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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, 2026

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
Corporate Units of PPL Corporation	PPLC	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, 752,747,825 shares outstanding at October 30, 2026.
PPL Electric Utilities Corporation	Common stock, no par value, 66,368,056 shares outstanding and all held by PPL Energy Holdings LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at October 30, 2026.
Louisville Gas and Electric Company	Common stock, no par value, 21,294,223 shares outstanding and all held by LG&E and KU Energy LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at October 30, 2026.
Kentucky Utilities Company	Common stock, no par value, 37,817,878 shares outstanding and all held by LG&E and KU Energy LLC, a wholly-owned, indirect subsidiary of PPL Corporation, at October 30, 2026.

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, 2026

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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. Narragansett Electric is sometimes referred to as Rhode Island Energy, the name under which it provides gas and electric services to customers in Rhode Island, 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 on 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.

2025 Form 10-K - Annual Report filed with the SEC on Form 10-K for the year ended December 31, 2025.

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.

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

EPS - earnings per share.

FCC - Federal Communications Commission, the U.S. federal agency that regulates interstate and international communications by radio, television, wire, satellite and cable in all 50 states, the District of Columbia and U.S. territories.

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.

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.

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.

Moody's - Moody's Ratings, a division of Moody's Corporation, a credit rating agency.

MW - megawatt, one thousand kilowatts.

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

NERC - North American Electric Reliability Corporation.

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

OCI - other comprehensive income or loss.

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

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

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

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.

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.

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 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 2025 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 mergers, acquisitions, dispositions, joint ventures or similar transactions, and our ability to consummate these business transactions, integrate the applicable entities or realize expected benefits from such transactions;
- the outcome of rate cases or other cost recovery, revenue or regulatory proceedings;
- war, armed conflicts, terrorist attacks, or similar disruptive events, including the ongoing conflicts in Ukraine and in the Middle East;
- 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, including cyberattacks supported or enhanced by artificial intelligence tools or platforms;
- 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;
- 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, including legislation affecting the utility industry broadly in the jurisdictions we serve;

- 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 as well as data center development;
- the effect of any federal, state or local legislation, regulation, policy or executive action that delays or prevents approvals of planned investments, prevents timely recovery of costs or otherwise alters the applicable regulatory framework;
- 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.

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PART I. FINANCIAL INFORMATION
ITEM 1. Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
PPL Corporation and Subsidiaries
(Unaudited)
(Millions of Dollars, except share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Operating Revenues	**$ 2,497**	$ 2,239	**$ 7,382**	$ 6,768
Operating Expenses				
Operation				
Fuel	**246**	231	**715**	657
Energy purchases	**486**	422	**1,592**	1,369
Other operation and maintenance	**617**	586	**1,768**	1,798
Depreciation	**366**	331	**1,079**	977
Taxes, other than income	**117**	100	**343**	314
Total Operating Expenses	**1,832**	1,670	**5,497**	5,115
Operating Income	**665**	569	**1,885**	1,653
Other Income (Expense) - net (Note 12)	**22**	39	**104**	90
Interest Expense	**234**	210	**690**	599
Income Before Income Taxes	**453**	398	**1,299**	1,144
Income Taxes	**86**	80	**250**	229
Net Income	**$ 367**	$ 318	**$ 1,049**	$ 915
Earnings Per Share of Common Stock:				
Net Income Available to PPL Common Shareowners:				
Basic	**$ 0.49**	$ 0.43	**$ 1.39**	$ 1.24
Diluted	**$ 0.49**	$ 0.43	**$ 1.38**	$ 1.23
Weighted-Average Shares of Common Stock Outstanding (in thousands)				
Basic	**752,548**	739,525	**752,226**	739,167
Diluted	**755,338**	744,290	**756,577**	742,747

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,	
	2026	**2025**	**2026**	**2025**
Net income	**$ 367**	$ 318	**$ 1,049**	$ 915
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
Defined benefit plans:				
Net actuarial gain (loss), net of tax of $0, $1, $2, $4	**(2)**	(3)	**(7)**	(11)
Reclassifications to net income - (gains) losses, net of tax expense (benefit):				
Qualifying derivatives, net of tax of $0, $0, $0, $0	**—**	1	**1**	2
Equity investees' other comprehensive (income) loss, net of tax of $0, $0, $0, $0	**(3)**	—	**(3)**	—
Defined benefit plans:				
Prior service costs, net of tax of $0, $0, $0, $0	**1**	—	**1**	—
Net actuarial (gain) loss, net of tax of $0, $0, $0, $0	**—**	(1)	**1**	(1)
Total other comprehensive income (loss)	**(4)**	(3)	**(7)**	(9)
Comprehensive income	**$ 363**	$ 315	**$ 1,042**	$ 906

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,	
	2026	**2025**
Cash Flows from Operating Activities		
Net income	**$ 1,049**	$ 915
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**1,079**	977
Amortization	**95**	73
Defined benefit plans - income	**(6)**	(44)
Deferred income taxes and investment tax credits	**207**	177
Stock-based compensation expense	**39**	37
Equity component of AFUDC	**(82)**	(58)
Other	**(28)**	18
Change in current assets and current liabilities		
Accounts receivable	**(39)**	(72)
Accounts payable	**(168)**	(159)
Unbilled revenues	**185**	130
Fuel, materials and supplies	**(60)**	3
Prepayments	**(30)**	(9)
Taxes payable	**(57)**	29
Regulatory assets and liabilities, net	**(57)**	73
Accrued interest	**61**	80
Other	**22**	(31)
Other operating activities		
Defined benefit plans - funding	**(10)**	(9)
Other assets	**(162)**	(116)
Other liabilities	**18**	67
Net cash provided by operating activities	**2,056**	2,081
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(3,530)**	(2,868)
Other investing activities	**(86)**	8
Net cash used in investing activities	**(3,616)**	(2,860)
Cash Flows from Financing Activities		
Issuance of long-term debt	**2,046**	1,895
Retirement of long-term debt	**(718)**	—
Payment of common stock dividends	**(630)**	(593)
Net increase in short-term debt	**223**	292
Debt issuance costs	**(37)**	(24)
Other financing activities	**(14)**	(11)
Net cash provided by financing activities	**870**	1,559
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	**(690)**	780
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	**1,086**	339
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 396**	$ 1,119
Supplemental Disclosures of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at September 30,	**$ 692**	$ 486

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, 2026	December 31, 2025
Assets		
Current Assets		
Cash and cash equivalents	**$ 393**	$ 1,071
Accounts receivable (less reserve: 2026, $150; 2025, $133)		
Customer	**1,148**	1,108
Other	**91**	117
Unbilled revenues (less reserve: 2026, $3; 2025, $6)	**375**	558
Fuel, materials and supplies	**618**	551
Prepayments	**142**	106
Regulatory assets	**312**	308
Other current assets	**124**	112
Total Current Assets	**3,203**	3,931
Property, Plant and Equipment		
Regulated utility plant	**45,010**	42,953
Less: accumulated depreciation - regulated utility plant	**10,907**	10,303
Regulated utility plant, net	**34,103**	32,650
Non-regulated property, plant and equipment	**77**	71
Less: accumulated depreciation - non-regulated property, plant and equipment	**22**	26
Non-regulated property, plant and equipment, net	**55**	45
Construction work in progress	**4,547**	3,437
Property, Plant and Equipment, net	**38,705**	36,132
Other Noncurrent Assets		
Regulatory assets	**2,190**	2,092
Goodwill	**2,247**	2,247
Other intangibles	**341**	327
Other noncurrent assets (less reserve for accounts receivable: 2026, $3; 2025, $1)	**660**	515
Total Other Noncurrent Assets	**5,438**	5,181
Total Assets	**$ 47,346**	$ 45,244

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, 2026	December 31, 2025
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 679**	$ 456
Long-term debt due within one year	**358**	904
Accounts payable	**1,464**	1,559
Taxes	**133**	190
Interest	**256**	195
Dividends	**211**	198
Regulatory liabilities	**353**	376
Other current liabilities	**823**	668
Total Current Liabilities	**4,277**	4,546
Long-term Debt	**19,853**	17,990
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**3,740**	3,506
Investment tax credits	**107**	109
Accrued pension obligations	**253**	281
Asset retirement obligations	**112**	133
Regulatory liabilities	**3,219**	3,318
Other deferred credits and noncurrent liabilities	**576**	480
Total Deferred Credits and Other Noncurrent Liabilities	**8,007**	7,827
Commitments and Contingent Liabilities (Notes 6 and 10)		
Equity		
Common stock - $0.01 par value (a)	**8**	8
Additional paid-in capital	**12,347**	12,443
Treasury stock	**(547)**	(575)
Earnings reinvested	**3,610**	3,207
Accumulated other comprehensive loss	**(209)**	(202)
Total Equity	**15,209**	14,881
Total Liabilities and Equity	**$ 47,346**	$ 45,244

(a) 1,560,000 shares authorized, 771,515 shares issued and 752,558 shares outstanding at September 30, 2026. 1,560,000 shares authorized, 770,978 shares issued and 751,041 shares outstanding at December 31, 2025.

