

On November 1, 2010, Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively “the Companies”) became indirect wholly owned subsidiaries of PPL Corporation (“PPL”), when PPL acquired all of the outstanding limited liability company interests in the Companies’ direct parent, LG&E and KU Energy LLC (“LKE”) from E.ON US Investments Corp. LKE, a Kentucky limited liability company, also owns LG&E and KU, utilities engaged in the generation, transmission, distribution and sale of electric energy in Kentucky and Virginia.

Since 2010, LG&E and KU have continued working with PPL and other affiliates to seek best practice approaches to specific areas of utility operations and shared services divisions. The sharing of best practices at the beginning of this acquisition provided savings for each entity. This practice now serves as a way for each entity to share knowledge as they work on providing reliable, safe energy at a reasonable cost to customers and best-in-sector returns to shareowners.

In the past few years, PPL has been strategically repositioning the organization as a U.S. focused energy company after completing the acquisition of Rhode Island’s Narragansett Electric Company and implementing an enterprise-wide strategy that is focused on redefining how to operate across the organization to best serve the customers. Centralization of functions started in 2021 to drive consistency and best practices across the organization and achieve cost containment and efficiency improvements over time while maintaining high service levels.

The following is a summary of best practice initiatives that have been implemented or are currently in process as enterprise-wide alignment efforts continue.

Organization Structure Changes

In the first quarter of 2024, PPL announced a new management structure that is designed to deliver the utility of the future and align with PPL’s vision to be the best utility in the U.S. PPL’s mission is to provide safe, affordable, reliable, sustainable energy to customers and competitive, long-term returns to investors. The restructuring included adopting a more centralized approach to utility operations, engineering and construction, customer service, safety, technical training, environmental compliance, and finance.

I. Operations

Dave Bonenberger was named Senior Vice President and Chief Operating Officer - Utilities, a role with overall responsibility for electric Transmission and Distribution, natural gas, and customer services enterprise-wide. Dave Bonenberger reports directly to Fran Sullivan, PPL Executive Vice President and Chief Operations Officer (“COO”).

Each operating company now has a utility COO that reports to Dave Bonenberger. The new LG&E and KU COO is Tom Jessee. The following Vice President’s report to Tom Jessee:

- Distribution – Peter Waldrab
- Transmission - Beth McFarland

- Gas – Tom Rieth

Eileen Saunders, former Vice President Customer Services for LG&E and KU was named PPL Chief Customer Officer. Shannon Montgomery was named Vice President of Customer Service for LG&E and KU and reports directly to Eileen Saunders.

Dave Bonenberger and his leadership team will collaborate closely with and be accountable to the utility presidents to help set strategy, update business plans and deliver results for our customers and shareowners. This includes developing and implementing infrastructure investment plans that are aligned with the utility of the future vision.

Key operations responsibilities include:

- Hardening the Companies systems against current and future weather patterns.
- Deploying smart grid and automation, preparing for, and responding to storms.
- Implementing wildfire mitigation plans across our service territories.
- Fully deploying advanced metering in Kentucky and Rhode Island.
- Executing plans to restore top-quartile customer satisfaction in Pennsylvania and Kentucky while continuing to improve our customer experience in Rhode Island.

Aligning operations roles across the organization strengthens leadership, accelerates the execution of the Companies utility of the future strategy, identifies the best of the best in respective disciplines and adopts best practices consistently across PPL to improve performance. Additionally, with this change, the Companies will have subject matter experts at all levels reporting to dedicated experts in their field.

