Agreement, dated November 1, 2001, by and between Louisville Gas and Electric Company, and Jefferson County, Kentucky (Exhibit 4(jj)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(r)-2	-	Amendment No. 1 dated September 1, 2010, to said Loan Agreement by and between Louisville Gas and Electric Company, and Jefferson County, Kentucky (Exhibit 4(jj)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(s)-1	-	2001 Series B Jefferson County Loan Agreement, dated November 1, 2001, by and between Louisville Gas and Electric Company, and Jefferson County, Kentucky (Exhibit 4(kk)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(s)-2	-	Amendment No. 1 dated September 1, 2010, to said Loan Agreement by and between Louisville Gas and Electric Company, and Jefferson County, Kentucky (Exhibit 4(kk)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(t)-1	-	2003 Series A Louisville/Jefferson County Metro Government Loan Agreement, dated October 1, 2003, by and between Louisville Gas and Electric Company and Louisville/Jefferson County Metro Government, Kentucky (Exhibit 4(ll)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(t)-2	-	Amendment No. 1 dated September 1, 2010, to said Loan Agreement by and between Louisville Gas and Electric Company, and Louisville/Jefferson County Metro Government, Kentucky (Exhibit 4(ll)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(u)-1	-	2005 Series A Louisville/Jefferson County Metro Government Loan Agreement, dated February 1, 2005 and amended and restated as of September 1, 2008, by and between Louisville Gas and Electric Company, and Louisville/Jefferson County Metro Government, Kentucky (Exhibit 4(mm)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(u)-2	-	Amendment No. 1 dated September 1, 2010, to said Loan Agreement by and between Louisville Gas and Electric Company, and Louisville/Jefferson County Metro Government, Kentucky (Exhibit 4(mm)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(v)-1	-	2007 Series A Louisville/Jefferson County Metro Government Loan Agreement, dated as of March 1, 2007 and amended and restated as of September 1, 2008, by and between Louisville Gas and Electric Company, and Louisville/Jefferson County Metro Government, Kentucky (Exhibit 4(nn)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(v)-2	-	Amendment No. 1 dated September 1, 2010, to said Loan Agreement by and between Louisville Gas and Electric Company, and Louisville/Jefferson County Metro Government, Kentucky (Exhibit 4(nn)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(w)	-	2007 Series B Louisville/Jefferson County Metro Government Amended and Restated Loan Agreement, dated November 1, 2010, by and between Louisville Gas and Electric Company and Louisville/Jefferson County Metro Government, Kentucky (Exhibit 4(oo) to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(x)-1	-	2001 Series A Trimble County Loan Agreement, dated November 1, 2001, by and between Louisville Gas and Electric Company, and County of Trimble, Kentucky (Exhibit 4(qq)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(x)-2	-	Amendment No. 1 dated September 1, 2010, to said Loan Agreement by and between Louisville Gas and Electric Company, and County of Trimble, Kentucky (Exhibit 4(qq)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)

4(y)	-	2017 Series A Trimble County Loan Agreement, dated as of June 1, 2017, by and between Louisville Gas and Electric Company and County of Trimble, Kentucky (Exhibit 4(a) to Louisville Gas and Electric Company Form 8-K Report (File No. 1-2893) dated June 1, 2017)
4(z)-1	-	2001 Series B Trimble County Loan Agreement, dated November 1, 2001, by and between Louisville Gas and Electric Company, and County of Trimble, Kentucky (Exhibit 4(rr)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(z)-2	-	Amendment No. 1 dated September 1, 2010, to said Loan Agreement by and between Louisville Gas and Electric Company, and County of Trimble, Kentucky (Exhibit 4(rr)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2010)
4(aa)	-	2016 Series A Trimble County Loan Agreement dated as of September 1, 2016 by and between Louisville Gas and Electric Company and County of Trimble, Kentucky (Exhibit 4(a) to Louisville Gas and Electric Company Form 8-K (File No. 1-2893) dated September 15, 2016)
4(bb)	-	2023 Series A Trimble County Loan Agreement dated as of November 1, 2023 by and between Louisville Gas and Electric Company and County of Trimble, Kentucky (Exhibit 4(a) to PPL Corporation Form 8-K (File No. 1-11459) dated December 6, 2023)
4(cc)	-	Description of PPL Corporation's common stock, par value $0.01 per share, as revised in February 2023 (Exhibit 4(bb) to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2022)
4(dd)	-	Description of PPL Capital Funding, Inc.'s Junior Subordinated Notes 2007 Series A due 2067, as guaranteed by PPL Corporation (Exhibit 4(rr) to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2019)
4(ee)	-	Description of PPL Electric Utilities Corporation's common stock, no par value per share (Exhibit 4(tt) to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2019)
4(ff)-1	-	Indenture, dated as of March 22, 2010, by The Narragansett Electric Company and The Bank of New York Mellon as Trustee (Exhibit 4(a)-1 to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended June 30, 2022)
4(ff)-2	-	First Supplemental Indenture, dated as of March 22, 2010, to said Indenture (Exhibit 4(a)-2 to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended June 30, 2022)
4(ff)-3	-	Second Supplemental Indenture, dated as of March 22, 2010, to said Indenture (Exhibit 4(a)-3 to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended June 30, 2022)
4(ff)-4	-	Third Supplemental Indenture, dated as of December 10, 2012, to said Indenture (Exhibit 4(a)-4 to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended June 30, 2022)
4(ff)-5	-	Fourth Supplemental Indenture, dated as of July 27, 2018, to said Indenture (Exhibit 4(a)-5 to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended June 30, 2022)
4(ff)-6	-	Fifth Supplemental Indenture, dated as of April 9, 2020, to said Indenture (Exhibit 4(a)-6 to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended June 30, 2022)
4(ff)-7	-	Sixth Supplemental Indenture, dated as of March 25, 2024, to said Indenture (Exhibit 4.2 to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 25, 2024)

4(gg)	-	Indenture, dated as of February 24, 2023, by PPL Capital Funding, Inc., as Issuer, PPL Corporation, as Guarantor, and The Bank of New York Mellon, as Trustee (Exhibit 4.1 to PPL Corporation Form 8-K Report (File No. 1-11459) dated March 24, 2023)
4(hh)		Indenture, dated as of November 24, 2025, by PPL Capital Funding, Inc., as Issuer, PPL Corporation, as Guarantor, and The Bank of New York Mellon, as Trustee (Exhibit 4.1 to PPL Corporation Form 8-KÐeport (File No. 1-11459) dated November 19, 2025)
10(a)	-	Employee Matters Agreement, among PPL Corporation, Talen Energy Corporation, C/R Energy Jade, LLC, Sapphire Power Holdings LLC. and Raven Power Holdings LLC, dated as of June 9, 2014 (Exhibit 10.1 to PPL Energy Supply, LLC Form 8-K Report (File No. 1-32944) dated June 12, 2014)
10(b)	-	Amendment No. 4 to Amended and Restated Revolving Credit Agreement, dated as of January 29, 2026, amending the Amended and Restated Revolving Credit Agreement, dated as of December 6, 2021, among PPL Capital Funding, Inc., as Borrower, The Narragansett Electric Company, as Designated Borrower, PPL Corporation, as Guarantor, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender (Exhibit 10.1 to PPL Corporation Form 8-K Report (File No. 1-11459) dated January 30, 2026)
10(c)	-	Amendment No. 4 to Amended and Restated Revolving Credit Agreement, dated as of January 29, 2026, amending the Amended and Restated Revolving Credit Agreement, dated as of December 6, 2021, among PPL Electric Utilities Corporation, as Borrower, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender (Exhibit 10.2 to PPL Corporation Form 8-K Report (File No. 1-11459) dated January 30, 2026)
10(d)	-	Amendment No. 4 to Amended and Restated Revolving Credit Agreement, dated as of January 29, 2026, amending the Amended and Restated Revolving Credit Agreement, dated as of December 6, 2021, among Louisville Gas and Electric Company, as Borrower, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender (Exhibit 10.3 to PPL Corporation Form 8-K Report (File No. 1-11459) dated January 30, 2026)
10(e)	-	Amendment No. 4 to Amended and Restated Revolving Credit Agreement, dated as of January 29, 2026, amending the Amended and Restated Revolving Credit Agreement, dated as of December 6, 2021, among Kentucky Utilities Company, as Borrower, the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent, Issuing Lender and Swingline Lender (Exhibit 10.4 to PPL Corporation Form 8-K Report (File No. 1-11459) dated January 30, 2026)
10(f)	-	Transition Services Agreement, dated as of May 25, 2022, by and among National Grid USA Service Company, Inc., National Grid USA (solely with respect to Section 4.6) and The Narragansett Electric Company (Exhibit 10.1 to PPL Corporation Form 8-K Report (File No. 1-11459) dated May 25, 2022)
10(g)	-	$250,000,000 Term Loan Credit Agreement dated as of September 16, 2022 among PPL Electric Utilities Corporation, as Borrower, the Lenders party thereto and U.S. Bank National Association, as Administrative Agent (Exhibit 10.1 to PPL Corporation Form 8-K Report (File No. 1-11459) dated September 19, 2022)
[_]10(h)-1	-	Amended and Restated Directors Deferred Compensation Plan, dated June 12, 2000 (Exhibit 10(h) to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2000)
[_]10(h)-2	-	Amendment No. 1 to said Directors Deferred Compensation Plan, dated December 18, 2002 (Exhibit 10(m)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2002)
[_]10(h)-3	-	Amendment No. 2 to said Directors Deferred Compensation Plan, dated December 4, 2003 (Exhibit 10(q)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2003)

[_]10(h)-4	-	Amendment No. 3 to said Directors Deferred Compensation Plan, dated as of January 1, 2005 (Exhibit 10(cc)-4 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2005)
[_]10(h)-5	-	Amendment No. 4 to said Directors Deferred Compensation Plan, dated as of May 1, 2008 (Exhibit 10(x)-5 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2008)
[_]10(h)-6	-	Amendment No. 5 to said Directors Deferred Compensation Plan, dated May 28, 2010 (Exhibit 10(a) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended June 30, 2010)
[_]10(h)-7	-	Amendment No. 6 to said Directors Deferred Compensation Plan, dated as of April 15, 2015 (Exhibit 10(b) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended March 31, 2015)
[_]10(i)-1	-	PPL Corporation Directors Deferred Compensation Plan Trust Agreement, dated as of April 1, 2001, between PPL Corporation and Wachovia Bank, N.A. (as successor to First Union National Bank), as Trustee (Exhibit 10(hh)-1 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2012)
[_]10(i)-2	-	PPL Officers Deferred Compensation Plan, PPL Supplemental Executive Retirement Plan and PPL Supplemental Compensation Pension Plan Trust Agreement, dated as of April 1, 2001, between PPL Corporation and Wachovia Bank, N.A. (as successor to First Union National Bank), as Trustee (Exhibit 10(hh)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2012)
[_]10(i)-3	-	PPL Revocable Employee Nonqualified Plans Trust Agreement, dated as of March 20, 2007, between PPL Corporation and Wachovia Bank, N.A., as Trustee (Exhibit 10(c) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended March 31, 2007)
[_]10(i)-4	-	PPL Employee Change in Control Agreements Trust Agreement, dated as of March 20, 2007, between PPL Corporation and Wachovia Bank, N.A., as Trustee (Exhibit 10(d) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended March 31, 2007)
[_]10(i)-5	-	PPL Revocable Director Nonqualified Plans Trust Agreement, dated as of March 20, 2007, between PPL Corporation and Wachovia Bank, N.A., as Trustee (Exhibit 10(e) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended March 31, 2007)
*[_]10(j)	-	Amended and Restated PPL Executive Deferred Compensation Plan, effective as of January 1, 2025
[_]10(k)-1	-	Amended and Restated Supplemental Executive Retirement Plan, dated December 8, 2003 (Exhibit 10(s) to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2003)
[_]10(k)-2	-	Amendment No. 1 to said Supplemental Executive Retirement Plan, dated December 16, 2004 (Exhibit 99.1 to PPL Corporation Form 8-K Report (File No. 1-11459) dated December 17, 2004)
[_]10(k)-3	-	Amendment No. 2 to said Supplemental Executive Retirement Plan, dated as of January 1, 2005 (Exhibit 10(ff)-3 to PPL Corporation Form 10-K Report (File 1-11459) for the year ended December 31, 2005)
[_]10(k)-4	-	Amendment No. 3 to said Supplemental Executive Retirement Plan, dated as of January 22, 2007 (Exhibit 10(cc)-4 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2006)
[_]10(k)-5	-	Amendment No. 4 to said Supplemental Executive Retirement Plan, dated as of December 9, 2008 (Exhibit 10(aa)-5 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2008)