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, 2026	752,369	$ 8	$ 12,331	$ (547)	$ 3,458	$ (205)	$ 15,045
Common stock issued	180		7				7
Treasury stock issued	9		—	—			—
Stock-based compensation			9				9
Net income					367		367
Dividends and dividend equivalents (b)					(215)		(215)
Other comprehensive income (loss)						(4)	(4)
September 30, 2026	752,558	$ 8	$ 12,347	$ (547)	$ 3,610	$ (209)	$ 15,209
December 31, 2025	751,041	$ 8	$ 12,443	$ (575)	$ 3,207	$ (202)	$ 14,881
Common stock issued	537		20				20
Treasury stock issued	980		—	28			28
Purchase contracts (c)			(108)				(108)
Stock-based compensation			(8)				(8)
Net income					1,049		1,049
Dividends and dividend equivalents (b)					(646)		(646)
Other comprehensive income (loss)						(7)	(7)
September 30, 2026	752,558	$ 8	$ 12,347	$ (547)	$ 3,610	$ (209)	$ 15,209
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

(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 $0.2850 and $0.8550 for the three and nine months ended September 30, 2026 and $0.2725 and $0.8175 for the three and nine months ended September 30, 2025.

(c) See "Long-term Debt and Equity Securities - Corporate Units" in Note 7 for further discussion.

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,	
	2026	**2025**	**2026**	**2025**
Operating Revenues	**$ 918**	$ 786	**$ 2,633**	$ 2,298
Operating Expenses				
Operation				
Energy purchases	**274**	224	**818**	622
Other operation and maintenance	**188**	160	**536**	481
Depreciation	**112**	105	**330**	307
Taxes, other than income	**42**	38	**126**	111
Total Operating Expenses	**616**	527	**1,810**	1,521
Operating Income	**302**	259	**823**	777
Other Income (Expense) - net (Note 12)	**13**	14	**39**	36
Interest Income from Affiliate	**5**	2	**7**	4
Interest Expense	**73**	67	**213**	189
Income Before Income Taxes	**247**	208	**656**	628
Income Taxes	**56**	49	**149**	146
Net Income (a)	**$ 191**	$ 159	**$ 507**	$ 482

(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,	
	2026	**2025**
Cash Flows from Operating Activities		
Net income	**$ 507**	$ 482
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**330**	307
Amortization	**40**	34
Defined benefit plans - income	**(6)**	(21)
Deferred income taxes and investment tax credits	**71**	63
Equity component of AFUDC	**(30)**	(23)
Other	**2**	3
Change in current assets and current liabilities		
Accounts receivable	**(116)**	(108)
Accounts payable	**(107)**	(71)
Unbilled revenues	**95**	43
Materials and supplies	**(43)**	(24)
Prepayments	**(10)**	5
Regulatory assets and liabilities, net	**(13)**	57
Taxes payable	**(37)**	(1)
Accrued interest	**23**	23
Other	**26**	(2)
Other operating activities		
Other assets	**(69)**	(51)
Other liabilities	**—**	3
Net cash provided by operating activities	**663**	719
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(1,296)**	(1,082)
Expenditures for intangible assets	**(18)**	(7)
Notes receivable from affiliates	**(26)**	(287)
Other investing activities	**42**	14
Net cash used in investing activities	**(1,298)**	(1,362)
Cash Flows from Financing Activities		
Issuance of long-term debt	**496**	496
Contributions from parent	**530**	540
Return of capital to parent	**(99)**	(100)
Payment of common stock dividends to parent	**(307)**	(298)
Debt issuance costs	**(6)**	(6)
Net cash provided by financing activities	**614**	632
Net Decrease in Cash and Cash Equivalents	**(21)**	(11)
Cash and Cash Equivalents at Beginning of Period	**30**	24
Cash and Cash Equivalents at End of Period	**$ 9**	$ 13
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at September 30,	**$ 406**	$ 237

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, 2026	December 31, 2025
Assets		
Current Assets		
Cash and cash equivalents	**$ 9**	$ 30
Accounts receivable (less reserve: 2026, $47; 2025, $34)		
Customer	**525**	450
Other	**30**	29
Accounts receivable from affiliates	**9**	7
Notes receivable from affiliate	**169**	143
Unbilled revenues (less reserve: 2026, $2; 2025, $4)	**116**	209
Materials and supplies	**197**	151
Prepayments	**48**	38
Regulatory assets	**84**	112
Other current assets	**72**	46
Total Current Assets	**1,259**	1,215
Property, Plant and Equipment		
Regulated utility plant	**18,512**	17,476
Less: accumulated depreciation - regulated utility plant	**4,310**	4,124
Regulated utility plant, net	**14,202**	13,352
Construction work in progress	**1,511**	1,216
Property, Plant and Equipment, net	**15,713**	14,568
Other Noncurrent Assets		
Regulatory assets	**808**	725
Intangibles	**295**	282
Other noncurrent assets (less reserve for accounts receivable: 2026, $2; 2025, $1)	**107**	96
Total Other Noncurrent Assets	**1,210**	1,103
Total Assets	**$ 18,182**	$ 16,886

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, 2026	December 31, 2025
Liabilities and Equity		
Current Liabilities		
Long-term debt due within one year	**$ 108**	$ —
Accounts payable	**709**	690
Accounts payable to affiliates	**64**	54
Taxes	**10**	47
Interest	**89**	66
Regulatory liabilities	**92**	103
Customer advances	**147**	92
Other current liabilities	**110**	58
Total Current Liabilities	**1,329**	1,110
Long-term Debt	**6,092**	5,707
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**1,881**	1,781
Regulatory liabilities	**805**	828
Other deferred credits and noncurrent liabilities	**106**	122
Total Deferred Credits and Other Noncurrent Liabilities	**2,792**	2,731
Commitments and Contingent Liabilities (Notes 6 and 10)		
Equity		
Common stock - no par value (a)	**364**	364
Additional paid-in capital	**5,469**	5,038
Earnings reinvested	**2,136**	1,936
Total Equity	**7,969**	7,338
Total Liabilities and Equity	**$ 18,182**	$ 16,886

(a) 170,000 shares authorized; 66,368 shares issued and outstanding at September 30, 2026 and December 31, 2025.

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, 2026	66,368	$ 364	$ 5,568	$ 2,031	$ 7,963
Net income				191	191
Return of capital to parent			(99)		(99)
Dividends declared				(86)	(86)
September 30, 2026	66,368	$ 364	$ 5,469	$ 2,136	$ 7,969
December 31, 2025	66,368	$ 364	$ 5,038	$ 1,936	$ 7,338
Net income				507	507
Capital contributions from parent			530		530
Return of capital to parent			(99)		(99)
Dividends declared				(307)	(307)
September 30, 2026	66,368	$ 364	$ 5,469	$ 2,136	$ 7,969
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

(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,	
	2026	**2025**	**2026**	**2025**
Operating Revenues				
Retail and wholesale	**$ 466**	$ 420	**$ 1,450**	$ 1,293
Electric revenue from affiliate	**4**	7	**15**	17
Total Operating Revenues	**470**	427	**1,465**	1,310
Operating Expenses				
Operation				
Fuel	**96**	97	**263**	254
Energy purchases	**16**	17	**155**	128
Energy purchases from affiliate	**8**	6	**26**	18
Other operation and maintenance	**92**	91	**272**	271
Depreciation	**87**	77	**257**	228
Taxes, other than income	**15**	13	**43**	39
Total Operating Expenses	**314**	301	**1,016**	938
Operating Income	**156**	126	**449**	372
Other Income (Expense) - net (Note 12)	**7**	8	**19**	16
Interest Expense	**33**	30	**97**	83
Income Before Income Taxes	**130**	104	**371**	305
Income Taxes	**26**	21	**75**	61
Net Income (a)	**$ 104**	$ 83	**$ 296**	$ 244

(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,	
	2026	**2025**
Cash Flows from Operating Activities		
Net income	**$ 296**	$ 244
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**257**	228
Amortization	**16**	17
Equity component of AFUDC	**(18)**	(11)
Other	**(12)**	7
Change in current assets and current liabilities		
Accounts receivable	**(13)**	16
Accounts receivable from affiliates	**21**	9
Accounts payable	**(37)**	18
Accounts payable to affiliates	**(5)**	6
Unbilled revenues	**13**	17
Fuel, materials and supplies	**(3)**	15
Regulatory assets and liabilities, net	**(25)**	(16)
Taxes payable	**(17)**	—
Accrued interest	**10**	28
Other	**(9)**	(19)
Other operating activities		
Expenditures for asset retirement obligations	**(8)**	(8)
Other assets	**(33)**	(21)
Other liabilities	**16**	8
Net cash provided by operating activities	**449**	538
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(749)**	(561)
Notes receivable with affiliates	**36**	—
Net cash used in investing activities	**(713)**	(561)
Cash Flows from Financing Activities		
Net increase (decrease) in notes payable to affiliates	**2**	(43)
Issuance of long-term debt	**—**	700
Retirement of long-term debt	**(50)**	—
Net increase (decrease) in short-term debt	**220**	(25)
Payment of common stock dividends to parent	**(169)**	(148)
Contributions from parent	**164**	101
Return of capital to parent	**(58)**	(55)
Debt issuance costs	**—**	(8)
Net cash provided by financing activities	**109**	522
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	**(155)**	499
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	**169**	24
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 14**	$ 523
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at September 30,	**$ 103**	$ 68

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, 2026	December 31, 2025
Assets		
Current Assets		
Cash and cash equivalents	**$ 13**	$ 162
Accounts receivable (less reserve: 2026, $7; 2025, $5)		
Customer	**160**	154
Other	**36**	26
Unbilled revenues (less reserve: 2026, $0; 2025, $0)	**84**	97
Accounts receivable from affiliates	**25**	46
Notes receivable from affiliates	**—**	36
Fuel, materials and supplies	**163**	160
Prepayments	**23**	11
Regulatory assets	**42**	19
Other current assets	**7**	2
Total Current Assets	**553**	713
Property, Plant and Equipment		
Regulated utility plant	**8,530**	8,270
Less: accumulated depreciation - regulated utility plant	**1,991**	1,842
Regulated utility plant, net	**6,539**	6,428
Construction work in progress	**1,064**	689
Property, Plant and Equipment, net	**7,603**	7,117
Other Noncurrent Assets		
Regulatory assets	**474**	482
Goodwill	**389**	389
Other intangibles	**12**	11
Other noncurrent assets	**138**	106
Total Other Noncurrent Assets	**1,013**	988
Total Assets	**$ 9,169**	$ 8,818