II. Utility Presidents

John Crockett remains the President for LG&E and KU and will also serve as Chief Development Officer for PPL as PPL looks to leverage Kentucky best practices in driving economic development and growth. John Crockett's leadership team includes:

- Chris Whelan, VP Communication & Corporate Responsibility
- Robert Conroy, VP State Regulation and Rates
- David Freibert, VP External Affairs
- Steve Turner, VP Generation (also reports to Fran Sullivan)
- John Bevington, Senior Director, Business and Economic Development

Each utility president will focus on state and federal government affairs, rates and regulatory strategy, local communications, stakeholder engagement and driving economic development and growth in their communities. Each utility president will report directly to Wendy Stark, who now has the new title of PPL Executive Vice President - Utilities, Chief Legal Officer and Corporate Secretary.

While Operations, Engineering, Customer Service and Finance now report to new functional leaders, each of these groups are still accountable to the presidents to set strategy, develop business plans and ensure we deliver the desired results for our customers and shareowners. The realignment of the presidents reporting up through Wendy Stark strengthens alignment with corporate legal teams that support regulatory initiatives, as well as the company's corporate-level Public Affairs team.

III. Engineering and Construction

Lonnie Bellar, former LG&E and KU COO was named to a new role as Senior Vice President of Engineering and Construction for PPL. Lonnie Bellar reports directly to Fran Sullivan and oversees enterprise-wide engineering and construction services for generation, electricity and gas transmission and distribution; energy supply and analysis; and environmental compliance. Lonnie Bellar's leadership team includes:

- David Sinclair (Vice President of Energy Supply and Analysis)
- Sal Salet (Vice President of Electric T&D Engineering and Construction)
- David Tummonds (Senior Director of Project Engineering)
- Mike Drake (Director of Generation Engineering)
- Joe Ryan (Senior Director of Gas Engineering and Construction and Integrity Management)
- Philip Imber (Director of Environmental Compliance)

Engineering and Construction works with operations to develop and execute infrastructure investment and environmental compliance plans that are aligned with PPL's utility of the future vision. In addition, the team will be responsible for developing and driving consistent standards and design criteria for the electric grid and gas networks (poles, substations, pipelines, etc.); deploying grid enhancing technologies; developing and deploying the smart grid strategy and continued engineering support for generation.

Over time, a centralized engineering and construction team will drive consistent engineering practices enterprise wide. The centralized construction organization will enable the Companies to leverage best practices across the enterprise in the delivery of larger, complex projects within the overall infrastructure investment plans. Successful execution of construction plans will modernize and expand the generation fleet and energy delivery infrastructure. Meanwhile, establishing an enterprise-wide Environmental Compliance team will also help drive one approach to ensuring compliance with environmental regulations and requirements.

IV. Generation Operations

Operation and maintenance of the Kentucky generation fleet continues to be led by Steve Turner, Vice President of Generation. Steve Turner reports to both John Crockett and Fran Sullivan. Generation Operations remain focused on driving exceptional generation reliability and availability to meet customer demand while improving operational efficiency.

V. Safety and Technical Training

Safety has been centralized under current PPL Vice President of Safety Paul Ward, who reports directly to Fran Sullivan. In addition to Safety, Paul Ward now has overall responsibility for technical training enterprise-wide, as well as operational excellence.

Paul Ward's leadership team includes:

- Amanda Chambers, Director of Safety enterprise-wide
- Patricia Scaramuzzo, Director of Technical Training enterprise-wide
- Lori Burkert, Director of Operational Excellence

These areas are focused on leveraging best practices enterprise-wide, continuing to enhance safety programs to ensure everyone goes home safely each day, and developing one strategy for technical training. PPL is focused on preventing fatalities and serious injuries and strives to improve the safety performance from third quartile to top decile, there is no other area where providing strong leadership and identifying, leveraging and sharing best practices is more important. Given employee training is a vital component of workplace safety, PPL is combining Safety and Technical Training. Priorities for the new function include enhancing the safety programs to ensure everyone goes home safely at the end of the day and developing a single strategy for technical training.

VI. Finance

Chris Garrett, former LG&E and KU Vice President, Finance and Accounting, has been named to a new role as PPL Chief Risk Officer and Vice President of Financial Strategy, reporting directly to Joe Bergstein, PPL Executive Vice President and Chief Financial Officer. This move further elevates the focus on evaluating and mitigating risk for PPL as the Companies continue to grow and take on new challenges.