[_]10(k)-6	-	Amendment No. 5 to said Supplemental Executive Retirement Plan, dated as of February 15, 2012 (Exhibit 10(gg)-6 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2011)
[_]10(k)-7	-	Amendment No. 6 to the Amended and Restated Supplemental Executive Retirement Plan, dated March 23, 2018 (Exhibit 10(g) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended March 31, 2018)
[_]10(l)-1	-	Amended and Restated Incentive Compensation Plan, effective January 1, 2003 (Exhibit 10(p) to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2002)
[_]10(l)-2	-	Amendment No. 1 to said Incentive Compensation Plan, dated as of January 1, 2005 (Exhibit 10(gg)-2 to PPL Corporation Form 10-K Report (File 1-11459) for the year ended December 31, 2005)
[_]10(l)-3	-	Amendment No. 2 to said Incentive Compensation Plan, dated as of January 26, 2007 (Exhibit 10(dd)-3 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2006)
[_]10(l)-4	-	Amendment No. 3 to said Incentive Compensation Plan, dated as of March 21, 2007 (Exhibit 10(f) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended March 31, 2007)
[_]10(l)-5	-	Amendment No. 4 to said Incentive Compensation Plan, effective December 1, 2007 (Exhibit 10(a) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended September 30, 2008)
[_]10(l)-6	-	Amendment No. 5 to said Incentive Compensation Plan, dated as of December 16, 2008 (Exhibit 10(bb)-6 to PPL Corporation Form 10-K Report (File 1-11459) for the year ended December 31, 2008)
[_]10(l)-7	-	Form of Stock Option Agreement for stock option awards under the Incentive Compensation Plan (Exhibit 10(a) to PPL Corporation Form 8-K Report (File No. 1-11459) dated February 1, 2006)
[_]10(l)-8	-	Form of Performance Unit Agreement for performance unit awards under the Incentive Compensation Plan (Exhibit 10(ss) to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2007)
[_]10(m)	-	Amended and Restated Incentive Compensation Plan for Key Employees, effective October 25, 2018 (Exhibit 10(a) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended September 30, 2018)
[_]10(n)	-	Short-term Incentive Plan (Annex B to Proxy Statement of PPL Corporation, dated April 12, 2016)
[_]10(o)	-	Form of Change in Control Severance Protection Agreement entered into between PPL Corporation and Lonnie E. Bellar, Joseph P. Bergstein, Jr., David J. Bonenberger, John Gregory Cornett, John R. Crockett III, Dean A. Del Vecchio, Angela K. Gosman, Christine M. Martin, Stephanie R. Raymond, Vincent Sorgi, Francis X. Sullivan, and Wendy E. Stark
[_]10(p)-1	-	PPL Corporation Amended and Restated 2012 Stock Incentive Plan, effective October 25, 2018 (Exhibit 10(b) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended September 30, 2018)
[_]10(p)-2	-	Form of Performance Unit Agreement for performance unit awards under the Stock Incentive Plan (Exhibit 10(tt)-2 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2012)
[_]10(p)-3	-	Form of Performance Contingent Restricted Stock Unit Agreement for restricted stock unit awards under the Stock Incentive Plan (Exhibit 10(tt)-3 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2012)

[_]10(p)-4	-	Form of Nonqualified Stock Option Agreement for stock option awards under the Stock Incentive Plan (Exhibit 10(tt)-4 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2012)
[_]10(p)-5	-	Form of Return on Equity Performance Unit Agreement for performance units under the Amended and Restated 2012 Stock Incentive Plan (Exhibit 10(dd)-6 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2017)
[_]10(p)-6	-	Form of Restricted Stock Unit Agreement under the Amended and Restated 2012 Stock Incentive Plan, as approved on January 20, 2023 (Exhibit [_]10(v)-6 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2022)
[_]10(p)-7	-	Form of Total Shareholder Return Performance Unit Agreement for performance units under the Amended and Restated 2012 Stock Incentive Plan, as approved on January 20, 2023 (Exhibit [_]10(v)-7 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2022)
[_]10(p)-8	-	Form of Earnings Growth Performance Unit Agreement for performance units under the Amended and Restated 2012 Stock Incentive Plan, as approved on January 20, 2023 (Exhibit [_]10(v)-8 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2022)
[_]10(p)-9	-	Form of Environmental, Social and Governance Performance Unit Agreement for performance units under the Amended and Restated 2012 Stock Incentive Plan, as approved on January 20, 2023 (Exhibit [_]10(v)-9 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2022)
*[_]10(p)-10	-	Form of Total Shareholder Return Performance Unit Agreement for performance units under the Amended and Restated 2012 Stock Incentive Plan, as approved on January 29, 2026
*[_]10(p)-11	-	Form of Earnings Growth Performance Unit Agreement for performance units under the Amended and Restated 2012 Stock Incentive Plan, as approved on January 29, 2026
*[_]10(p)-12	-	Form of Long-Term Sustainability Performance Unit Agreement for performance units under the Amended and Restated 2012 Stock Incentive Plan, as approved on January 29, 2026
[_]10(q)	-	PPL Corporation Executive Severance Plan, effective as of July 26, 2012 (Exhibit 10(d) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended June 30, 2012)
[_]10(r)	-	Form of Grant Letter dated May 29, 2015 (Exhibit 10.1 to PPL Corporation Form 8-K Report (File No. 1-11459) dated June 1, 2015)
[_]10(s)	-	Transition and Retirement Agreement dated August 12, 2021, by and among Paul W. Thompson, LG&E and KU Services Company, and PPL Corporation (Exhibit [_]10(a) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended September 30, 2021)
[_]10(t)	-	Offer Letter dated March 6, 2021, between PPL Corporation and Wendy E. Stark (Exhibit [_]10(gg) to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2021)
[_]10(u)	-	Rhode Island Energy Executive Supplemental Retirement Plan, effective February 24, 2022 (Exhibit [_]10(c) to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended June 30, 2022)
[_]10(v)	-	Separation Agreement between Stephanie R. Raymond, PPL Electric Utilities Corporation, and PPL Corporation dated October 9, 2023 (Exhibit [_]10(aa) to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2023)

[_]10(w)	-	Separation Agreement between Francis X. Sullivan and PPL Corporation dated January 14, 2025 (Exhibit 10.5[_] to PPL Corporation Form 10-Q Report (File No. 1-11459) for the quarter ended March 31, 2025)
19	-	PPL Insider Trading Policy (Exhibit 19 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2024)
*21	-	Subsidiaries of PPL Corporation
*23(a)	-	Consent of Deloitte & Touche LLP - PPL Corporation
*23(b)	-	Consent of Deloitte & Touche LLP - PPL Electric Utilities Corporation
*23(c)	-	Consent of Deloitte & Touche LLP - Louisville Gas and Electric Company
*23(d)	-	Consent of Deloitte & Touche LLP - Kentucky Utilities Company
*24	-	Power of Attorney
*31(a)	-	Certificate of PPL's principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31(b)	-	Certificate of PPL's principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31(c)	-	Certificate of PPL Electric's principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31(d)	-	Certificate of PPL Electric's principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31(e)	-	Certificate of LG&E's principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31(f)	-	Certificate of LG&E's principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31(g)	-	Certificate of KU's principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31(h)	-	Certificate of KU's principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*32(a)	-	Certificate of PPL's principal executive officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*32(b)	-	Certificate of PPL Electric's principal executive officer and principal financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*32(c)	-	Certificate of LG&E's principal executive officer and principal financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

*32(d)	-	Certificate of KU's principal executive officer and principal financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97	-	PPL Corporation Compensation Recoupment Policy, effective October 2, 2023 (Exhibit 97 to PPL Corporation Form 10-K Report (File No. 1-11459) for the year ended December 31, 2023)
*99(a)	-	PPL Corporation and Subsidiaries Long-term Debt Schedule
101.INS	-	XBRL Instance Document for PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	-	XBRL Taxonomy Extension Schema for PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company
101.CAL	-	XBRL Taxonomy Extension Calculation Linkbase for PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company
101.DEF	-	XBRL Taxonomy Extension Definition Linkbase for PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company
101.LAB	-	XBRL Taxonomy Extension Label Linkbase for PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company
101.PRE	-	XBRL Taxonomy Extension Presentation Linkbase for PPL Corporation, PPL Electric Utilities Corporation, Louisville Gas and Electric Company and Kentucky Utilities Company
104		The Cover Page Interactive Data File is formatted as Inline XBRL and contained in Exhibits 101.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PPL Corporation
(Registrant)

By /s/ Vincent Sorgi
Vincent Sorgi -
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Vincent Sorgi
Vincent Sorgi -
President and Chief Executive Officer
and Director
(Principal Executive Officer)

/s/ Joseph P. Bergstein, Jr.
Joseph P. Bergstein, Jr. -
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

/s/ Marlene C. Beers
Marlene C. Beers -
Vice President and Controller
(Principal Accounting Officer)

Directors:

Arthur P. Beattie
Venkata Rajamannar Madabhushi
Heather B. Redman
Craig A. Rogerson
Linda G. Sullivan
Natica von Althann
Keith H. Williamson
Phoebe A. Wood
Armando Zagalo de Lima

/s/ Vincent Sorgi
Vincent Sorgi, Attorney-in-fact

February 20, 2026

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PPL Electric Utilities Corporation
(Registrant)

By /s/ Christine M. Martin
Christine M. Martin -
President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Christine M. Martin
Christine M. Martin -
President
(Principal Executive Officer)

/s/ Marlene C. Beers
Marlene C. Beers -
Vice President and Controller
(Principal Financial Officer and Principal Accounting Officer)

Directors:

/s/ Joseph P. Bergstein, Jr.	/s/ Vincent Sorgi
Joseph P. Bergstein, Jr.	Vincent Sorgi
/s/ Christine M. Martin	/s/ Wendy E. Stark
Christine M. Martin	Wendy E. Stark

Date: February 20, 2026

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Louisville Gas and Electric Company
(Registrant)

By /s/ John R. Crockett III
John R. Crockett III -
President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ John R. Crockett III
John R. Crockett III -
President
(Principal Executive Officer)

/s/ Christopher M. Garrett
Christopher M. Garrett -
Vice President-Finance and Accounting
(Principal Financial Officer and
Principal Accounting Officer)

Directors:

/s/ Joseph P. Bergstein, Jr.	/s/ Vincent Sorgi
Joseph P. Bergstein, Jr.	Vincent Sorgi
/s/ John R. Crockett III	/s/ Wendy E. Stark
John R. Crockett III	Wendy E. Stark

Date: February 20, 2026

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Kentucky Utilities Company
(Registrant)

By /s/ John R. Crockett III
John R. Crockett III -
President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ John R. Crockett III
John R. Crockett III -
President
(Principal Executive Officer)

/s/ Christopher M. Garrett
Christopher M. Garrett -
Vice President-Finance and Accounting
(Principal Financial Officer and
Principal Accounting Officer)

Directors:

/s/ Joseph P. Bergstein, Jr.	/s/ Vincent Sorgi
Joseph P. Bergstein, Jr.	Vincent Sorgi
/s/ John R. Crockett III	/s/ Wendy E. Stark
John R. Crockett III	Wendy E. Stark

Date: February 20, 2026

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Exhibit 10(j)

PPL
EXECUTIVE DEFERRED COMPENSATION PLAN

AMENDED AND RESTATED
EFFECTIVE JANUARY 1, 2025

PPL
EXECUTIVE DEFERRED COMPENSATION PLAN
(Amended and Restated January 1, 2025)

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ARTICLE I
PURPOSE

PPL Services Corporation ("PPL" or the "Company") sponsors and maintains this PPL Executive Deferred Compensation Plan (the "Plan") for the benefit of certain executive officers, senior management employees and eligible highly compensated employees of PPL and other Participating Companies. The purpose of this Plan is to provide eligible employees a financially advantageous method to defer earned income.