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, 2026	December 31, 2025
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 220**	$ —
Long-term debt due within one year	**190**	90
Notes payable to affiliates	**2**	—
Accounts payable	**185**	262
Accounts payable to affiliates	**67**	73
Customer deposits	**37**	37
Taxes	**43**	60
Regulatory liabilities	**11**	13
Interest	**44**	34
Asset retirement obligations	**1**	2
Other current liabilities	**63**	54
Total Current Liabilities	**863**	625
Long-term Debt	**2,626**	2,775
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**845**	819
Investment tax credits	**28**	29
Price risk management liabilities	**1**	4
Asset retirement obligations	**58**	73
Regulatory liabilities	**799**	809
Other deferred credits and noncurrent liabilities	**110**	78
Total Deferred Credits and Other Noncurrent Liabilities	**1,841**	1,812
Commitments and Contingent Liabilities (Notes 6 and 10)		
Stockholder's Equity		
Common stock - no par value (a)	**424**	424
Additional paid-in capital	**2,314**	2,208
Earnings reinvested	**1,101**	974
Total Equity	**3,839**	3,606
Total Liabilities and Equity	**$ 9,169**	$ 8,818

(a) 75,000 shares authorized; 21,294 shares issued and outstanding at September 30, 2026 and December 31, 2025.

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, 2026	21,294	$ 424	$ 2,295	$ 1,036	$ 3,755
Net income				104	104
Capital contributions from parent			19		19
Dividends declared				(39)	(39)
September 30, 2026	21,294	$ 424	$ 2,314	$ 1,101	$ 3,839
December 31, 2025	21,294	$ 424	$ 2,208	$ 974	$ 3,606
Net income				296	296
Capital contributions from parent			164		164
Return of capital to parent			(58)		(58)
Dividends declared				(169)	(169)
September 30, 2026	21,294	$ 424	$ 2,314	$ 1,101	$ 3,839
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

(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,	
	2026	**2025**	**2026**	**2025**
Operating Revenues				
Retail and wholesale	**$ 582**	$ 524	**$ 1,694**	$ 1,548
Electric revenue from affiliate	**8**	6	**26**	18
Total Operating Revenues	**590**	530	**1,720**	1,566
Operating Expenses				
Operation				
Fuel	**151**	135	**452**	404
Energy purchases	**5**	6	**18**	20
Energy purchases from affiliate	**4**	7	**15**	17
Other operation and maintenance	**118**	101	**327**	303
Depreciation	**114**	102	**338**	305
Taxes, other than income	**14**	13	**41**	38
Total Operating Expenses	**406**	364	**1,191**	1,087
Operating Income	**184**	166	**529**	479
Other Income (Expense) - net (Note 12)	**10**	9	**23**	19
Interest Expense	**41**	38	**121**	108
Income Before Income Taxes	**153**	137	**431**	390
Income Taxes	**31**	28	**86**	78
Net Income (a)	**$ 122**	$ 109	**$ 345**	$ 312

(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,	
	2026	**2025**
Cash Flows from Operating Activities		
Net income	**$ 345**	$ 312
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	**338**	305
Amortization	**23**	13
Equity component of AFUDC	**(21)**	(14)
Deferred income taxes and investment tax credits	**(1)**	11
Other	**(14)**	6
Change in current assets and current liabilities		
Accounts receivable	**(18)**	3
Accounts payable	**13**	(4)
Accounts payable to affiliates	**(12)**	19
Unbilled revenues	**(1)**	12
Fuel, materials and supplies	**(16)**	(3)
Regulatory assets and liabilities, net	**4**	3
Taxes payable	**(19)**	3
Accrued interest	**18**	37
Other	**(15)**	(19)
Other operating activities		
Expenditures for asset retirement obligations	**(11)**	(7)
Other assets	**(33)**	(28)
Other liabilities	**2**	(2)
Net cash provided by operating activities	**582**	647
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	**(800)**	(681)
Other investing activities	**7**	—
Net cash used in investing activities	**(793)**	(681)
Cash Flows from Financing Activities		
Net decrease in notes payable to affiliates	**(36)**	(73)
Issuance of long-term debt	**—**	700
Retirement of long-term debt	**(18)**	—
Net increase (decrease) in short-term debt	**319**	(140)
Payment of common stock dividends to parent	**(202)**	(179)
Contributions from parent	**155**	91
Return of capital to parent	**—**	(37)
Debt issuance costs	**—**	(8)
Net cash provided by financing activities	**218**	354
Net Increase in Cash, Cash Equivalents and Restricted Cash	**7**	320
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	**17**	29
Cash, Cash Equivalents and Restricted Cash at End of Period	**$ 24**	$ 349
Supplemental Disclosure of Cash Flow Information		
Significant non-cash transactions:		
Accrued expenditures for property, plant and equipment at September 30,	**$ 110**	$ 84

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, 2026	December 31, 2025
Assets		
Current Assets		
Cash and cash equivalents	**$ 23**	$ 10
Accounts receivable (less reserve: 2026, $3; 2025, $4)		
Customer	**190**	171
Other	**27**	26
Unbilled revenues (less reserve: 2026, $0; 2025, $0)	**107**	106
Notes receivable from affiliate	**2**	—
Fuel, materials and supplies	**201**	183
Prepayments	**25**	12
Regulatory assets	**—**	1
Other current assets	**24**	16
Total Current Assets	**599**	525
Property, Plant and Equipment		
Regulated utility plant	**11,284**	10,929
Less: accumulated depreciation - regulated utility plant	**3,171**	2,934
Regulated utility plant, net	**8,113**	7,995
Construction work in progress	**1,326**	952
Property, Plant and Equipment, net	**9,439**	8,947
Other Noncurrent Assets		
Regulatory assets	**455**	467
Goodwill	**607**	607
Other intangibles	**34**	34
Other noncurrent assets	**193**	178
Total Other Noncurrent Assets	**1,289**	1,286
Total Assets	**$ 11,327**	$ 10,758

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, 2026	December 31, 2025
Liabilities and Equity		
Current Liabilities		
Short-term debt	**$ 319**	$ —
Long-term debt due within one year	**60**	164
Notes payable to affiliates	**—**	36
Accounts payable	**162**	137
Accounts payable to affiliates	**93**	106
Customer deposits	**40**	41
Taxes	**44**	63
Regulatory liabilities	**19**	16
Interest	**56**	38
Asset retirement obligations	**4**	6
Other current liabilities	**74**	69
Total Current Liabilities	**871**	676
Long-term Debt	**3,433**	3,346
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	**981**	956
Investment tax credits	**78**	79
Asset retirement obligations	**44**	51
Regulatory liabilities	**955**	997
Other deferred credits and noncurrent liabilities	**58**	44
Total Deferred Credits and Other Noncurrent Liabilities	**2,116**	2,127
Commitments and Contingent Liabilities (Notes 6 and 10)		
Stockholder's Equity		
Common stock - no par value (a)	**308**	308
Additional paid-in capital	**3,372**	3,217
Earnings reinvested	**1,227**	1,084
Total Equity	**4,907**	4,609
Total Liabilities and Equity	**$ 11,327**	$ 10,758

(a) 80,000 shares authorized; 37,818 shares issued and outstanding at September 30, 2026 and December 31, 2025.

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, 2026	37,818	$ 308	$ 3,365	$ 1,157	$ 4,830
Net income				122	122
Capital contributions from parent			7		7
Dividends declared				(52)	(52)
September 30, 2026	37,818	$ 308	$ 3,372	$ 1,227	$ 4,907
December 31, 2025	37,818	$ 308	$ 3,217	$ 1,084	$ 4,609
Net income				345	345
Capital contributions from parent			155		155
Dividends declared				(202)	(202)
September 30, 2026	37,818	$ 308	$ 3,372	$ 1,227	$ 4,907
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

(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, Developments 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, 2025 is derived from that Registrant's 2025 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 2025 Form 10-K. The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results to be expected for the full year ending December 31, 2026 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 consists primarily 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 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" consists primarily 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 a reconciliation of segment net income to consolidated net income for the three months ended September 30, 2026:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 1,048	$ 918	$ 530	$ 2,496
Reconciliation of revenue				
Corporate and Other revenues				1
Total consolidated revenues				$ 2,497
Less:				
Fuel	246	—	—	246
Energy purchases	21	274	191	486
Other operation and maintenance	215	188	209	612
Depreciation	201	112	51	364
Taxes, other than income	29	42	46	117
Other (income) expense - net	(17)	(13)	10	(20)
Interest (income) from affiliate	—	(5)	(5)	(10)
Interest expense	72	73	29	174
Income taxes	57	56	(3)	110
Segment net income	$ 224	$ 191	$ 2	$ 417
Reconciliation of segment profit or loss to consolidated net income				
Corporate and Other net loss				(50)
Net Income				$ 367