Drew McCombs, LG&E and KU Director of Utility Accounting now reports directly to Marlene Beers, PPL Vice President and Controller. Kelly Gower, Director of Financial Planning, Budget and Administration; Kate Hearn, Director of Finance; and Heather Metts, Director of Financial Planning and Budgeting, now report to Dennis Urban, Senior Director of Utility Financial Planning and Analysis. Lesley Pienaar, Director of IT Finance and Compliance now reports directly to Joe Reither, Senior Director of Corporate Financial Planning and Analysis.

The Finance team collaborate closely with the utility presidents to support business planning, evaluate and mitigate risk, and deliver on the Companies commitments to shareowners. In April 2022, PPL centralized finance, tax, accounting and risk functions enterprise-wide, with a few exceptions. Financial planning and analysis remained decentralized, reporting up through the business line presidents, and LG&E and KU's utility accounting function also remained decentralized, reporting up to John Crockett. PPL is now in a position to centralize these remaining functions to further drive best practices across the organization; deploy resources most efficiently; reduce overlap;

support alignment around common systems, standards and processes; and improve the scalability of the operations to support future growth.

VII. Technology and Innovation

PPL named Dean Del Vecchio as PPL Executive Vice President and Chief Technology and Innovation Officer and reports directly to Vince Sorgi, PPL President and Chief Executive Officer. This organization will assist to energize and accelerate PPL's utility of the future strategy, deliver a better experience for our customers and employees, and further drive efficiencies to keep energy safe, reliable and affordable. The new Information Technology (“IT”) operating model is one that will, in part, provide tighter alignment and integration with business partners across PPL, allowing the Companies to continue to create value, discover new ways to drive innovation and advance technology in key areas. This includes customer service, field operations, the grid and enterprise technology.

Ultimately, the vision is a future-state IT organization featuring a simplified, common set of platforms and applications with improved capabilities. It's an organization that is nimble, leveraging agile ways of working in lockstep with the business to prioritize technology enhancements, speed the release of new features, and deliver value more quickly and consistently.

Additionally, an organization that is less transactional; more outcome-based and strategic; focused on stronger learning, development and career opportunities for PPL; and equipped with next generation digital architecture and cloud skills to lead PPL forward and foster a culture of innovation.

The first step in shifting to a new operating model was to restructure and organize IT under five key areas: 1.) Security, 2.) Technology (focused on both product capabilities in key areas and enabling capabilities across the enterprise), 3.) Data and AI, 4.) Enterprise IT Shared Services, and 5.) Research and Development.

Dean Del Vecchio's leadership team includes:

- Mark Brooks – Chief Security Officer
- Dan Johnson – Chief Information Officer
- Heidi Konynenbelt – Vice President IT Enterprise Services
- Aron Patrick – Director Research and Development
- Open – Data and AI

Mark Brooks oversees PPL's work to protect the people, systems, technology, information assets and infrastructure against both physical and cyber threats. Dan Johnson oversees all aspects of PPL's technology infrastructure and application products and services and be responsible for advancing technology in key areas, including customer engagement, field operations, the grid and enterprise technology. Heidi Konynenbelt now heads Enterprise IT Shared Services, overseeing program and

project management, IT change management, IT supplier relationships, knowledge management and financial planning. Aron Patrick continues to oversee our enterprise-wide research and development strategy. PPL will be conducting an internal and external search for a head of Data and AI. This new leader will oversee the work to drive better decision-making and optimize asset planning through data analytics. In addition, the successful candidate will drive and oversee the expanded and targeted use of AI to deliver better outcomes, efficiency, and innovation.