This Plan received account balances from the terminated PPL Montana Officers Deferred Compensation Plan and the terminated PPL Global Officers Deferred Compensation Plan, effective November 1, 2003, by reason of the merger of those two terminated plans into this Plan as of that date.

The Plan was originally effective July 1, 1985, and is restated effective January 1, 2025 to incorporate all amendments to that date and to add the following entities as Participating Companies: Kentucky Utilities Company, LG&E and KU Services Company, and Louisville Gas and Electric Company.

ARTICLE II
DEFINITIONS

"Account" means a bookkeeping account representing the total of all amounts credited for the benefit of a Participant under the Plan. A Participant's Account tracks the amount of Deferred Base Compensation, Deferred Cash Awards, and Deferred Company Contributions. An Account may also include the balance of any account from the PPL Global Officers Deferred Compensation Plan and/or the PPL Montana Officers Deferred Compensation Plan as of the date those Plans were terminated and merged into this Plan. Each Account will have sub-accounts for each Plan Year a Participant participates in the Plan for (i) Deferred Base Compensation, (ii) Deferred Cash Awards, and (iii) Deferred Company Contributions. Each Account will classify each sub-account as either Pre-2005 Amounts or Post-2004 Amounts. Reference to an Account means any Account, sub-account or all Accounts and sub-accounts, as the context requires.

"Affiliated Company" or "Affiliated Companies" means any parent or subsidiaries of PPL (or companies under common control with PPL) that are members of the same controlled group of corporations (within the meaning of Code Section 1563(a)) as PPL or which are under common control with PPL (within the meaning of Code Section 414(c)).

"Base Compensation" means Cash Compensation other than a Cash Award.

"Beneficiary" means any person, trust or other entity designated by a Participant as the party who is or may become entitled to receive a benefit under the Plan upon the Participant's death.

"Cash Award" means annual short-term incentive pay.

"Cash Compensation" means eligible compensation as defined under the applicable Savings Plan but excluding any overtime pay and without regard to any Code Section 401(a)(17) limit.

"CLC" means Corporate Leadership Council, the members of which are named by the Chairman and Chief Executive Officer of PPL Corporation.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Deferral Election" means an election made and filed by a Participant, in the form and manner prescribed by the CLC, specifying the amount of the Participant's Base Compensation and/or Cash Award to be deferred, the Participant's deemed investment elections, and the payment timing and form applicable to those deferral elections.

"Deferred Base Compensation" means the Base Compensation of a Participant deferred under this Plan.

"Deferred Cash Award" means the Cash Award of a Participant deferred under this Plan.

"Deferred Company Contributions" means Matching Contributions and/or Employer Contributions credited to a Participant's Account under this Plan.

"Deferred Compensation" means Deferred Base Compensation and/or Deferred Cash Award.

"Disability" or "Disabled" means a Participant who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Participant's employer.

"**Eligible Employee**" means any employee of a Participating Company in career levels T1, T2, P6, M4 or M5. Notwithstanding the foregoing to the contrary, any employee of a Participating Company in career level P5 who elected to defer Cash Compensation in 2023 will remain an Eligible Employee if the employee remains employed with a Participating Company in career level P5 or any other eligible career level. For purposes of the annual Base Compensation deferral window, whether an individual, other than an employee in career levels T1 and T2, qualifies as an Eligible Employee will be determined by the October 15th immediately preceding the deferral window.

"Employer Contributions" means the company contributions credited to a Participant's Account under this Plan pursuant to Section 3.3.

"ESOP" means the PPL Employee Stock Ownership Plan.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Matching Contribution" means the company contributions credited to a Participant's Account pursuant to Section 3.2.

"Participant" means an Eligible Employee who has executed a Deferral Election and returned it to the CLC as provided in Section 3.1 or who becomes eligible for a Deferred Company Contribution or any other person with an Account, regardless of whether the individual continues to be an Eligible Employee.

"Participating Company" means PPL and any other Affiliated Company that is designated by the Board of Directors of PPL. Participating Companies are listed in Appendix A.

"Plan" means this PPL Executive Deferred Compensation Plan as set forth herein and as hereafter amended from time to time.

"**Plan Year**" means the accounting year of the Plan, which is the twelve-consecutive month period commencing on each January 1 and ending on the following December 31.

"Post-2004 Amount" means the Participant's Account attributable to Deferred Compensation and Deferred Company Contributions after December 31, 2004, plus applicable earnings.

"Pre-2005 Amount" means the Participant's Account as of December 31, 2004, plus applicable earnings.

"PPL" means PPL Services Corporation.

"PPL Corporation" means PPL Corporation.

"**Savings Plan**" means any qualified defined contribution retirement plan with a 401(k) arrangement sponsored by a Participating Company, each as amended from time to time, as applicable with respect to each Participant at the relevant time.

"Section 409A" means Section 409A of the Code, as amended, and the final Treasury Regulations issued thereunder.

"Separation from Service" means a "separation from service" as defined in Section 409A.

"SERP" means the PPL Supplemental Executive Retirement Plan.

"Unforeseeable Emergency" means an "unforeseeable emergency" as defined in Section 409A.

ARTICLE III
DEFERRAL ELECTION; COMPANY CONTRIBUTIONS

3.1 Deferral Elections

An Eligible Employee may elect to participate for each Plan Year by making a Deferral Election within the time periods prescribed below.

(a) Base Compensation. To be effective for a Plan Year, a Deferral Election to defer a portion of Base Compensation must be returned by the deadline set by the CLC, which in no event will be later than the December 31 immediately preceding the applicable Plan Year. All Deferral Elections are irrevocable for the Plan Year for which the Deferral Election is made and cannot be changed or revoked after the deadline set by the CLC, which in no event will be later than the December 31 immediately preceding the Plan Year except as otherwise provided in the Plan.

(b) Cash Awards. An irrevocable Deferral Election to defer a portion of a Cash Award may be made on or before June 30 of the performance period, i.e., the calendar year a Participant performs services for a Participating Company to which the Cash Award relates, if:

(1) the individual is an Eligible Employee and performs services continuously from the later of (a) the beginning of the performance period or (b) the date the performance criteria are established through the date an election is made under this subsection;

(2) the individual becomes an Eligible Employee no later than May 15 of the applicable performance period; and

(3) the Cash Award has not become readily ascertainable.

(c) First Year Eligibility. An Eligible Employee who first becomes eligible to participate in the Plan during a Plan Year due to becoming designated as an employee in career levels T1 or T2, may make a Deferral Election within thirty (30) days after the designation to defer Base Compensation that will be paid for services to be performed after the election. If an Eligible Employee first becomes eligible to participate in the Plan during a Plan Year for a reason other than becoming designated as an employee in career levels T1 or T2, they may make a Deferral Election to defer Base Compensation pursuant to subsection (a) above. An Eligible Employee who first becomes eligible to participate in the Plan during a Plan Year may make a Deferral Election as to a Cash Award if eligible under and pursuant to subsection (b) above.

(d) Form and Time of Payment. A Deferral Election will provide the Eligible Employee with the opportunity to elect the following with regard to the applicable Plan Year's deferrals and associated Deferred Company Contributions: (i) the time and form of payment upon their Separation from Service, (ii) the form of payment upon their becoming Disabled but without incurring a Separation from Service, and (iii) the time and form of payment on a specified date, which must be at least twelve (12) months after the Deferral Election becomes irrevocable. A Participant may elect a different payment form for each payment event specified above.

3.2 Matching Contributions

If an Eligible Employee contributes Deferred Compensation for the Plan Year, the Eligible Employee will also receive a Matching Contribution amount based on the amount of their Deferred Compensation and the matching contribution formula the Eligible Employee is eligible for under the applicable Savings Plan.

3.3 Employer Contributions

If an Eligible Employee is eligible to receive a nonelective employer contribution under the applicable Savings Plan, the Eligible Employee will receive an Employer Contribution based on the same percentage provided under the applicable Savings Plan of the Eligible Employee's Cash Compensation paid for the Plan Year minus the amount of the nonelective employer contribution made to the Eligible Employee's account in the applicable Savings Plan for that Plan Year.

ARTICLE IV
ACCOUNT

4.1 Accounts

All Deferred Compensation and Deferred Company Contributions, plus applicable earnings, will be credited to a Participant's Account.

4.2 Investment of Accounts

The portion of a Participant's Account maintained in dollars will be deemed to be invested in the investment options selected by the Participant, in the percentages elected by the Participant for each Account. The CLC will determine and communicate to Participants the investment options available under the Plan. If a Participant fails to make an investment election, their Account(s) will be deemed to be invested in the qualified default investment alternative (QDIA) for the Savings Plan in which the Participant is eligible at that time. The Account(s) will be adjusted to reflect the earnings, gains and losses, reduced by any allocable costs or expenses, such Account(s) would have experienced had it actually been invested in the specific funds at the relevant times.

Participants may change their deemed investment elections under the Plan in the form and manner prescribed by the CLC. The Company is not obligated to actually invest any assets in the investment funds selected by the Participant.

ARTICLE V
PAYMENT OF ACCOUNT

5.1 Time of Payment

(a) Pre-2005 Amounts. Payments for Pre-2005 Amounts will commence immediately when the Participant's employment with a Participating Company terminates for any reason, including retirement.

(b) Post-2004 Amounts. Payment of the Participant's Post-2004 Amounts for a particular Plan Year will begin in accordance with the Participant's Deferral Election associated with the first to occur of: (1) the Participant's Separation from Service, (2) the Participant's Disability or (3) the specified date, as elected by the Participant, if applicable.

(1) Separation from Service Timing. With respect to a particular Plan Year's Deferred Compensation and Deferred Company Contributions, a Participant may elect to begin to receive their Post-2004 Amounts in the event of a Separation from Service on one of the following dates: (A) the date that is six (6) months after Separation from Service, (B) the first anniversary of Separation from Service, (C) the second anniversary of Separation from Service, (D) the third anniversary of Separation from Service, (E) the fourth anniversary of Separation from Service, or (F) the fifth anniversary of Separation from Service.