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

The table below provides information about PPL's segments and includes a reconciliation to consolidated net income for the nine months ended September 30, 2026:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total
Operating Revenues from external customers (a)	$ 3,144	$ 2,633	$ 1,605	$ 7,382
Reconciliation of revenue				
Corporate and Other revenues				—
Total consolidated revenues				$ 7,382
Less:				
Fuel	715	—	—	715
Energy purchases	173	818	602	1,593
Other operation and maintenance	622	536	594	1,752
Depreciation	595	330	148	1,073
Taxes, other than income	84	126	132	342
Other (income) expense - net	(41)	(39)	(8)	(88)
Interest (income) from affiliate	—	(7)	(5)	(12)
Interest expense	215	213	85	513
Interest expense with affiliate	—	—	7	7
Income taxes	156	149	2	307
Segment net income	$ 625	$ 507	$ 48	$ 1,180
Reconciliation of segment profit or loss to consolidated net income				
Corporate and Other net loss				(131)
Net Income				$ 1,049

(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, 2026 are as follows:

	Kentucky Regulated	Pennsylvania Regulated	Rhode Island Regulated	Total Segments	Corporate and Other	Consolidated Total
Other Segment Disclosures						
Amortization (a)	$ 40	$ 40	$ 2	$ 82	$ 13	$ 95
Deferred income taxes and investment tax credits (b)	5	71	62	138	69	207
Expenditures for long lived assets	1,550	1,314	626	3,490	58	3,548

(a) Represents non-cash expense items that include amortization of 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 a reconciliation of segment net income 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 a 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 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, 2026	December 31, 2025
Total Assets		
Kentucky Regulated	$ 20,019	$ 19,060
Pennsylvania Regulated	18,182	16,886
Rhode Island Regulated	8,122	7,510
Corporate and Other (a)	1,023	1,788
Total	$ 47,346	$ 45,244

(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 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' 2025 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:

	2026 Three Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)	$ 2,497	$ 918	$ 470	$ 590
Revenues derived from:				
Alternative revenue programs (b)	(11)	8	2	2
Other (c)	(7)	(5)	(2)	(2)
Revenues from Contracts with Customers	$ 2,479	$ 921	$ 470	$ 590

	2025 Three Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)	$ 2,239	$ 786	$ 427	$ 530
Revenues derived from:				
Alternative revenue programs (b)	6	—	(2)	2
Other (c)	(8)	(4)	(1)	(1)
Revenues from Contracts with Customers	$ 2,237	$ 782	$ 424	$ 531

	2026 Nine Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)	$ 7,382	$ 2,633	$ 1,465	$ 1,720
Revenues derived from:				
Alternative revenue programs (b)	40	34	1	1
Other (c)	(21)	(15)	(4)	(4)
Revenues from Contracts with Customers	$ 7,401	$ 2,652	$ 1,462	$ 1,717

	2025 Nine Months			
	PPL	PPL Electric	LG&E	KU
Operating Revenues (a)	$ 6,768	$ 2,298	$ 1,310	$ 1,566
Revenues derived from:				
Alternative revenue programs (b)	75	9	(1)	3
Other (c)	(20)	(13)	(3)	(3)
Revenues from Contracts with Customers	$ 6,823	$ 2,294	$ 1,306	$ 1,566

(a) PPL includes $530 million and $1,605 million for the three and nine months ended September 30, 2026 and $509 million and $1,629 million for the three and nine months ended September 30, 2025 of revenues from external customers reported by the Rhode Island Regulated segment. PPL Electric represents revenues from external customers reported by the Pennsylvania Regulated segment and LG&E and KU, net of intercompany power sales and transmission revenues, represent revenues from external customers reported by the Kentucky Regulated segment. See Note 2 for additional information.

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

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

The following tables show revenues from contracts with customers disaggregated by customer class for the periods ended September 30:

	Three Months							
	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
2026								
PA Regulated	$ 492	$ 142	$ 16	$ 16	$ —	$ —	$ 255	$ 921
KY Regulated	456	301	171	87	8	28	—	1,051
RI Regulated	269	152	21	4	—	—	61	507
Total PPL	$ 1,217	$ 595	$ 208	$ 107	$ 8	$ 28	$ 316	$ 2,479
2025								
PA Regulated	$ 403	$ 119	$ 16	$ 15	$ —	$ —	$ 229	$ 782
KY Regulated	394	278	162	74	7	26	—	941
RI Regulated	258	158	23	9	—	—	66	514
Total PPL	$ 1,055	$ 555	$ 201	$ 98	$ 7	$ 26	$ 295	$ 2,237
PPL Electric								
2026	$ 492	$ 142	$ 16	$ 16	$ —	$ —	$ 255	$ 921
2025	$ 403	$ 119	$ 16	$ 15	$ —	$ —	$ 229	$ 782
LG&E								
2026	$ 229	$ 147	$ 51	$ 33	$ —	$ 10	$ —	$ 470
2025	$ 195	$ 137	$ 49	$ 29	$ —	$ 14	$ —	$ 424
KU								
2026	$ 227	$ 154	$ 120	$ 52	$ 8	$ 29	$ —	$ 590
2025	$ 199	$ 141	$ 113	$ 46	$ 7	$ 25	$ —	$ 531

	Nine Months							
	Residential	Commercial	Industrial	Other (a)	Wholesale - municipality	Wholesale - other (b)	Transmission	Revenues from Contracts with Customers
PPL								
2026								
PA Regulated	$ 1,417	$ 388	$ 45	$ 48	$ —	$ —	$ 754	$ 2,652
KY Regulated	1,359	884	508	278	19	91	—	3,139
RI Regulated	855	499	63	22	—	—	171	1,610
Total PPL	$ 3,631	$ 1,771	$ 616	$ 348	$ 19	$ 91	$ 925	$ 7,401
2025								
PA Regulated	$ 1,205	$ 331	$ 42	$ 41	$ —	$ —	$ 675	$ 2,294
KY Regulated	1,209	805	474	241	19	88	—	2,836
RI Regulated	913	516	61	37	—	—	166	1,693
Total PPL	$ 3,327	$ 1,652	$ 577	$ 319	$ 19	$ 88	$ 841	$ 6,823
PPL Electric								
2026	$ 1,417	$ 388	$ 45	$ 48	$ —	$ —	$ 754	$ 2,652
2025	$ 1,205	$ 331	$ 42	$ 41	$ —	$ —	$ 675	$ 2,294
LG&E								
2026	$ 686	$ 446	$ 150	$ 133	$ —	$ 47	$ —	$ 1,462
2025	$ 601	$ 406	$ 143	$ 111	$ —	$ 45	$ —	$ 1,306
KU								
2026	$ 673	$ 438	$ 358	$ 144	$ 19	$ 85	$ —	$ 1,717
2025	$ 608	$ 399	$ 331	$ 131	$ 19	$ 78	$ —	$ 1,566

(a) Primarily includes revenues from pole attachments, street lighting, other public authorities and other non-core businesses, and for Rhode Island Regulated Segment certain regulatory deferral mechanisms which could result in a reduction in revenues from over collections. 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.

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	
	2026	2025	2026	2025
PPL	$ 31	$ 30	$ 71	$ 72
PPL Electric	20	11	30	20
LG&E	2	1	3	3
KU	1	2	3	4

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 were not material at September 30, 2026 and 2025.

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 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. 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 2023 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.

The 2023 Exchangeable Notes are dilutive under the If-Converted Method because PPL's quarterly average common stock price currently exceeds the conversion price prescribed in the indenture governing the 2023 Exchangeable Notes. The 2025 Exchangeable Notes are excluded from the diluted EPS calculation because PPL's quarterly average common stock price has not exceeded the conversion price prescribed in the indenture governing the 2025 Exchangeable Notes. See Note 8 in PPL's Form 10-K for the year ended December 31, 2025 for additional information on the 2025 Exchangeable Notes due 2030 and Note 8 in PPL's Form 10-K for the year ended December 31, 2023 for additional information on the 2023 Exchangeable Notes due 2028.

The Purchase Contracts associated with the Corporate Units issued in February 2026 are excluded from the dilutive EPS calculation under the Treasury Stock Method because the average of the volume-weighted average price of PPL's common stock has not exceeded the price prescribed in the agreement governing the Purchase Contracts. See Note 7 for additional information on the Purchase Contracts.

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	
	2026	2025	2026	2025
Income (Numerator)				
Net income attributable to PPL	$ 367	$ 318	$ 1,049	$ 915
Less amounts allocated to participating securities	1	—	2	2
Net income available to PPL common shareowners - Basic and Diluted	$ 366	$ 318	$ 1,047	$ 913
Shares of Common Stock (Denominator)				
Weighted-average shares - Basic EPS	752,548	739,525	752,226	739,167
Add: Dilutive share-based payment awards (a)	1,824	2,840	1,927	2,684
Add: Forward sale agreements	—	263	441	95
Add: Exchangeable Notes	966	1,662	1,983	801
Weighted-average shares - Diluted EPS	755,338	744,290	756,577	742,747
Basic EPS				
Net Income available to PPL common shareowners	$ 0.49	$ 0.43	$ 1.39	$ 1.24
Diluted EPS				
Net Income available to PPL common shareowners	$ 0.49	$ 0.43	$ 1.38	$ 1.23

(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	
	2026	2025	2026	2025
DRIP	179	197	537	583

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	
	2026	2025	2026	2025
Stock-based compensation awards	70	53	87	142
Forward sale agreements	27,412	29,946	9,137	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	
	2026	2025	2026	2025
Federal income tax on Income Before Income Taxes at statutory tax rate	$ 95	$ 84	$ 273	$ 240
Increase (decrease) due to:				
State income taxes, net of federal income tax benefit (a)	24	19	63	57
Tax credits (federal):				
Investment tax credits	(3)	(3)	(9)	(7)
Other tax credits	(3)	—	(4)	(1)
Subtotal	(6)	(3)	(13)	(8)
Utility rate-making tax adjustments (federal and state):				
Amortization of excess deferred income taxes	(14)	(13)	(40)	(36)
AFUDC Equity	(8)	(5)	(21)	(14)
Flow-through rate-making (b)	(5)	(3)	(13)	(12)
Subtotal	(27)	(21)	(74)	(62)
Other	—	1	1	2
Total increase (decrease)	(9)	(4)	(23)	(11)
Total income tax expense	$ 86	$ 80	$ 250	$ 229

(a) Jurisdictions that comprise 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.