Policy Harmonization

In support of efforts to streamline common practices among all operating companies, PPL is developing a set of common policies across the enterprise. As departments harmonize or combine policies enterprise-wide, a new common policy template will include a new naming/numbering convention and overall guidance for the type of language that should be included in corporate policies.

During the centralization process, it was evident that current policies and procedures are lengthy. PPL determined that much of the procedural language within policies is location-, function- or company-specific and, in some cases, not applicable to all employees. Procedural language includes, but is not limited to, information regarding how a department administers processes. These processes are typically applicable to a specific department, rather than all employees. Therefore, as the Companies harmonize policies, procedural language will be removed from policies and we will be archiving procedures, when appropriate.

Initial policy harmonization has begun with HR, business expenses, authority matrix, capital policy and corporate travel policy. Based on the number of policies that currently exist across the organization, a phased approach will be used to update remaining policies.

LG&E and KU Business Office Closures

In October 2022, the Companies announced their plan to close all of their business offices by the end of 2024. The Companies continually assess the best ways to maximize customer experience while providing reliable service at the lowest reasonable cost. In recent years, the Companies took a hard look at the channels of customer interaction to identify how customers prefer to interact with the Companies. In addition, the Companies looked at the general trends around customer service interactions in the industry. That process revealed a years-long trend of declining volume of walk-in transactions at business offices, which decreased 42% between 2017 and 2021. As more self-service options have become available and easier to use, fewer customers choose to transact business in person.

As walk-in transactions declined, use of self-service options has increased proportionally. For the same period from 2017 - 2021, online transactions through the MyAccount customer portal increased by 28%. Customers have also become increasingly reliant on the Companies' mobile app to interact with the Companies, conducting more than 6.7 million interactions through the app in 2023 alone. This included transactions for payments and billing, reviewing outage maps, service reconnects, obtaining contact information, and managing customer notifications.

Furthermore, the Companies faced similar staffing challenges as seen by employers across the country in recent years. These challenges made it more difficult, costlier, and taking longer to fill vacant positions in business offices. Lastly, industry trends show that most comparably sized utilities had already taken similar steps to close in person business offices in response to these trends. Of the 41 investor-owned utilities in the 2022 J.D. Power’s Mid-Sized Residential Electric Study – a nationwide study that includes the Companies – only 24 percent still had walk-in business centers. Likewise, fewer than 10 percent of the other utilities in the 2022 Midwest Mid-Sized Residential Study still had walk-in business offices.

The Companies announced their decision well in advance and closed offices on a rolling basis to make this a smooth transition. Throughout 2023 and into 2024, the Companies executed a carefully planned customer communications strategy. Customers received information regarding the timing of the closures and other payment options using the Companies’ website, direct customer mailings, billing inserts, Power Source newsletters, printed instructional tear-off sheets made available to customers still using the business offices, verbal communications with business office employees, and customer education videos made available on the website and through the Companies’ YouTube channel.

Customers were educated on how to pay using the My Account portal, the LG&E and KU Mobile App, phone-based automated self-service options, mail -in payments using the preaddressed return envelope included with customer statements, and in person using third-party payment centers hosted by local retailers.

Systems Alignment

Technology is a core building block when it comes to achieving the Companies vision. PPL plans to expand the use of data analytics/AI to reduce costs and improve outcomes and consolidate IT systems and platforms.

PPL is embarking on a multi-year initiative to create an enterprise-wide Geographic Information System (“GIS”) that will allow users throughout PPL to see millions of company assets on a map. This means employees from across the enterprise will be able to track company assets like transmission lines, gas pipelines, meters and much more. Currently, this technology is limited and available only to specific work groups, and separate systems are used across different business groups. Due to the requirements and deadlines of Transition Service Agreements with National Grid, Rhode Island Energy experienced the first implementation of this enterprise-wide GIS system. The other PPL utilities will move to this new GIS system over the next few years.

PPL will continue to evaluate IT systems and platforms for all areas of the enterprise and determine the steps needed to align with the Companies vision.