(2) Disability Timing. In the event a Participant's Post-2004 Amounts are payable due to a Disability, payment will begin within thirty (30) days of the Participant's Disability.

(3) Participant Election Timing. A Participant may elect to receive their Post-2004 Amounts on a specified date in accordance with their Deferral Election.

If there is not a valid election on file with respect to any Post-2004 Amount, amounts will be paid on the date that is six (6) months after the Participant's Separation from Service.

5.2 Form of Payment

(a) (1) Pre-2005 Amounts. The Pre-2005 Amounts will be paid to a Participant in a lump sum or in annual installments up to a maximum of fifteen (15) years, as elected by the Participant. The election must have been made before the applicable Cash Compensation and/or Cash Award was deferred and may not be changed. Any Pre-2005 Amounts for which the Participant did not make a valid election will be paid in the form of a lump sum.

(2) Post-2004 Amounts. Post-2004 Amounts will be paid as elected in accordance with the Participant's Deferral Election in a lump sum or in annual installments up to a maximum of fifteen (15) years. Any Post-2004 Amounts for which the Participant did not make a valid election will be paid in the form of a lump sum.

(b) Solely with respect to Pre-2005 Amounts, all annual installment payments will, except for the final payment, be not less than $5,000. To the extent necessary, the number of annual installments may be reduced to ensure that each annual installment payment is at least $5,000.

5.3 Death of Participant

(a) If a Participant dies while employed by PPL or an Affiliated Company or before any and all payments have been paid under this Article, payments will be made to the Beneficiary designated in writing by the Participant. A Participant may change their Beneficiary designation and designate a new Beneficiary at any time prior to the Participant's death in the form and manner prescribed by the CLC The person named as the Participant's Beneficiary need not consent or approve of a change in Beneficiary designation. In the event the designated Beneficiary does not survive the Participant, payment will be made to an alternate Beneficiary designated in writing by the Participant. If no such designation is in effect at the time of the Participant's death, or if the alternate Beneficiary does not survive the Participant, payment will be made to the Participant's estate.

(b) Payments made to a Participant's designated Beneficiary will be made in a lump sum on or before the first day of the second month following the date of the Participant's death.

5.4 Unforeseeable Emergency Withdrawal

Upon the Participant's request, the CLC may determine, in its sole discretion, that an amount will be paid to a Participant or a Beneficiary upon an Unforeseeable Emergency. In such case, a lump sum payment will be made upon the occurrence of the Unforeseeable Emergency equal to the amount necessary to satisfy the emergency need, including amounts to pay any Federal, state, local or foreign taxes or penalties reasonably anticipated to result from the distribution. A distribution pursuant to this paragraph will not be made to the extent that an Unforeseeable Emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, or by liquidation of the Participant's assets to the extent the liquidation does not itself cause severe financial hardship, or by cessation of future deferrals under the Plan.

5.5 Incompetence

If the person to receive payment is a minor or is deemed by the CLC or is adjudged to be legally incompetent, the payments will be made to the duly appointed guardian or committee of such minor or incompetent, or they may be made to such person or persons the CLC believes are caring for or supporting such minors or incompetents.

ARTICLE VI
ADMINISTRATION

6.1 Plan Administration

The Plan will be administered by the CLC. The CLC or its delegate will have the discretionary authority and final right to interpret, construe and make benefit determinations (including eligibility and amount) under the Plan. The decisions of the CLC are final and conclusive for all purposes. If one or more members of the CLC are disqualified by personal interest from taking part in a particular decision, the remaining member or members of the CLC (although less than a quorum) will have full authority to act on the matter. The CLC will have authority to delegate specified duties and responsibilities to specific members of the CLC, other PPL Committees, or other PPL management employees.

6.2 Expenses

All expenses and costs in connection with administration of the Plan will be borne by PPL.

6.3 Maintenance of Separate Accounts

All payments from this Plan to a Participant or a Beneficiary will be made from the general assets of the applicable Participating Company. This Plan will not require any Participating Company or an Affiliated Company to set aside, segregate, earmark, pay into trust or special account or otherwise restrict the use of its assets in the operation of the business. A Participant or Beneficiary will have no greater right or status than an unsecured general creditor of a Participating Company with respect to any amounts owed to the Participant or Beneficiary hereunder.

ARTICLE VII
MISCELLANEOUS

7.1 Employment Rights

Nothing in this Plan will confer any right on any Participant to continue in a participating Company's or an Affiliated Company's employ or to receive compensation therefrom, nor will anything in this Plan affect in any way the right of a Participating Company or an Affiliated Company to terminate any Participant's employment at any time.

7.2 Governing Law

To the extent federal law, including Code Section 409A, does not apply, the Plan will be construed, administered and enforced according to the laws of the Commonwealth of Pennsylvania.

7.3 Assignment

All payments to persons entitled to benefits hereunder will not be grantable, transferable, pledged or otherwise assignable in anticipation of payment thereof, or subject to attachment, alienation, garnishment, levy, execution or other legal or equitable process in whole or in part, by the voluntary or involuntary acts of any such persons, or by operation of law, and will not be liable or taken for any obligation of such person. Each Participating Company will observe the terms of the Plan unless and until ordered to do otherwise by a state or federal court. As a condition of participation, a Participant agrees to hold a Participating Company harmless from any claim that arises out of the Participating Company obeying any such order whether such order effects a judgment of such court or is issued to enforce a judgment or order of another court.

7.4 Section 409A Compliance

This Plan is intended to comply with Code Section 409A or an exemption thereunder and will be construed and administered in accordance with Code Section 409A. Notwithstanding any other provision of this Plan, payments provided under this Plan may only be made upon an event and in a manner that complies with Code Section 409A or an applicable exemption. Except as otherwise specifically provided herein, for purposes of Code Section 409A, each installment payment provided under this Plan will be treated as a separate payment. Any payments to be made under this Plan upon a termination of employment will only be made if such termination of employment constitutes a "separation from service" under Code Section 409A.

7.5 Terms

Titles of Articles and Sections hereof are for general information only and the Plan will not be construed by reference thereto.

ARTICLE VIII
TERMINATION OR AMENDMENT

The CLC or the Chief Human Resources Officer of PPL (and any successor officer or individual performing substantially similar duties) may amend or terminate the Plan at any time in accordance with Code Section 409A. Each amendment to the Plan will be binding on each Participating Company to which it applies.

No termination or amendment of the Plan will, without a Participant's consent, alter: (a) a Participant's right to payments of amounts previously credited to a Participant's Account, which amounts will continue to be adjusted for earnings and losses as provided herein as though the Plan termination or amendment had not occurred, (b) the amount or times of payment of such amounts which have commenced prior to the effective date of such Plan termination or amendment, or (c) a Participant's right to designate Beneficiaries in the event of a Participant's death.

Executed this ____ day of 12/20/2024 2024.

PPL SERVICES CORPORATION

Angela Gosman
Angela Gosman (Dec 20, 2024 11:55 EST)

Angela K. Gosman
Executive Vice President &
Chief Human Resources Officer

APPENDIX A
PARTICIPATING COMPANIES

1. Kentucky Utilities Company
2. LG&E and KU Services Company
3. Louisville Gas and Electric Company
4. PPL Electric Utilities
5. PPL Services Corporation
6. The Narragansett Company d/b/a Rhode Island Energy

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Exhibit [_]10p-10
TSR

PPL Corporation
Amended and Restated 2012 Stock Incentive Plan
Performance Unit Agreement

PERFORMANCE UNIT AGREEMENT (the "Agreement") dated as of the Date of Grant set forth in the Notice of Grant (as defined below), by and between PPL Corporation, a Pennsylvania corporation (the "Company"), and the participant whose name appears on the Notice of Grant (the "Participant").

1. Grant of Stock Based Award. Subject to the terms and conditions of this Agreement (including vesting conditions):

   (a) The Company hereby evidences and confirms its grant to the Participant, effective as of the Date of Grant, of the number of stock-based units contingent upon Company financial performance (the "Performance Units") specified in the Notice of Grant attached hereto as Exhibit A and made a part hereof ("Notice of Grant").

   (b) Dividend Equivalents.

      (i) The Participant will be credited with dividend equivalents if on any date while the Performance Units are outstanding hereunder the Company pays any cash dividend on its shares of Common Stock ("Cash Dividend Equivalent Units"), which shall represent a future contingent right to a number of shares of Common Stock with a current Fair Market Value equal to the product of (x) the number of Target Performance Units held by the Participant hereunder as of the related dividend record date, multiplied by (y) the amount of such cash dividend per share of Common Stock.

      (ii) The Participant will be credited with dividend equivalents if on any date while the Performance Units are outstanding hereunder the Company shall pay any stock dividend on its shares of Common Stock ("Stock Dividend Equivalent Awards") (which together with Cash Dividend Equivalent Units are "Dividend Equivalent Units"), which shall be paid, without interest, in the form of a contingent right to a future number of shares of Common Stock, equal to the product of (x) the number of Target Performance Units held by the Participant hereunder as of the related dividend record date, multiplied by (y) the number of shares of Common Stock (including any fraction thereof) payable as a dividend per share of Common Stock.

      (iii) Dividend Equivalents Units will accrue on any credited Dividend Equivalent Units (in addition to accruing on Target Performance Units) upon each cash or stock dividend paid on Company shares. Any Dividend Equivalent Units shall be subject to the same vesting and payment terms and conditions as the corresponding Performance Units to which they relate.

   (c) This Agreement and the Performance Units and Dividend Equivalent Units granted hereunder are subject to all of the terms and conditions of the PPL Corporation Amended and Restated 2012 Stock Incentive Plan (the "Plan"), as amended from time to time, which are incorporated by reference herein. If there is any

inconsistency between the terms hereof and the terms of the Plan, the terms of the Plan shall govern. Any capitalized terms used herein without definition shall have the meanings set forth in the Plan.

2. Vesting of Performance Units and Dividend Equivalents.

(a) General. The number of the Performance Units and Dividend Equivalent Units which shall be vested and paid shall be based on the extent of the attainment of the Performance Goal established by the Committee for the Performance Period (as set forth in the Notice of Grant). The payout percentage determined by the Performance Goal attainment will be multiplied by the number of Target Performance Units and Dividend Equivalent Units to obtain the number of vested Performance Units and Dividend Equivalent Units Promptly after the conclusion of the Performance Period, the Committee will determine the extent to which the Performance Goal has been satisfied and how many Performance Units and Dividend Equivalent Units will vest.

(b) Service.

(i) In order for Performance Units and Dividend Equivalent Units to vest according to Section 2(a), the Participant must continue employment through the last day of the Performance Period (as set forth in the Notice of Grant), except as provided in Section 2(b)(ii) or 2(c) below. In the event of the Participant's termination of Employment for any reason other than death, Disability or Retirement prior to the last day of the Performance Period, all of the Participant's Performance Units and Dividend Equivalent Units shall be immediately forfeited and cancelled by the Company without consideration.

(ii) Death, Disability, Retirement.