(PPL Electric)

	Three Months		Nine Months	
	2026	2025	2026	2025
Taxes at statutory tax rate	$ 52	$ 44	$ 138	$ 132
Increase (decrease) due to:				
State income taxes, net of federal income tax benefit (a)	16	13	40	39
Utility rate-making tax adjustments (federal and state):				
Amortization of excess deferred income taxes	(2)	(3)	(6)	(7)
AFUDC Equity	(3)	(2)	(8)	(5)
Flow-through rate-making (b)	(4)	(3)	(12)	(12)
Subtotal	(9)	(8)	(26)	(24)
Other	(3)	—	(3)	(1)
Total increase (decrease)	4	5	11	14
Total income tax expense	$ 56	$ 49	$ 149	$ 146

(a) The jurisdiction that comprises 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.

(LG&E)

	Three Months		Nine Months	
	2026	2025	2026	2025
Taxes at statutory tax rate	$ 27	$ 22	$ 78	$ 64
Increase (decrease) due to:				
State income taxes, net of federal income tax benefit (a)	5	4	14	12
Utility rate-making tax adjustments (federal and state):				
Amortization of excess deferred income taxes	(4)	(3)	(12)	(11)
AFUDC Equity	(2)	(1)	(5)	(3)
Subtotal	(6)	(4)	(17)	(14)
Other	—	(1)	—	(1)
Total increase (decrease)	(1)	(1)	(3)	(3)
Total income tax expense	$ 26	$ 21	$ 75	$ 61

(a) The jurisdiction that comprises the majority of state income taxes, net of federal effect, is Kentucky.

(KU)

	Three Months		Nine Months	
	2026	2025	2026	2025
Taxes at statutory tax rate	$ 32	$ 29	$ 91	$ 82
Increase (decrease) due to:				
State income taxes, net of federal income tax benefit (a)	6	5	16	15
Utility rate-making tax adjustments (federal and state):				
Amortization of excess deferred income taxes	(5)	(4)	(14)	(14)
AFUDC Equity	(2)	(1)	(5)	(3)
Subtotal	(7)	(5)	(19)	(17)
Other	—	(1)	(2)	(2)
Total increase (decrease)	(1)	(1)	(5)	(4)
Total income tax expense	$ 31	$ 28	$ 86	$ 78

(a) The jurisdiction that comprises the majority of state income taxes, net of federal effect, is Kentucky.

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 and applicable guidance from the IRS 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 energy tax credits under Internal Revenue Code (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 energy 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 material limitations on its clean energy projects and associated tax credits but will continue to monitor closely.

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, 2026	December 31, 2025	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025
Current Regulatory Assets:								
Rate adjustment mechanisms	$ 88	$ 86	$ —	$ —	$ —	$ —	$ —	$ —
Renewable energy certificates	31	21	—	—	—	—	—	—
Storm damage expense rider	72	53	72	53	—	—	—	—
Gas supply clause	35	10	—	—	35	10	—	—
Transmission service charge	57	61	—	—	—	—	—	—
TCJA	—	40	—	40	—	—	—	—
Other	29	37	12	19	7	9	—	1
Total current regulatory assets	$ 312	$ 308	$ 84	$ 112	$ 42	$ 19	$ —	$ 1
Noncurrent Regulatory Assets:								
Defined benefit plans	$ 935	$ 961	$ 469	$ 477	$ 201	$ 212	$ 140	$ 144
Plant outage costs	17	23	—	—	3	5	14	18
Net metering	170	164	—	—	—	—	—	—
Environmental cost recovery	99	102	—	—	—	—	—	—
Storm costs	123	113	52	42	21	24	33	38
Unamortized loss on debt	16	18	2	2	7	8	5	6
Terminated interest rate swaps	45	47	—	—	26	28	19	19
Accumulated cost of removal of utility plant	218	184	218	184	—	—	—	—
AROs	245	263	—	—	69	73	176	190
Derivative instruments	18	3	—	—	—	—	—	—
RAR	69	76	—	—	69	76	—	—
Gas line inspections	23	24	—	—	21	22	2	2
Advanced metering infrastructure	64	67	—	—	27	28	37	39
IT system costs	78	18	36	18	20	—	20	—
TCJA	29	—	29	—	—	—	—	—
Other	41	29	2	2	10	6	9	11
Total noncurrent regulatory assets	$ 2,190	$ 2,092	$ 808	$ 725	$ 474	$ 482	$ 455	$ 467

	PPL		PPL Electric		LG&E		KU	
	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025
Current Regulatory Liabilities:								
Generation supply charge	$ 31	$ 45	$ 31	$ 45	$ —	$ —	$ —	$ —
Transmission service charge	1	17	1	17	—	—	—	—
Universal service rider	—	17	—	17	—	—	—	—
Transmission formula rate	126	62	60	23	—	—	—	—
Rate adjustment mechanisms	108	124	—	—	—	—	—	—
Energy efficiency	25	26	—	—	—	—	—	—
DSM	16	21	—	—	6	8	10	13
Revenue decoupling mechanism	29	55	—	—	—	—	—	—
Other	17	9	—	1	5	5	9	3
Total current regulatory liabilities	$ 353	$ 376	$ 92	$ 103	$ 11	$ 13	$ 19	$ 16
Noncurrent Regulatory Liabilities:								
Accumulated cost of removal of utility plant	$ 1,052	$ 1,043	$ —	$ —	$ 352	$ 334	$ 405	$ 415
Net deferred taxes	1,713	1,798	679	708	395	415	443	467
Defined benefit plans	329	342	126	120	19	23	65	69
Terminated interest rate swaps	50	52	—	—	25	26	25	26
Advanced metering infrastructure	25	30	—	—	8	10	17	20
Other	50	53	—	—	—	1	—	—
Total noncurrent regulatory liabilities	$ 3,219	$ 3,318	$ 805	$ 828	$ 799	$ 809	$ 955	$ 997

Below is an update to Note 7 in the Registrants' 2025 Form 10-K for 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."

(All Registrants)

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. As a result of the 2025 Kentucky base rate case proceeding, LG&E and KU agreed to remove from depreciation expense the terminal net salvage component for thermal units. These costs will be recovered when spent upon retirement of the associated generating unit.

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 has typically been included in rates and was amortized over the subsequent five-year period. As a result of the 2025 Pennsylvania base rate case proceeding, effective on July 1, 2026, the deferral is included in rates and amortized over the subsequent ten-year period.

IT System Costs

IT system costs represent expenditures incurred associated with implementing certain information technology investments. The RIPUC, KPSC and PAPUC approved recovery of these costs in the 2025 Rhode Island, Kentucky and Pennsylvania base rate case proceedings. The RIPUC allowed enterprise resource planning implementation operation and maintenance costs incurred after January 1, 2026 to be amortized over a ten-year period, subject to a maximum of approximately $8 million. The KPSC allowed costs to be amortized over a period consistent with the depreciable life of the associated IT system. The PAPUC allowed IT system costs to be capitalized and included in PPL Electric's rate base.

(PPL and PPL Electric)

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. Through June 30, 2026, reportable storm damage expenses to be recovered annually through base rates were set at $20 million. In the 2025 base rate case proceeding, the PAPUC approved reportable storm damage expenses of $32 million to be recovered annually through base rates. The SDER will recover from or refund to customers the applicable expenses from reportable storms as compared to the amount recovered annually through base rates.

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. The impacts of the lower U.S. federal corporate income tax rate are included in base rates effective July 1, 2026. Prior to new base rates going into effect on July 1, 2026, PPL Electric over-refunded customers for the impact of the lower U.S. federal corporate income tax rates. PPL Electric intends to address recovery of this remaining balance in a future proceeding. PPL Electric cannot predict the outcome of that proceeding.

Advanced Metering Infrastructure (AMI) *(PPL, LG&E and KU)*

In the 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 AFUDC as 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 the 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. AMI regulatory assets approved for base rate recovery are being amortized through 2040 and AMI regulatory liabilities approved for base rate return are being amortized through 2030.

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 sought to implement a two-year rate plan. As submitted in the initial application, in the first year of the rate plan RIE's proposed base distribution rates for electric and gas service were designed to collect additional annual operating revenue of approximately $181 million ($66 million in electricity revenues and $115 million in gas revenues). In the second year of the rate plan, RIE's proposed base distribution rates for electric and gas combined were 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 in electricity revenues and $32 million in gas revenues). The application was based on a historical test year of September 1, 2024 through August 31, 2025 and requested an authorized ROE of 10.75%. The amounts in the initial submission were evaluated after the Hold Harmless Commitment (as defined below) and potential bill credits were consolidated with the base distribution rate proceeding, as discussed below.

On August 21, 2026, the RIPUC approved oral motions in the proceeding. The RIPUC approved certain aspects of RIE's proposals and modified or rejected others. The RIPUC decisions authorized annual revenue increases of $44 million for electric and $94 million for gas, a return on equity of 9.275%, and a debt-to-equity ratio of 48% debt to 52% equity. The RIPUC did not approve a proposed second rate year.

The RIPUC decisions also addressed certain issues regarding the recovery and accounting treatment of certain expenses, directed RIE to propose new performance metrics for certain investments and directed RIE to file a new tariff for extra-large electric loads by December 31, 2026. The RIPUC also approved or accepted several settlement agreements with intervening parties.