(A) Subject to Section 2(c) below, in the event of the Participant's termination of Employment with the Company and its Affiliates due to death, Disability or Retirement prior to the conclusion of the Performance Period, the Performance Units and Dividend Equivalent Units shall remain outstanding and eligible for vesting through the conclusion of the Performance Period (or, if applicable, an earlier Change in Control (as defined below)) as described in Section 2(a) above; provided, that, in such event, only a pro rata portion on termination due to death or Disability (as described below in Section 2(b)(ii)(B)) of the Performance Units and Dividend Equivalent Units shall be eligible to become vested, and, to the extent so vested, shall be settled and paid as provided in Section 3; and

Subject to Section 2(c) below (in the event of a Change in Control following termination of Employment due to death, Disability or Retirement and prior to the conclusion of the Performance Period), the pro rata portion described in clause (A) above for Participant's death or Disability shall be determined by multiplying the number of Performance Units and Dividend Equivalent Units that would have vested had the Participant's Employment continued through the conclusion of the Performance Period, based on actual achievement of the Goals, by a fraction, the numerator of which is the number of days elapsed from the commencement of the Performance Period through the date of the Participant's termination of Employment, and

the denominator of which is the number of days in the Performance Period; but in the event of Participant's Retirement one year or more from the commencement of the Performance Period, Performance Units and Dividend Equivalent Units shall be vested and paid as if Participant's Employment had continued through the conclusion of the Performance Period, however a Participant's Retirement prior to one year of the commencement of the Performance Period shall cause immediate forfeiture as provided in Section 2(b)(i); and

(B) For purposes of this Agreement, "Retirement" shall mean the Participant's termination of Employment at a time when the Participant is eligible to commence monthly retirement benefits under the Company's Retirement Plan, or, if the Participant is not a participant in the Company's Retirement Plan, under any other defined benefit pension plan (whether or not tax qualified) maintained by the Company Group, or, if the Participant is not covered by any defined benefit pension plan, then Retirement shall mean the Participant's termination of Employment at or after age 55.

(c) Change in Control. Notwithstanding the foregoing, in the event of a Change in Control which constitutes a change in the ownership or effective control, or change in ownership of a substantial portion of the assets, of the Company within the meaning of Section 409A of the Code (a "409A Change in Control"), while a Participant remains employed with the Company and its Affiliates (or following termination of Employment due to death, Disability or Retirement), (x) before the end of the Performance Period, (A) the Performance Goal shall be deemed satisfied at the "Target Award" level (as described in the Notice of Grant), (B) the date of the 409A Change in Control will be considered to be the last day of the Performance Period, and (C) the Target number of the Performance Units and Dividend Equivalent Units will vest, and (y) upon or after the conclusion of the Performance Period, the Performance Goal will be satisfied (if at all) to the extent of actual attainment of the Performance Goal.

(d) No shares of Common Stock will be issued or issuable (or other consideration be payable) with respect to any portion of the Performance Units and Dividend Equivalent Units that do not vest in accordance with the foregoing provisions of Section 2. Any Performance Units or Dividend Equivalent Units that do not vest at the end of the Performance Period shall be immediately forfeited and cancelled by the Company without any consideration.

3. Payment Date. Subject to Section 7(c), on the Payment Date (as defined below), the Company shall issue to the Participant one share of Common Stock in settlement of each Performance Unit and Dividend Equivalent Unit that vests as provided in Section 2, if any. The "Payment Date" upon which this Award shall be settled and paid shall occur as soon as practicable following the last day of the Performance Period and the date that the Committee determines and certifies that the Goals with respect to the Performance Period have been satisfied (but in no event later than 2½ months after the conclusion of the Performance Period); provided that if a 409A Change in Control occurs, the Payment Date shall occur as of immediately prior to the 409A Change in Control.

No fractional shares of Common Stock shall be issued. The Committee may, in its discretion, round up to the nearest whole share or pay cash in lieu of any fractional share in

settlement of an Award based on the Fair Market Value of the Common Stock on the Payment Date.

4. Securities Law Compliance. Notwithstanding any other provision of this Agreement, the Participant may not sell the shares of Common Stock acquired upon settlement of the Performance Units and Dividend Equivalent Units unless such shares are registered under the Securities Act of 1933, as amended (the "Securities Act"), or, if such shares are not then so registered, such sale would be exempt from the registration requirements of the Securities Act. The sale of such shares must also comply with other applicable laws and regulations governing the shares, and Participant may not sell the shares of Common Stock, if the Company determines that such sale would not be in material compliance with such laws and regulations.

5. Participant's Rights with Respect to the Performance Units and Dividend Equivalent Units.

   (a) Restrictions on Transferability. The Performance Units and Dividend Equivalent Units granted hereby are not assignable or transferable, in whole or in part, and may not, directly or indirectly, be offered, transferred, sold, pledged, assigned, alienated, hypothecated or otherwise disposed of or encumbered (including, without limitation, by gift, operation of law or otherwise) other than by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that the deceased Participant's beneficiary or representative of the Participant's estate shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan, as if such beneficiary or the estate were the Participant.

   (b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder including any voting, dividend or other rights or privileges as a stockholder of the Company with respect to any Common Stock corresponding to the Performance Units and Dividend Equivalent Units granted hereby, unless and until shares of Common Stock are actually issued to the Participant in respect thereof.

6. Adjustment in Capitalization. In the event of any change in the outstanding Common Stock by reason of any recapitalization, combination or exchange of shares or other similar changes in the Common Stock, appropriate adjustment shall be made by the Committee, in accordance with Section 10 of the Plan.

7. Miscellaneous.

   (a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns, any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

   (b) No Right to Continued Employment. Nothing in the Plan or this Agreement shall interfere with or limit in any way the right of the Company or any of its Affiliates to terminate the Participant's Employment at any time, or confer upon the Participant any right to continue in the employ of the Company or any of its Affiliates.

(c) Tax Withholding. The Company and its Affiliates shall have the right to deduct from all amounts payable to the Participant (whether under the Plan or otherwise) any amount of taxes required by law to be withheld in respect of settlement of the vested Performance Units and Dividend Equivalent Units, as may be necessary in the opinion of the Company to satisfy tax withholding required by law to be withheld. Unless otherwise determined by the Committee, the Company will meet such obligations with respect to the settlement and payment of any vested Performance Units and Dividend Equivalent Units by having the Company withhold the least number of whole shares of Common Stock having a Fair Market Value sufficient to satisfy the amount required to be withheld in respect of settlement and payment of the vested Performance Units and Dividend Equivalent Units.

(d) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the Commonwealth of Pennsylvania regardless of the application of rules of conflict of laws that would apply to the laws of any other jurisdiction.

(e) Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Performance Unit Award evidenced hereby, the Participant acknowledges: (i) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (ii) that the Award does not create any contractual or other right to receive future grants of Awards; (iii) that participation in the Plan is voluntary; (iv) that the value of the Performance Unit Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (v) that the future value of the shares of Common Stock is unknown and cannot be predicted with certainty.

(f) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(g) Amendments. The terms of this Agreement may be amended from time to time by the Committee in its sole discretion in any manner it deems appropriate; provided that no such amendment shall, without the Participant's consent, materially diminish the Participant's rights under this Agreement.

(h) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

(i) Recoupment of Award. This Agreement and grant of Performance Units and Dividend Equivalent Units, all of Participant's other outstanding equity awards, any future equity awards, and any compensation associated therewith, will be made subject to forfeiture, recovery by the Company or other action pursuant to any compensation recovery policy adopted by the Board or the Committee at any time, including in response to the requirements of Section 10D of the Exchange Act, the SEC's final rules thereunder (Listing Standards for Recovery of Erroneously Awarded Compensation, 87 Fed. Reg. 73076-73142) and any listing rules or other rules and regulations implementing the foregoing, or as otherwise required by law.

This Agreement may be unilaterally amended by the Committee to comply with any such compensation recovery policy.

Sincerely,

PPL Corporation

By:_____
Vincent Sorgi
President and CEO

Exhibit A

PPL CORPORATION
AMENDED AND RESTATED 2012 STOCK INCENTIVE PLAN

PERFORMANCE UNIT AWARD - NOTICE OF GRANT

The number of shares of PPL Common Stock that may be earned and become vested under this Performance Unit Award shall be based on the achievement of pre-established performance goals as set by the Committee for the Performance Period, based on the following:

Name of Participant: Participant Name

Date of Grant: Grant date

Total Number of Performance Units Awarded (subject to vesting): X,XXX

Performance Period:

Performance Measure:

Relative TSR Peer Group:

Earnout Schedule:

Confidential

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PPL Corporation
Amended and Restated 2012 Stock Incentive Plan
Performance Unit Agreement

PERFORMANCE UNIT AGREEMENT (the "Agreement") dated as of the Date of Grant set forth in the Notice of Grant (as defined below), by and between PPL Corporation, a Pennsylvania corporation (the "Company"), and the participant whose name appears on the Notice of Grant (the "Participant").

1. Grant of Stock Based Award. Subject to the terms and conditions of this Agreement (including vesting conditions):

   (a) The Company hereby evidences and confirms its grant to the Participant, effective as of the Date of Grant, of the number of stock-based units contingent upon Company financial performance (the "Performance Units") specified in the Notice of Grant attached hereto as Exhibit A and made a part hereof ("Notice of Grant").

   (b) Dividend Equivalents.

      (i) The Participant will be credited with dividend equivalents if on any date while the Performance Units are outstanding hereunder the Company pays any cash dividend on its shares of Common Stock ("Cash Dividend Equivalent Units"), which shall represent a future contingent right to a number of shares of Common Stock with a current Fair Market Value equal to the product of (x) the number of Target Performance Units held by the Participant hereunder as of the related dividend record date, multiplied by (y) the amount of such cash dividend per share of Common Stock.

      (ii) The Participant will be credited with dividend equivalents if on any date while the Performance Units are outstanding hereunder the Company shall pay any stock dividend on its shares of Common Stock ("Stock Dividend Equivalent Awards") (which together with Cash Dividend Equivalent Units are "Dividend Equivalent Units"), which shall be paid, without interest, in the form of a contingent right to a future number of shares of Common Stock, equal to the product of (x) the number of Target Performance Units held by the Participant hereunder as of the related dividend record date, multiplied by (y) the number of shares of Common Stock (including any fraction thereof) payable as a dividend per share of Common Stock.

      (iii) Dividend Equivalents Units will accrue on any credited Dividend Equivalent Units (in addition to accruing on Target Performance Units) upon each cash or stock dividend paid on Company shares. Any Dividend Equivalent Units shall be subject to the same vesting and payment terms and conditions as the corresponding Performance Units to which they relate.

   (c) This Agreement and the Performance Units and Dividend Equivalent Units granted hereunder are subject to all of the terms and conditions of the PPL Corporation Amended and Restated 2012 Stock Incentive Plan (the "Plan"), as amended from time to time, which are incorporated by reference herein. If there is any

inconsistency between the terms hereof and the terms of the Plan, the terms of the Plan shall govern. Any capitalized terms used herein without definition shall have the meanings set forth in the Plan.

2. Vesting of Performance Units and Dividend Equivalents.

(a) General. The number of the Performance Units and Dividend Equivalent Units which shall be vested and paid shall be based on the extent of the attainment of the Performance Goal established by the Committee for the Performance Period (as set forth in the Notice of Grant). The payout percentage determined by the Performance Goal attainment will be multiplied by the number of Target Performance Units and Dividend Equivalent Units to obtain the number of vested Performance Units and Dividend Equivalent Units Promptly after the conclusion of the Performance Period, the Committee will determine the extent to which the Performance Goal has been satisfied and how many Performance Units and Dividend Equivalent Units will vest.

(b) Service.