In response to the motions, RIE submitted the required compliance filing on August 27, 2026. The approved rate changes were effective as of September 1, 2026. RIE has not received a final written order from the RIPUC as of the filing date of this Form 10-Q. RIE and all intervening parties have the right to appeal once the final written order is issued. RIE will evaluate the details of the written order and related matters, including potential next steps. PPL cannot predict the ultimate outcome of this matter.

Hold Harmless Commitment

As a condition of its approval of the acquisition of RIE in May 2022, the Rhode Island Division of Public Utilities and Carriers (the Division) 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). See "Regulatory Matters - Rhode Island Activities - Hold Harmless Implementation Agreement" in Note 7 in PPL's 2025 Form 10-K for additional information on the filings and other matters related to the Hold Harmless Commitment that occurred in 2025.

On April 16, 2026, RIE filed a motion with the RIPUC to reopen the previous docket concerning the Hold Harmless Commitment along with an updated tariff advice which reflected a methodology consistent with the previously proposed miscellaneous bill credits and two potential, alternative methods of allocating the bill credits among customers. On April 17, 2026, the RIPUC approved the motion and consolidated the tariff advice docket with the pending base distribution rate proceeding. The RIPUC held hearings on the RIE proposal on July 8, 2026.

On August 21, 2026, the RIPUC addressed RIE's proposal with respect to its Hold Harmless Commitment. The RIPUC denied RIE's hold harmless proposal as submitted but authorized an alternative that increases the amount to be provided to customers to approximately $175 million, of which $163 million will be delivered to customers as bill credits and $12 million through a reduction to the gas cost recovery rate adjustment mechanism balance. The Division confirmed that the alternative proposal would fully satisfy RIE's obligation under the Hold Harmless Commitment, and RIE voluntarily accepted the RIPUC's alternative proposal on August 25, 2026. The RIPUC approved the implementing tariff on September 24, 2026. The bill credits will be issued to RIE electric and gas customers from October 2026 through September 2027. RIE will record a reduction of revenue as the bill credits are issued. The reduction of the gas cost recovery rate adjustment mechanism balance was recorded in the third quarter of 2026.

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 will be recovered through the Storm Fund Replenishment factor.

At an Open Meeting on March 31, 2026, the RIPUC approved a provisional Storm Fund Replenishment Factor effective April 1, 2026, and directed that the collections from that factor be used to pay down the remaining balance of the Winter Volatility Credit. The RIPUC also directed RIE to make a filing proposing a new Storm Fund Replenishment Factor to go into effect at the time when the Winter Volatility Credit is expected to be paid down with a goal of having the Storm Fund have a balance of zero at the end of March 2027. That filing was made on June 30, 2026, and proposed a new factor below the current provisional factor. On August 31, 2026, the RIPUC voted to keep the higher provisional factor in place, rather than adopting the lower factor proposed in accordance with the March 31, 2026 order.

FY 2027 Gas ISR Plan

On March 27, 2026, the RIPUC approved a capital budget of $161 million. In addition, the RIPUC approved an operation and maintenance expense budget of $17 million for curb-to-curb paving. On March 31, 2026, the RIPUC approved RIE's compliance filing for rates effective April 1, 2026.

FY 2027 Electric ISR Plan

On March 27, 2026, the RIPUC approved a capital budget of $141 million (including $18 million for Advanced Metering Functionality). In addition, the RIPUC approved an operation and maintenance expense budget of $14 million, primarily for vegetation management. On March 31, 2026, the RIPUC approved RIE's compliance filing for rates effective April 1, 2026.

Kentucky Activities

(PPL, LG&E and KU)

Rate Case Proceedings

On February 16, 2026, the KPSC issued orders approving portions of LG&E's and KU's October 2025 stipulation and recommendation, with modifications. See "Regulatory Matters – Kentucky Activities – Rate Case Proceedings" in Note 7 in PPL's, LG&E's and KU's 2025 Form 10-K for additional information on the filings made by LG&E and KU with the KPSC in 2025.

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 included authorized returns on equity of 9.775% for base rate purposes and 9.675% for capital rate adjustment mechanisms.

The KPSC orders approved 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 Generation Cost Recovery Adjustment Clause 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. LG&E and KU applied refunds to customer accounts for amounts billed in excess of the rates approved by the KPSC.

The KPSC orders did not approve the Sharing Mechanism 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.

On March 11, 2026, LG&E and KU filed a request for rehearing on several issues contained in the orders from the KPSC along with a Notice of their Withdrawal from the stipulation. On March 27, 2026, the KPSC issued orders correcting tariff appendices, denying two intervenor rehearing requests, and reopening the dockets to consider LG&E's and KU's request for rehearing. Following two rounds of additional discovery and the filing of briefs by the parties, on June 20, 2026, the case was submitted for a decision on the record by the KPSC.

On August 14, 2026, the KPSC issued an order relating to LG&E's and KU's requests for rehearing of the KPSC's February 2026 orders granting certain increases in annual electricity and gas revenues and associated accounting and other matters. The KPSC order approved certain elements of the rehearing requests, including matters relating to incorporating regulatory assets and liabilities in rate base calculations and recovery therein, utilizing updated cost estimates in a potential recovery cap in the PGR mechanism, and allowing pre-2026 costs to be included in a regulatory asset relating to LG&E's stay-open costs regarding Mill Creek Unit 2.

The KPSC order denied other elements of the rehearing requests, including seeking reinstatement of certain other aspects of a prior October 2025 stipulation and recommendation of LG&E and KU and certain intervenors in the rate increase proceedings.

LG&E and KU estimate that the KPSC order represents increases of approximately $4 million in annual LG&E electricity and gas revenues and approximately $3 million in annual KU electricity revenues, above the increased amounts contained in the KPSC's February 2026 order. The revised rates are effective for services rendered on and after the date of the order.

Potential Legal Merger of LG&E and KU

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 and KU filed a joint update in the rate case proceedings stating that they expected to file necessary applications for merger approval in mid-2026 with the KPSC. On March 31, 2026, LG&E and KU filed an application with the KPSC for approval of the merger and associated accounting, financing and rate mechanism matters. On April 17, 2026, LG&E and KU filed an application with the VSCC for approval of the merger and certain associated matters. On May 29, 2026, LG&E and KU filed a related application with the VSCC for approval of financing and affiliate transactions in connection with the proposed merger. On July 2, 2026, LG&E and KU reached a proposed settlement agreement with the majority of the intervenors in the KPSC proceeding and filed a stipulation and recommendation with the KPSC recommending approval of the merger by the KPSC and including certain LG&E and KU commitments regarding merged LG&E and KU rate transition plans and deferred regulatory asset and liability accounting and rate treatment regarding relevant merger costs and savings and depreciation changes. On July 9, 2026, LG&E and KU filed a Section 203 application with the FERC for approval of the merger.

On August 31, 2026, the VSCC issued an order authorizing the financing and affiliate transaction matters relating to the merger. On September 18, 2026, the FERC issued an order authorizing the merger. On September 23, 2026, the FCC consented to the merger transaction. On September 25, 2026, the KPSC issued an order authorizing the merger and related matters, with certain modifications to the proposed settlement agreement and associated accounting, financing and rate matters. On October 22, 2026, the VSCC issued an order authorizing the merger. The merger remains subject to approvals by internal boards and the sole shareholder of both companies, and the entry by LG&E and KU into the operative merger transactional agreements.

The proposed merger structure contemplates LG&E as the successor legal entity which would, by operation of law, retain and assume, respectively, all the assets, properties and rights, and liabilities, duties and obligations of LG&E and KU. The targeted effective date is January 1, 2027.

PPL, LG&E and KU cannot predict the outcome of this matter.

Mill Creek 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 Unit 2.

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 $183 million at September 30, 2026 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 "Rate Case Proceedings" discussion above for information regarding potential changes in the retirement date of Mill Creek Unit 2.

Virginia Activities

See "Kentucky Activities – Potential Legal Merger of LG&E and KU" above with respect to filing an application with VSCC for approval of a merger between LG&E and KU.

Rate Case Proceeding (PPL and KU)

On April 30, 2026, KU filed a request with the VSCC for an increase in Virginia annual base electricity rates of approximately $19 million. KU's request is based on an authorized 10.95% ROE. On October 1, 2026, the VSCC's staff filed testimony recommending a revenue increase of approximately $12 million based on a 9.80% ROE. Subject to regulatory review and approval, new rates would become effective February 1, 2027. A public hearing is scheduled to commence on November 12, 2026. PPL and KU cannot predict the outcome of this matter.

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 have increased PPL Electric's total annual revenue by approximately 8.6%. The application was based on a fully projected future test year of July 1, 2026 through June 30, 2027 and requested an authorized ROE of 11.3%.

On March 5, 2026, PPL Electric reached a non-unanimous settlement in principle (the settlement) in its distribution rate case. On March 13, 2026, PPL Electric submitted a joint petition with the PAPUC reflecting the settlement to resolve all issues in PPL Electric's base rate proceeding.
The settlement proposed an annual electric base distribution revenue increase of approximately $275 million and does not stipulate a return on equity or capital structure. As part of the settlement, PPL Electric will not increase distribution base rates for two years from the effective date of the new rates. Additionally, the settlement:

- provides for DSIC eligible capital investment (and associated depreciation and tax effects) to be rolled into base rates, and for the DSIC to be reset to zero, capped at 5.0% of annual distribution revenues, upon implementation of new base rates.
- sets the expense from reportable storms recovered through base rates for the Storm Damage Expense Rider (SDER) at $32 million annually beginning July 1, 2026. To the extent eligible reportable storm expenses are above or below this level, over or under collections would be addressed through the SDER during the applicable recovery period.
- supports capitalization of Information Technology (IT) upgrades for planned system implementations and infrastructure costs for shared IT platforms. The total projected cost of these projects is expected to be $54 million, inclusive of AFUDC, through June 30, 2027.
- supports adoption of a new tariff schedule governing service to certain large load customers (including data centers). This new rate class would provide $11 million in support for PPL Electric's residential low-income program.
- provides for enhancements to Customer Assistance Program processes and customer notifications, an increase to the Low-Income Usage Reduction Program annual budget beginning January 1, 2027 of $1.5 million (to a total of $13.5 million) with a rollover mechanism for unspent amounts, and a waiver of reconnection fees for low-income customers beginning July 1, 2027.