(i) In order for Performance Units and Dividend Equivalent Units to vest according to Section 2(a), the Participant must continue employment through the last day of the Performance Period (as set forth in the Notice of Grant), except as provided in Section 2(b)(ii) or 2(c) below. In the event of the Participant's termination of Employment for any reason other than death, Disability or Retirement prior to the last day of the Performance Period, all of the Participant's Performance Units and Dividend Equivalent Units shall be immediately forfeited and cancelled by the Company without consideration.

(ii) Death, Disability, Retirement.

(A) Subject to Section 2(c) below, in the event of the Participant's termination of Employment with the Company and its Affiliates due to death, Disability or Retirement prior to the last day of the Performance Period, the Participant shall be deemed to have been continuously employed until the last day of the Performance Period.

(B) For purposes of this Agreement, "Retirement" shall mean the Participant's termination of Employment at a time when the Participant is eligible to commence monthly retirement benefits under the Company's Retirement Plan, or, if the Participant is not a participant in the Company's Retirement Plan, under any other defined benefit pension plan (whether or not tax qualified) maintained by the Company Group, or, if the Participant is not covered by any defined benefit pension plan, then Retirement shall mean the Participant's termination of Employment at or after age 55.

(c) Change in Control. Notwithstanding the foregoing, in the event of a Change in Control which constitutes a change in the ownership or effective control, or change in ownership of a substantial portion of the assets, of the Company within the meaning of Section 409A of the Code (a "409A Change in Control"), while a Participant remains employed with the Company and its Affiliates (or following termination of Employment due to death, Disability or Retirement), (x) before the end of the Performance Period, (A) the Performance Goal shall be deemed satisfied at the "Target Award" level (as described in the Notice of Grant), (B) the date of the

409A Change in Control will be considered to be the last day of the Performance Period, and (C) the Target number of the Performance Units and Dividend Equivalent Units will vest, and (y) upon or after the conclusion of the Performance Period, the Performance Goal will be satisfied (if at all) to the extent of actual attainment of the Performance Goal.

(d) No shares of Common Stock will be issued or issuable (or other consideration be payable) with respect to any portion of the Performance Units and Dividend Equivalent Units that do not vest in accordance with the foregoing provisions of Section 2. Any Performance Units or Dividend Equivalent Units that do not vest at the end of the Performance Period shall be immediately forfeited and cancelled by the Company without any consideration.

3. Payment Date. Subject to Section 7(c), on the Payment Date (as defined below), the Company shall issue to the Participant one share of Common Stock in settlement of each Performance Unit and Dividend Equivalent Unit that vests as provided in Section 2, if any. The "Payment Date" upon which this Award shall be settled and paid shall occur as soon as practicable following the last day of the Performance Period but in any event not later than March 15 of the year following such date. If a 409A Change in Control occurs, the Payment Date shall occur as of immediately prior to the 409A Change in Control.

No fractional shares of Common Stock shall be issued. The Committee may, in its discretion, round up to the nearest whole share or pay cash in lieu of any fractional share in settlement of an Award based on the Fair Market Value of the Common Stock on the Payment Date.

4. Securities Law Compliance. Notwithstanding any other provision of this Agreement, the Participant may not sell the shares of Common Stock acquired upon settlement of the Performance Units and Dividend Equivalent Units unless such shares are registered under the Securities Act of 1933, as amended (the "Securities Act"), or, if such shares are not then so registered, such sale would be exempt from the registration requirements of the Securities Act. The sale of such shares must also comply with other applicable laws and regulations governing the shares, and Participant may not sell the shares of Common Stock, if the Company determines that such sale would not be in material compliance with such laws and regulations.

5. Participant's Rights with Respect to the Performance Units and Dividend Equivalent Units.

(a) Restrictions on Transferability. The Performance Units and Dividend Equivalent Units granted hereby are not assignable or transferable, in whole or in part, and may not, directly or indirectly, be offered, transferred, sold, pledged, assigned, alienated, hypothecated or otherwise disposed of or encumbered (including, without limitation, by gift, operation of law or otherwise) other than by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that the deceased Participant's beneficiary or representative of the Participant's estate shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan, as if such beneficiary or the estate were the Participant.

(b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder including any voting, dividend or other rights or privileges as a stockholder of the Company with respect to any Common Stock corresponding to the Performance Units and Dividend Equivalent Units granted hereby, unless and

until shares of Common Stock are actually issued to the Participant in respect thereof.

6. Adjustment in Capitalization. In the event of any change in the outstanding Common Stock by reason of any recapitalization, combination or exchange of shares or other similar changes in the Common Stock, appropriate adjustment shall be made by the Committee, in accordance with Section 10 of the Plan.

7. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns, any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) No Right to Continued Employment. Nothing in the Plan or this Agreement shall interfere with or limit in any way the right of the Company or any of its Affiliates to terminate the Participant's Employment at any time, or confer upon the Participant any right to continue in the employ of the Company or any of its Affiliates.

(c) Tax Withholding. The Company and its Affiliates shall have the right to deduct from all amounts payable to the Participant (whether under the Plan or otherwise) any amount of taxes required by law to be withheld in respect of settlement of the vested Performance Units and Dividend Equivalent Units, as may be necessary in the opinion of the Company to satisfy tax withholding required by law to be withheld. Unless otherwise determined by the Committee, the Company will meet such obligations with respect to the settlement and payment of any vested Performance Units and Dividend Equivalent Units by having the Company withhold the least number of whole shares of Common Stock having a Fair Market Value sufficient to satisfy the amount required to be withheld in respect of settlement and payment of the vested Performance Units and Dividend Equivalent Units.

(d) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the Commonwealth of Pennsylvania regardless of the application of rules of conflict of laws that would apply to the laws of any other jurisdiction.

(e) Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Performance Unit Award evidenced hereby, the Participant acknowledges: (i) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (ii) that the Award does not create any contractual or other right to receive future grants of Awards; (iii) that participation in the Plan is voluntary; (iv) that the value of the Performance Unit Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (v) that the future value of the shares of Common Stock is unknown and cannot be predicted with certainty.

(f) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(g) Amendments. The terms of this Agreement may be amended from time to time by the Committee in its sole discretion in any manner it deems appropriate; provided that no such amendment shall, without the Participant's consent, materially diminish the Participant's rights under this Agreement.

(h) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

(i) Recoupment of Award. This Agreement and grant of Performance Units and Dividend Equivalent Units, all of Participant's other outstanding equity awards, any future equity awards, and any compensation associated therewith, will be made subject to forfeiture, recovery by the Company or other action pursuant to any compensation recovery policy adopted by the Board or the Committee at any time, including in response to the requirements of Section 10D of the Exchange Act, the SEC's final rules thereunder (Listing Standards for Recovery of Erroneously Awarded Compensation, 87 Fed. Reg. 73076-73142) and any listing rules or other rules and regulations implementing the foregoing, or as otherwise required by law. This Agreement may be unilaterally amended by the Committee to comply with any such compensation recovery policy.

Sincerely,

PPL Corporation

By:_____
Vincent Sorgi
President and CEO

EG

Exhibit A

PPL CORPORATION
AMENDED AND RESTATED 2012 STOCK INCENTIVE PLAN

PERFORMANCE UNIT AWARD - NOTICE OF GRANT

The number of shares of PPL Common Stock that may be earned and become vested under this Performance Unit Award shall be based on the achievement of pre-established performance goals as set by the Committee for the Performance Period, based on the following:

Name of Participant: Participant Name

Date of Grant: Grant date

Total Number of Performance Units Awarded (subject to vesting): X,XXX

Performance Period:

Performance Measures:

Payout Schedule:

Confidential

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PPL Corporation
Amended and Restated 2012 Stock Incentive Plan
Performance Unit Agreement

PERFORMANCE UNIT AGREEMENT (the "Agreement") dated as of the Date of Grant set forth in the Notice of Grant (as defined below), by and between PPL Corporation, a Pennsylvania corporation (the "Company"), and the participant whose name appears on the Notice of Grant (the "Participant").

1. Grant of Stock Based Award. Subject to the terms and conditions of this Agreement (including vesting conditions):

   (a) The Company hereby evidences and confirms its grant to the Participant, effective as of the Date of Grant, of the number of stock-based units contingent upon Company financial performance (the "Performance Units") specified in the Notice of Grant attached hereto as Exhibit A and made a part hereof ("Notice of Grant").

   (b) Dividend Equivalents.

      (i) The Participant will be credited with dividend equivalents if on any date while the Performance Units are outstanding hereunder the Company pays any cash dividend on its shares of Common Stock ("Cash Dividend Equivalent Units"), which shall represent a future contingent right to a number of shares of Common Stock with a current Fair Market Value equal to the product of (x) the number of Target Performance Units held by the Participant hereunder as of the related dividend record date, multiplied by (y) the amount of such cash dividend per share of Common Stock.

      (ii) The Participant will be credited with dividend equivalents if on any date while the Performance Units are outstanding hereunder the Company shall pay any stock dividend on its shares of Common Stock ("Stock Dividend Equivalent Units") (which together with Cash Dividend Equivalent Awards are "Dividend Equivalent Units"), which shall be paid, without interest, in the form of a contingent right to a future number of shares of Common Stock, equal to the product of (x) the number of Target Performance Units held by the Participant hereunder as of the related dividend record date, multiplied by (y) the number of shares of Common Stock (including any fraction thereof) payable as a dividend per share of Common Stock.

      (iii) Dividend Equivalents Units will accrue on any credited Dividend Equivalent Units (in addition to accruing on Target Performance Units) upon each cash or stock dividend paid on Company shares. Any Dividend Equivalent Units shall be subject to the same vesting and payment terms and conditions as the corresponding Performance Units to which they relate.

   (c) This Agreement and the Performance Units and Dividend Equivalent Units granted hereunder are subject to all of the terms and conditions of the PPL Corporation Amended and Restated 2012 Stock Incentive Plan (the "Plan"), as amended from time to time, which are incorporated by reference herein. If there is any

inconsistency between the terms hereof and the terms of the Plan, the terms of the Plan shall govern. Any capitalized terms used herein without definition shall have the meanings set forth in the Plan.

2. Vesting of Performance Units and Dividend Equivalents.

(a) General. The number of the Performance Units and Dividend Equivalent Units which shall be vested and paid shall be based on the extent of the attainment of the Performance Goal established by the Committee for the Performance Period (as set forth in the Notice of Grant). The payout percentage determined by the Performance Goal attainment will be multiplied by the number of Target Performance Units and Dividend Equivalent Units to obtain the number of vested Performance Units and Dividend Equivalent Units. Promptly after the conclusion of the Performance Period, the Committee will determine the extent to which the Performance Goal has been satisfied and how many Performance Units and Dividend Equivalent Units will vest.

(b) Service.

(i) In order for Performance Units and Dividend Equivalent Units to vest according to Section 2(a), the Participant must continue employment through the last day of the Performance Period (as set forth in the Notice of Grant), except as provided in Section 2(b)(ii) or 2(c) below. In the event of the Participant's termination of Employment for any reason other than death, Disability or Retirement prior to the last day of the Performance Period, all of the Participant's Performance Units and Dividend Equivalent Units shall be immediately forfeited and cancelled by the Company without consideration.

(ii) Death, Disability, Retirement.

(A) Subject to Section 2(c) below, in the event of the Participant's termination of Employment with the Company and its Affiliates due to death, Disability or Retirement prior to the last day of the Performance Period, the Participant shall be deemed to have been continuously employed until the last day of the Performance Period.