The settlement also contains agreed positions regarding certain other tariff, rate, regulatory accounting and other issues raised in the proceedings, as well as recommending approval of all remaining matters as requested by PPL Electric's rate request.

On June 11, 2026, the PAPUC entered its order approving the settlement with a minor modification related to net metering eligibility. None of the parties to the settlement objected to the PAPUC's minor modification to the settlement terms and new rates became effective on July 1, 2026. On June 26, 2026, the Customer-Generator Coalition filed a Petition for Reconsideration of the June 11, 2026 PAPUC Order, and PPL Electric filed its Answer on July 6, 2026. The PAPUC entered an Order denying the Customer-Generator Coalition's Petition on August 27, 2026. One member of the Customer-Generator Coalition, Aspen Power Partners, LLC, filed a Petition for Review with the Pennsylvania Commonwealth Court on September 25, 2026, appealing the PAPUC's August 27, 2026 Order. Aspen Power Partners' appeal is limited to a net metering eligibility issue, and PPL Electric does not anticipate that the outcome of the Commonwealth Court appeal will have any effect on the rates approved by the PAPUC.

Federal Matters

See "Kentucky Activities – Potential Legal Merger of LG&E and KU" above with respect to the filing of an application with FERC for approval of a potential merger between LG&E and KU.

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, which are underway. In May 2026, the FERC issued an order declaring the transition mechanism agreements effective, subject to refund, and set the proceedings for hearing suspended for settlement.

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.

ISO-NE ROE Complaints (PPL)

Transmission rates for utilities in ISO-NE are subject to a common ROE shared among the New England transmission owners (NETOs). This ROE has been set at 11.14% since 2005. In 2011 through 2016, transmission customer representatives filed four complaints at the FERC seeking to lower it, arguing that an 11.14% ROE was unjust and unreasonable under the Federal Power Act (Section 206).

In 2014, the FERC issued Opinion No. 531 that changed the methodology the FERC uses for determining transmission ROEs. It set the ROE at 10.57% with a maximum ROE including incentives of 11.74%. Two additional FERC orders followed: Opinion No. 531-A (2014) and Opinion No. 531-B (2015). Each maintained the 10.57% ROE. Both the NETOs and customers appealed.

In 2017, the D.C. Circuit Court of Appeals issued an order vacating Opinions Nos. 531, 531-A, and 531-B, and remanding to the FERC for further proceedings. The court found that the FERC had not properly followed Section 206, which required a specific finding that the existing 11.14% ROE was unjust and unreasonable before it could order a new 10.57% ROE. In 2018, the FERC issued an additional order on remand applicable to all four pending complaints, seeking additional briefing.

On March 19, 2026, the FERC issued Opinion No. 594, addressing the outstanding NETO complaint dockets. The FERC ordered NETOs' base ROE be set at 9.57%, with a total or maximum ROE including incentives not to exceed 12.09%, with an effective date of October 16, 2014.

As of September 30, 2026, RIE had a recorded liability of $27 million for the estimated amounts to be refunded as a result of the order.

The FERC initially ordered refunds with interest at the FERC rate to be paid within thirty days. On April 2, 2026, RIE and the other NETOs filed for an extension of the refund period. On April 14, 2026, the FERC issued an order extending the refund period through May 20, 2027.

On April 20, 2026, RIE and the other NETOs filed a request for rehearing of Opinion No. 594, which is a necessary prerequisite to appeal the order. On May 21, 2026, FERC issued a denial of rehearing by operation of law. The FERC issued a substantive order on rehearing, Opinion No. 594-A, on September 24, 2026, which largely upheld the decision in Opinion No. 594, including the reduction of ROE, the methodological determinations, and the refunds. The NETOs, including RIE, filed two appeals with the D.C. Circuit Court of Appeals, on May 18 and June 5, 2026, related to the New England ROE and Opinion No. 594. These appeals remain pending.

Separately, on April 30, 2026, the NETOs, including RIE, filed a Section 205 docket requesting a new base ROE of 11.39% going forward. On June 29, 2026, FERC issued an order accepting the proposed base ROE for filing, suspending the order for the maximum statutory period of five months (effective November 30, 2026), and establishing paper hearing proceedings. These paper hearing proceedings are continuing.

PPL cannot predict the outcome of these matters.

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, 2026, RIE purchased $98 million and $267 million of accounts receivable from alternative suppliers. 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, 2026, PPL Electric purchased $463 million and $1.4 billion 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.

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	September 30, 2026 Capacity	Borrowed	Letters of Credit and Commercial Paper Issued (a)	Unused Capacity	December 31, 2025 Borrowed	Letters of Credit and Commercial Paper Issued (a)
PPL							
PPL Capital Funding (b)							
Syndicated Credit Facility (c)	Dec. 2030	$ 1,500	$ —	$ 140	$ 1,360	$ —	$ 456
Bilateral Credit Facility	Feb. 2027	100	—	—	100	—	—
Bilateral Credit Facility	Feb. 2027	100	—	48	52	—	17
Total PPL Capital Funding Credit Facilities		$ 1,700	$ —	$ 188	$ 1,512	$ —	$ 473
PPL Electric							
Syndicated Credit Facility	Dec. 2030	$ 750	$ —	$ 23	$ 727	$ —	$ 6
Total PPL Electric Credit Facilities		$ 750	$ —	$ 23	$ 727	$ —	$ 6
LG&E							
Syndicated Credit Facility	Dec. 2030	$ 600	$ —	$ 220	$ 380	$ —	$ —
Total LG&E Credit Facilities		$ 600	$ —	$ 220	$ 380	$ —	$ —
KU							
Syndicated Credit Facility	Dec. 2030	$ 600	$ —	$ 320	$ 280	$ —	$ —
Total KU Credit Facilities		$ 600	$ —	$ 320	$ 280	$ —	$ —

(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) At September 30, 2026, the facility included a $250 million borrowing sublimit for RIE and a $1.25 billion sublimit for PPL Capital Funding. At December 31, 2025, the facility included 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 available under the facility allocated to PPL Capital Funding. At September 30, 2026, PPL Capital Funding had $140 million of commercial paper outstanding and RIE had no commercial paper outstanding. At December 31, 2025, PPL Capital Funding had $355 million of commercial paper outstanding and RIE had $101 million of 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 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:

	September 30, 2026				December 31, 2025	
	Weighted - Average Interest Rate	Capacity	Commercial Paper Issuances (a)	Unused Capacity	Weighted - Average Interest Rate	Commercial Paper Issuances (a)
PPL Capital Funding (b)(c)	4.17%	$ 1,600	$ 140	$ 1,460	4.16%	$ 355
RIE (c)		400	—	400	4.21%	101
PPL Electric		750	—	750		—
LG&E	4.14%	600	220	380		—
KU	4.14%	600	320	280		—
Total		$ 3,950	$ 680	$ 3,270		$ 456

(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. At September 30, 2026, the facility included a $250 million borrowing sublimit for RIE and a $1.25 billion sublimit for PPL Capital Funding. At December 31, 2025, the facility included a $400 million borrowing sublimit for RIE and $1.1 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. 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 11 for discussion of intercompany borrowings.

Long-term Debt and Equity Securities

(PPL)

In May 2026, RIE issued $400 million principal amount of 6.00% Senior Notes due 2056. RIE received proceeds of approximately $396 million, net of discounts and underwriting fees, to be used to repay short-term debt and for other general corporate purposes.

(PPL and PPL Electric)

In May 2026, PPL Electric issued $500 million principal amount of 5.75% First Mortgage Bonds due 2056. PPL Electric received proceeds of approximately $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 July 2026, the Louisville/Jefferson County Metro Government of Kentucky remarketed $40 million principal amount of Pollution Control Revenue Bonds, 2005 Series A due 2035 previously issued on behalf of LG&E. The bonds were remarketed at a long-term rate and will bear interest at 3.80% through their maturity date of February 1, 2035.

(PPL and KU)

In September 2026, the Carroll County Government of Kentucky remarketed $50 million principal amount of Environmental Facilities Revenue Bonds, 2004 Series A due 2034 previously issued on behalf of KU. The bonds were remarketed at a long-term rate and will bear interest at 4.25% through their maturity date of October 1, 2034.

In September 2026, the Carroll County Government of Kentucky remarketed $96 million principal amount of Pollution Control Revenue Refunding Bonds, 2016 Series A due 2042 previously issued on behalf of KU. The bonds were remarketed at a long-term rate and will bear interest at 4.00% through their mandatory purchase date of September 1, 2036.

(PPL)

Corporate Units

In February 2026, PPL issued 23 million equity units (the Equity Units), initially in the form of corporate units (the Corporate Units), for total gross proceeds of $1.15 billion. The issuance included the underwriters' full exercise of their option to purchase up to an additional 3 million Corporate Units to cover over-allotments. PPL received proceeds of approximately $1.13 billion, net of underwriting discounts and commissions. Proceeds were used to repay short-term debt and for general corporate purposes.