(B) For purposes of this Agreement, "Retirement" shall mean the Participant's termination of Employment at a time when the Participant is eligible to commence monthly retirement benefits under the Company's Retirement Plan, or, if the Participant is not a participant in the Company's Retirement Plan, under any other defined benefit pension plan (whether or not tax qualified) maintained by the Company Group, or, if the Participant is not covered by any defined benefit pension plan, then Retirement shall mean the Participant's termination of Employment at or after age 55.

(c) Change in Control. Notwithstanding the foregoing, in the event of a Change in Control which constitutes a change in the ownership or effective control, or change in ownership of a substantial portion of the assets, of the Company within the meaning of Section 409A of the Code (a "409A Change in Control"), while a Participant remains employed with the Company and its Affiliates (or following termination of Employment due to death, Disability or Retirement), (x) before the end of the Performance Period, (A) the Performance Goal shall be deemed satisfied at the "Target Award" level (as described in the Notice of Grant), (B) the date of the

409A Change in Control will be considered to be the last day of the Performance Period, and (C) the Target number of the Performance Units and Dividend Equivalent Units will vest, and (y) upon or after the conclusion of the Performance Period, the Performance Goal will be satisfied (if at all) to the extent of actual attainment of the Performance Goal.

(d) No shares of Common Stock will be issued or issuable (or other consideration be payable) with respect to any portion of the Performance Units and Dividend Equivalent Units that do not vest in accordance with the foregoing provisions of Section 2. Any Performance Units or Dividend Equivalent Units that do not vest at the end of the Performance Period shall be immediately forfeited and cancelled by the Company without any consideration.

3. Payment Date. Subject to Section 7(c), on the Payment Date (as defined below), the Company shall issue to the Participant one share of Common Stock in settlement of each Performance Unit and Dividend Equivalent Unit that vests as provided in Section 2, if any. The "Payment Date" upon which this Award shall be settled and paid shall occur as soon as practicable following the last day of the Performance Period but in any event not later than March 15 of the year following such date. If a 409A Change in Control occurs, the Payment Date shall occur as of immediately prior to the 409A Change in Control.

No fractional shares of Common Stock shall be issued. The Committee may, in its discretion, round up to the nearest whole share or pay cash in lieu of any fractional share in settlement of an Award based on the Fair Market Value of the Common Stock on the Payment Date.

4. Securities Law Compliance. Notwithstanding any other provision of this Agreement, the Participant may not sell the shares of Common Stock acquired upon settlement of the Performance Units and Dividend Equivalent Units unless such shares are registered under the Securities Act of 1933, as amended (the "Securities Act"), or, if such shares are not then so registered, such sale would be exempt from the registration requirements of the Securities Act. The sale of such shares must also comply with other applicable laws and regulations governing the shares, and Participant may not sell the shares of Common Stock, if the Company determines that such sale would not be in material compliance with such laws and regulations.

5. Participant's Rights with Respect to the Performance Units and Dividend Equivalent Units.

(a) Restrictions on Transferability. The Performance Units and Dividend Equivalent Units granted hereby are not assignable or transferable, in whole or in part, and may not, directly or indirectly, be offered, transferred, sold, pledged, assigned, alienated, hypothecated or otherwise disposed of or encumbered (including, without limitation, by gift, operation of law or otherwise) other than by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that the deceased Participant's beneficiary or representative of the Participant's estate shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan, as if such beneficiary or the estate were the Participant.

(b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder including any voting, dividend or other rights or privileges as a stockholder of the Company with respect to any Common Stock corresponding to the Performance Units and Dividend Equivalent Units granted hereby, unless and

until shares of Common Stock are actually issued to the Participant in respect thereof.

6. Adjustment in Capitalization. In the event of any change in the outstanding Common Stock by reason of any recapitalization, combination or exchange of shares or other similar changes in the Common Stock, appropriate adjustment shall be made by the Committee, in accordance with Section 10 of the Plan.

7. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns, any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) No Right to Continued Employment. Nothing in the Plan or this Agreement shall interfere with or limit in any way the right of the Company or any of its Affiliates to terminate the Participant's Employment at any time, or confer upon the Participant any right to continue in the employ of the Company or any of its Affiliates.

(c) Tax Withholding. The Company and its Affiliates shall have the right to deduct from all amounts payable to the Participant (whether under the Plan or otherwise) any amount of taxes required by law to be withheld in respect of settlement of the vested Performance Units and Dividend Equivalent Units, as may be necessary in the opinion of the Company to satisfy tax withholding required by law to be withheld. Unless otherwise determined by the Committee, the Company will meet such obligations with respect to the settlement and payment of any vested Performance Units and Dividend Equivalent Units by having the Company withhold the least number of whole shares of Common Stock having a Fair Market Value sufficient to satisfy the amount required to be withheld in respect of settlement and payment of the vested Performance Units and Dividend Equivalent Units.

(d) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the Commonwealth of Pennsylvania regardless of the application of rules of conflict of laws that would apply to the laws of any other jurisdiction.

(e) Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Performance Unit Award evidenced hereby, the Participant acknowledges: (i) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (ii) that the Award does not create any contractual or other right to receive future grants of Awards; (iii) that participation in the Plan is voluntary; (iv) that the value of the Performance Unit Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (v) that the future value of the shares of Common Stock is unknown and cannot be predicted with certainty.

(f) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(g) Amendments. The terms of this Agreement may be amended from time to time by the Committee in its sole discretion in any manner it deems appropriate; provided that no such amendment shall, without the Participant's consent, materially diminish the Participant's rights under this Agreement.

(h) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

(i) Recoupment of Award. This Agreement and grant of Performance Units and Dividend Equivalent Units, all of Participant's other outstanding equity awards, any future equity awards, and any compensation associated therewith, will be made subject to forfeiture, recovery by the Company or other action pursuant to any compensation recovery policy adopted by the Board or the Committee at any time, including in response to the requirements of Section 10D of the Exchange Act, the SEC's final rules thereunder (Listing Standards for Recovery of Erroneously Awarded Compensation, 87 Fed. Reg. 73076-73142) and any listing rules or other rules and regulations implementing the foregoing, or as otherwise required by law. This Agreement may be unilaterally amended by the Committee to comply with any such compensation recovery policy.

Sincerely,

PPL Corporation

By:_____
Vincent Sorgi
President and CEO

Exhibit A

PPL CORPORATION
AMENDED AND RESTATED 2012 STOCK INCENTIVE PLAN

PERFORMANCE UNIT AWARD - NOTICE OF GRANT

The number of shares of PPL Common Stock that may be earned and become vested under this Performance Unit Award shall be based on the achievement of pre-established performance goals as set by the Committee for the Performance Period, based on the following:

Name of Participant: Participant Name

Date of Grant: Grant date

Total Number of Performance Units Awarded (subject to vesting): X,XXX

Performance Period:

Performance Measures:

Payout Schedule:

Confidential

PPL Corporation **Exhibit 21**
Subsidiaries of the Registrant
At December 31, 2025

The following listing of subsidiaries omits subsidiaries which, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of December 31, 2025.

Company Name **Business Conducted under Same Name**	**State or Jurisdiction of Incorporation/Formation**
CEP Reserves, Inc.	Delaware
Kentucky Utilities Company	Kentucky and Virginia
LG&E and KU Capital LLC	Kentucky
LG&E and KU Energy LLC	Kentucky
Louisville Gas and Electric Company	Kentucky
PPL Capital Funding, Inc.	Delaware
PPL Electric Utilities Corporation	Pennsylvania
PPL Energy Funding Corporation	Pennsylvania
PPL Energy Holdings, LLC	Delaware
PPL Rhode Island Holdings, LLC	Delaware
PPL Subsidiary Holdings, LLC	Delaware
The Narragansett Electric Company	Rhode Island

Exhibit 23(a)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-277140 and 333-277141 on Form S-3 and Registration Statement Nos. 333-277139, 333-215193, 333-209618, 333-181752, and 333-197629 on Form S-8 of our reports dated February 20, 2026, relating to the financial statements of PPL Corporation and the effectiveness of PPL Corporation's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2025.

/s/ Deloitte & Touche LLP

Morristown, New Jersey
February 20, 2026

Exhibit 23(b)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-277140-03 on Form S-3 of our report dated February 20, 2026, relating to the financial statements of PPL Electric Utilities Corporation appearing in this Annual Report on Form 10-K for the year ended December 31, 2025.

/s/ Deloitte & Touche LLP

Morristown, New Jersey
February 20, 2026

Exhibit 23(c)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-277140-02 on Form S-3 of our report dated February 20, 2026, relating to the financial statements of Louisville Gas and Electric Company appearing in this Annual Report on Form 10-K for the year ended December 31, 2025.

/s/ Deloitte & Touche LLP

Louisville, Kentucky
February 20, 2026

Exhibit 23(d)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-277140-01 on Form S-3 of our report dated February 20, 2026, relating to the financial statements of Kentucky Utilities Company appearing in this Annual Report on Form 10-K for the year ended December 31, 2025.

/s/ Deloitte & Touche LLP

Louisville, Kentucky
February 20, 2026

Exhibit 24

PPL CORPORATION

2025 ANNUAL REPORT
TO THE SECURITIES AND EXCHANGE COMMISSION
ON FORM 10-K

POWER OF ATTORNEY

The undersigned directors of PPL Corporation, a Pennsylvania corporation, that is to file with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, its Annual Report on Form 10-K for the year ended December 31, 2025 ("Form 10-K Report"), do hereby appoint each of Vincent Sorgi, Wendy E. Stark, Jeffrey R. Jankowski and W. Eric Marr, and each of them, their true and lawful attorney, with power to act without the other and with full power of substitution and resubstitution, to execute for them and in their names the Form 10-K Report and any and all amendments thereto, whether said amendments add to, delete from or otherwise alter the Form 10-K Report, or add or withdraw any exhibits or schedules to be filed therewith and any and all instruments in connection therewith. The undersigned hereby grant to each said attorney full power and authority to do and perform in the name of and on behalf of the undersigned, and in any and all capacities, any act and thing whatsoever required or necessary to be done in and about the premises, as fully and to all intents and purposes as the undersigned might do, hereby ratifying and approving the acts of each of the said attorneys

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 20th day of February, 2026.

/s/ Arthur P. Beattie	/s/ Linda G. Sullivan
Arthur P. Beattie	Linda G. Sullivan
/s/ Venkata Rajamannar Madabhushi	/s/ Natica von Althann
Venkata Rajamannar Madabhushi	Natica von Althann
/s/ Heather B. Redman	/s/ Keith H. Williamson
Heather B. Redman	Keith H. Williamson
/s/ Craig A. Rogerson	/s/ Phoebe A. Wood
Craig A. Rogerson	Phoebe A. Wood
/s/ Vincent Sorgi	/s/ Armando Zagalo de Lima
Vincent Sorgi	Armando Zagalo de Lima

Exhibit 31(a)

CERTIFICATION

I, VINCENT SORGI, certify that:

1. I have reviewed this annual report on Form 10-K of PPL Corporation (the "registrant") for the year ended December 31, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2026

/s/ Vincent Sorgi
Vincent Sorgi
President and Chief Executive Officer
(Principal Executive Officer)
PPL Corporation

Exhibit 31(b)

CERTIFICATION

I, JOSEPH P. BERGSTEIN, JR., certify that:

1. I have reviewed this annual report on Form 10-K of PPL Corporation (the "registrant") for the year ended December 31, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2026

/s/ Joseph P. Bergstein, Jr.

Joseph P. Bergstein, Jr.
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
PPL Corporation

Exhibit 31(c)

CERTIFICATION

I, CHRISTINE M. MARTIN, certify that:

1. I have reviewed this annual report on Form 10-K of PPL Electric Utilities Corporation (the "registrant") for the year ended December 31, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2026

/s/ Christine M. Martin

Christine M. Martin
President
(Principal Executive Officer)
PPL Electric Utilities Corporation

Exhibit 31(d)

CERTIFICATION

I, MARLENE C. BEERS, certify that:

1. I have reviewed this annual report on Form 10-K of PPL Electric Utilities Corporation (the "registrant") for the year ended December 31, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2026

/s/ Marlene C. Beers

Marlene C. Beers
Vice President and Controller
(Principal Financial Officer)
PPL Electric Utilities Corporation

Exhibit 31(e)

CERTIFICATION

I, JOHN R. CROCKETT III, certify that:

1. I have reviewed this annual report on Form 10-K of Louisville Gas and Electric Company (the "registrant") for the year ended December 31, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2026

/s/ John R. Crockett III

John R. Crockett III
President
(Principal Executive Officer)
Louisville Gas and Electric Company

Exhibit 31(f)

CERTIFICATION

I, CHRISTOPHER M. GARRETT, certify that:

1. I have reviewed this annual report on Form 10-K of Louisville Gas and Electric Company (the "registrant") for the year ended December 31, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2026

/s/ Christopher M. Garrett

Christopher M. Garrett
Vice President-Finance and Accounting
(Principal Financial Officer)
Louisville Gas and Electric Company

Exhibit 31(g)

CERTIFICATION

I, JOHN R. CROCKETT III, certify that:

1. I have reviewed this annual report on Form 10-K of Kentucky Utilities Company (the "registrant") for the year ended December 31, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2026

/s/ John R. Crockett III

John R. Crockett III
President
(Principal Executive Officer)
Kentucky Utilities Company

Exhibit 31(h)

CERTIFICATION

I, CHRISTOPHER M. GARRETT, certify that:

1. I have reviewed this annual report on Form 10-K of Kentucky Utilities Company (the "registrant") for the year ended December 31, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2026

/s/ Christopher M. Garrett

Christopher M. Garrett
Vice President-Finance and Accounting
(Principal Financial Officer)
Kentucky Utilities Company

Exhibit 32(a)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR PPL CORPORATION'S FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2025

In connection with the annual report on Form 10-K of PPL Corporation (the "Company") for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, Vincent Sorgi, the Principal Executive Officer of the Company, and Joseph P. Bergstein, Jr., the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2026

/s/ Vincent Sorgi
Vincent Sorgi
President and Chief Executive Officer
(Principal Executive Officer)
PPL Corporation

/s/ Joseph P. Bergstein, Jr.
Joseph P. Bergstein, Jr.
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)
PPL Corporation

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(b)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR PPL ELECTRIC UTILITIES CORPORATION'S FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2025

In connection with the annual report on Form 10-K of PPL Electric Utilities Corporation (the "Company") for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, Christine M. Martin, the Principal Executive Officer of the Company, and Marlene C. Beers, the Principal Financial Officer and Principal Accounting Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2026

/s/ Christine M. Martin
Christine M. Martin
President
(Principal Executive Officer)
PPL Electric Utilities Corporation

/s/ Marlene C. Beers
Marlene C. Beers
Vice President and Controller
(Principal Financial Officer)
PPL Electric Utilities Corporation

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(c)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR LOUISVILLE GAS AND ELECTRIC COMPANY'S FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2025

In connection with the annual report on Form 10-K of Louisville Gas and Electric Company (the "Company") for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, John R. Crockett III, the Principal Executive Officer of the Company, and Christopher M. Garrett, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2026

/s/ John R. Crockett III
John R. Crockett III
President
(Principal Executive Officer)
Louisville Gas and Electric Company

/s/ Christopher M. Garrett
Christopher M. Garrett
Vice President-Finance and Accounting
(Principal Financial Officer)
Louisville Gas and Electric Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(d)

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR KENTUCKY UTILITIES COMPANY'S FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2025

In connection with the annual report on Form 10-K of Kentucky Utilities Company (the "Company") for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), we, John R. Crockett III, the Principal Executive Officer of the Company, and Christopher M. Garrett, the Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2026

/s/ John R. Crockett III

John R. Crockett III
President
(Principal Executive Officer)
Kentucky Utilities Company

/s/ Christopher M. Garrett

Christopher M. Garrett
Vice President-Finance and Accounting
(Principal Financial Officer)
Kentucky Utilities Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99(a)

PPL CORPORATION AND SUBSIDIARIES
LONG-TERM DEBT SCHEDULE
(Unaudited)
(Millions of Dollars)

	Interest Rate	Maturity Date	December 31, 2025
PPL			
PPL Capital Funding			
Senior Unsecured Notes			
69352PAL7	3.100 %	05/15/2026	$ 650
69352PAQ6	4.125 %	04/15/2030	431
69352PAH6	4.700 %	06/01/2043	71
69352PAJ2	5.000 %	03/15/2044	177
69352PAM5	4.000 %	09/15/2047	237
69352PAT0	5.250 %	09/01/2034	750
Total Senior Unsecured Notes			2,316
Exchangeable Notes			
69352PAS2	2.875 %	03/15/2028	1,000
69352PAU7	3.000 %	12/01/2030	1,150
Total Senior Unsecured Notes			2,150
Junior Subordinated Notes			
69352PAC7 [1]	6.612 %	03/30/2067	480
Total Junior Subordinated Notes			480
Total PPL Capital Funding Long-term Debt			4,946
PPL Electric			
Senior Secured Notes/First Mortgage Bonds			5,799
Senior Unsecured Notes			—
Total PPL Electric Long-term Debt			5,799
LG&E			
Senior Secured Notes/First Mortgage Bonds			2,889
Senior Unsecured Notes			—
Total LG&E Long-term Debt [2]			2,889
KU			
Senior Secured Notes/First Mortgage Bonds			3,539
Senior Unsecured Notes			—
Total KU Long-term Debt [2]			3,539
RI			
Senior Unsecured Notes			2,000
Total RI Long-term Debt			2,000
Total Long-term Debt Before Adjustments			19,173
Long-term Debt, repurchased affiliate bonds			(84)
Unamortized premium and (discount), net			(58)
Unamortized debt issuance costs			(137)
Total Long-term Debt			18,894

	Interest Rate	Maturity Date	December 31, 2025
Less current portion of Long-term Debt			904
Total Long-term Debt, noncurrent			$ 17,990
PPL Electric			
Senior Secured Notes/First Mortgage Bonds			
524808BZ4	2.625 %	02/15/2027	$ 108
524808BY7	3.000 %	09/01/2029	116
69351UAH6	6.450 %	08/15/2037	250
69351UAM5	6.250 %	05/15/2039	300
69351UAN3	5.200 %	07/15/2041	250
69351UAR4	4.750 %	07/15/2043	350
69351UAS2	4.125 %	06/15/2044	300
69351UAV5	4.150 %	06/15/2048	400
69351UAT0	4.150 %	10/01/2045	350
69351UAU7	3.950 %	06/01/2047	475
69351UAW3	3.000 %	10/01/2049	400
69351UBA0	5.000 %	05/15/2033	600
69351UBB8	5.250 %	05/15/2053	750
69351UBC6	4.850 %	02/15/2034	650
69351UBD4	5.550 %	8/15/2055	500
Total Senior Secured Notes/First Mortgage Bonds			5,799
Senior Unsecured Notes			
Total Senior Unsecured Notes			—
Total Long-term Debt Before Adjustments			5,799
Unamortized discount			(45)
Unamortized debt issuance costs			(47)

	Interest Rate	Maturity Date	December 31, 2025
Total Long-term Debt			5,707
Less current portion of Long-term Debt			—
Total Long-term Debt, noncurrent			$ 5,707
LG&E			
Senior Secured Notes/First Mortgage Bonds			
546676AU1	5.125 %	11/15/2040	$ 285
546676AV9	4.650 %	11/15/2043	250
546676AX5	4.375 %	10/01/2045	250
546676AY3	4.250 %	04/01/2049	400
546676AZ0	5.450 %	04/15/2033	400
546676BA4	5.850 %	08/15/2055	700
896224BC5	0.625 %	09/01/2026	27
896224BB7	1.350 %	11/01/2027	35
546749AU6	1.350 %	11/01/2027	35
546749AT9 [2]	2.000 %	10/01/2033	128
546751AN8 [3]	3.400 %	06/01/2033	31
546751AM0 [3]	3.400 %	06/01/2033	35
546749AS1	0.900 %	09/01/2026	23
896224BA9 [2]	1.300 %	09/01/2044	125
896221AD0 [2]	3.750 %	06/01/2033	60
546749AR3 [2]	1.750 %	02/01/2035	40
896221AF5 [2]	4.700 %	06/01/2054	65
Total Senior Secured Notes/First Mortgage Bonds			2,889
Senior Unsecured Notes			
Total Senior Unsecured Notes			—
Total Long-term Debt Before Adjustments			2,889
Unamortized discount			(4)
Unamortized debt issuance costs			(20)
Total Long-term Debt			2,865

	Interest Rate	Maturity Date	December 31, 2025
Less current portion of Long-term Debt			90
Total Long-term Debt, noncurrent			$ 2,775
KU			
Senior Secured Notes/First Mortgage Bonds			
491674BM8	3.300 %	06/01/2050	$ 500
491674BG1/BF3	5.125 %	11/01/2040	750
491674BJ5	4.650 %	11/15/2043	250
491674BL0	4.375 %	10/01/2045	550
491674BN6	5.450 %	04/15/2033	400
491674BP1	5.850 %	08/15/2055	700
144838AE9 [2]	1.550 %	09/01/2042	96
14483RAQ0 [2]	3.375 %	02/01/2026	18
14483RAV9 [2]	2.000 %	02/01/2032	78
144838AA7 [3]	2.950 %	02/01/2032	21
144838AB5 [3]	2.950 %	02/01/2032	3
587824AA1 [3]	2.950 %	02/01/2032	7
62479PAA4 [3]	2.950 %	02/01/2032	2
14483RAU1 [2]	2.125 %	10/01/2034	54
14483RAR8 [2]	1.750 %	10/01/2034	50
896221AE8 [2]	4.700 %	06/01/2054	60
Total Senior Secured Notes/First Mortgage Bonds			3,539
Senior Unsecured Notes			
Total Senior Unsecured Notes			—
Total Long-term Debt Before Adjustments			3,539
Unamortized premium			4
Unamortized discount			(8)
Unamortized debt issuance costs			(25)
Total Long-term Debt			3,510
Less current portion of Long-term Debt			164
Total Long-term Debt, noncurrent			$ 3,346
RI			
Senior Unsecured Notes			
631005BJ3	3.395 %	04/09/2030	$ 600
631005BH7	3.919 %	08/01/2028	350
631005BF1	4.170 %	12/10/2042	250
631005BC8	5.638 %	03/15/2040	300
631005BK0	5.350 %	05/01/2034	500
Total Senior Unsecured Notes			2,000
Total Long-term Debt Before Adjustments			2,000

	Interest Rate	Maturity Date	December 31, 2025
Unamortized discount			—
Unamortized debt issuance costs			(8)
Total Long-term Debt			1,992
Less current portion of Long-term Debt			—
Total Long-term Debt, noncurrent			$ 1,992

1) Securities are in a floating rate mode through maturity.
2) Securities are currently in a term rate mode. Securities may be put back to the company, or called by the company, on a date prior to the stated maturity date.
3) Securities have a floating rate of interest that periodically resets. Securities may be put back to the company on a date prior to the stated maturity date.