Each Corporate Unit has a stated amount of $50 and is comprised of (i) a purchase contract (each, a Purchase Contract) obligating the holder to purchase no later than February 15, 2029 (the Purchase Contract Settlement Date), a certain number of shares of PPL's common stock (Common Stock), for $50 in cash and (ii) a 1/40 undivided beneficial ownership interest in (a) $1,000 principal amount of PPL Capital Funding's 4.02% Remarketable Senior Notes due 2034 and (b) $1,000 principal amount of PPL Capital Funding's 4.02% Remarketable Senior Notes due 2039 (together the RSNs). The Corporate Units carry an annual distribution rate of 7.00% of the stated amount, which is comprised of a quarterly interest payment on the RSNs of 4.02% per year and a quarterly contract adjustment payment of 2.98% per year.

The holder's ownership interests in the RSNs are pledged to PPL to secure the holder's obligations under the related Purchase Contract. PPL expects that the RSNs will be remarketed prior to the Purchase Contract Settlement Date. Following a successful remarketing, the interest rates on the RSNs will reset to market rates at that time, interest will be payable on a semi-annual basis and PPL Capital Funding will cease to have the ability to redeem the RSNs at its option. If the remarketing is unsuccessful, the holders will have the right to put the RSNs to PPL Capital Funding at par.

The RSNs are unsecured and unsubordinated obligations of PPL Capital Funding and are fully and unconditionally guaranteed by PPL.

The number of shares to be delivered under the Purchase Contracts will be determined based on the applicable market value of PPL's Common Stock, which is the average of the volume-weighted average price on each trading day during the 20 consecutive scheduled trading day period ending on, and including, the third scheduled trading day prior to the Purchase Contract Settlement Date, subject to anti-dilution adjustments, as follows:

- If the applicable market value is greater than or equal to $46.58, the holder will receive 1.0735 shares (a minimum of 24.7 million shares).
- If the applicable market value is greater than $37.26 but less than $46.58, the holder will receive a number of shares equal to $50 divided by the applicable market value.
- If the applicable market value is less than or equal to $37.26, the holder will receive 1.3419 shares (a maximum of 30.9 million shares).

Each Purchase Contract requires PPL to make quarterly contract adjustment payments at a rate of 2.98% per year on the $50 stated amount of the Equity Unit. PPL has the option to defer these contract adjustment payments until the Purchase Contract Settlement Date. Deferred contract adjustment payments will accrue additional contract adjustment payments at the rate of 7.00% per year until paid. Until any deferred contract adjustment payments have been paid, PPL may not (1) declare or pay any dividends or distributions on, or redeem, purchase or acquire or make a liquidation payment with respect to, any of its capital stock, (2) make any payment of principal of, or interest or premium, if any, on, or repay, repurchase or redeem any of its debt securities that rank on parity with, or junior to, the contract adjustment payments, or (3) make any guarantee payments under any guarantee by PPL of securities of any of its subsidiaries if the guarantee ranks on parity with, or junior to, the contract adjustment payments.

The proceeds from the sale of the Equity Units were allocated to the RSNs and the Purchase Contracts, including the obligation to make contract adjustment payments, based on the underlying fair value of each instrument at the time of issuance. As a result, the RSNs were recorded at $1.15 billion, which approximated fair value, as long-term debt. At the time of issuance, the present value of the contract adjustment payments of $95 million was recorded to other long-term liabilities, representing the fair value of the obligation to make contract adjustment payments, with an offsetting reduction to additional paid-in capital for the issuance of the Purchase Contracts. The contract adjustment payment liability is being accreted through interest expense over the three-year term of the Purchase Contracts. The initial valuation of the contract adjustment payments is considered a non-cash transaction that is excluded from the Statement of Cash Flows.

To settle the Purchase Contracts, PPL will be required to issue a maximum of approximately 30.9 million shares of Common Stock under the standard provisions of the Purchase Contracts and 42.9 million shares of common stock that could be issued under make-whole provisions in the event of early settlement upon a fundamental change. See Note 4 for EPS considerations related to the Purchase Contracts.

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. At September 30, 2026, PPL had outstanding forward contracts to sell approximately 27.4 million shares of its common stock at a blended initial forward price of approximately $35.90 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, 2026 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, 2026, PPL could have settled the outstanding forward sale contracts with physical delivery of approximately 27.4 million shares of common stock for proceeds of approximately $978 million. The forward contracts under the ATM program are classified as equity transactions.

Dividends

In August 2026, PPL declared a quarterly cash dividend on its common stock, payable October 1, 2026, of 28.50 cents per share (equivalent to $1.14 per annum).

8. Acquisitions, Developments and Divestitures

Developments *(PPL)*

Joint Venture Agreement with Blackstone Infrastructure

PPL and affiliates of Blackstone Infrastructure Advisors L.L.C. (Blackstone Infrastructure) have formed a joint venture, Invitium Energy, LLC (Invitium), to build, own and operate new electricity generation stations to power data centers in Pennsylvania under long-term energy supply services agreements to address underlying resource adequacy and affordability concerns in Pennsylvania and the territory served by PJM Interconnection, L.L.C. more broadly. PPL owns 51% of Invitium and Blackstone Infrastructure owns 49%. Invitium is actively engaged with hyperscalers, landowners, natural gas pipeline companies and turbine manufacturers, and has secured multiple land parcels and placed deposits on future turbine purchases to enable the build of new generation. Construction of new generation stations is contingent on the execution of commercial agreements with data center developers, including hyperscalers.

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	
	2026	2025	2026	2025
Service cost	$ 8	$ 8	$ 22	$ 23
Interest cost	44	46	132	138
Expected return on plan assets	(61)	(72)	(182)	(215)
Amortization of:				
Actuarial loss	10	4	29	13
Net periodic defined benefit costs (credits)	$ 1	$ (14)	$ 1	$ (41)

	Other Postretirement Benefits			
	Three Months		Nine Months	
	2026	2025	2026	2025
Service cost	$ 2	$ 2	$ 5	$ 5
Interest cost	8	8	23	23
Expected return on plan assets	(8)	(7)	(22)	(22)
Amortization of:				
Prior service cost	1	—	1	1
Actuarial gain	(2)	(1)	(2)	(3)
Net periodic defined benefit costs (credits)	$ 1	$ 2	$ 5	$ 4

(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.

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

KU has undertaken 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. Additionally, KU has performed an aquatic study of adjacent surface waters and risk assessment pursuant to a 2017 Agreed Order with the Kentucky Energy and Environment Cabinet (KEEC). In 2021, the KEEC approved a report, prepared by KU's 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. The KEEC subsequently approved KU's supplemental report finding that there are no significant unaddressed risks to human health or the environment at the plant. At the request of the KEEC in 2024, KU submitted a proposed environmental covenant specifying certain site restrictions. Discussions between KU and the KEEC are ongoing, and 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 are being 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. In February 2026, the EPA published a final 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 rule extended the groundwater monitoring deadline to February 10, 2031, with the initial groundwater monitoring report extended to January 31, 2032.

On April 13, 2026, the EPA published a proposed rule to amend the 2024 CCR Rule. The rule proposes to allow certification of closure of legacy surface impoundments by removal for projects completed by November 8, 2024 under regulatory oversight. The rule also proposes to defer compliance of Legacy Surface Impoundments closed prior to November 8, 2024 with the CCR closure standards until site-specific decisions are made by permit authorities. The EPA proposes to rescind all CCR management unit requirements. The EPA proposes to allow alternative compliance pathway for CCR units for groundwater monitoring, corrective action, and closure requirements under federal or approved-state CCR permits that would allow risk-based closure. In addition, the EPA proposes to expand the definition of beneficial use and eliminate the cap for unencapsulated CCR on land.

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 AROs related to preliminary risk assessments, facility evaluations, feasibility studies and sampling. 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.

See Note 15 for additional information on ARO liabilities.

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, 2026 and December 31, 2025, 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, 2026 and December 31, 2025, RIE had a recorded liability of $96 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. 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 U.S. 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 subsequently been updated and extended multiple times in response to evolving cybersecurity threats affecting the nation's critical infrastructure. 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 currently remains in effect through January 15, 2027. Among other requirements, the directive requires notified owners and operators to designate a cybersecurity coordinator, report specified cybersecurity incidents to the Cybersecurity and Infrastructure Security Agency (CISA) and provide required cybersecurity related information and reports to the Transportation Security Administration and other applicable federal agencies. The second security directive was updated in May 2026 and remains in effect. The directive requires covered operators to maintain and implement a Transportation Security Administration approved Cybersecurity Implementation Plan (CIP) and Cybersecurity Assessment Plan (CAP). The Transportation Security Administration has transitioned to a performance-based cybersecurity framework that focuses on achieving specified cybersecurity outcomes rather than implementing prescriptive technical controls. Under the directive, covered operators are required to annually implement and report the results of their CAP, evaluate all CIP measures on a rolling three-year cycle, perform annual testing of selected Cybersecurity Incident Response Plan (CIRP) objectives, maintain appropriate cybersecurity governance and oversight processes, comply with cybersecurity incident reporting requirements, and satisfy cybersecurity coordinator requirements.

The directive also addresses cybersecurity responsibilities performed by third-party service providers and other measures intended to enhance the resilience and security of critical pipeline operations. The Transportation Security Administration continues to review, revise, and extend these requirements as cybersecurity threats and operational risks evolve. 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 September 30, 2026. "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 September 30, 2026		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	$ 56	(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, 2026, 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 September 30, 2026, 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" in Note 12 in PPL's, LG&E's and KU's 2025 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 $196 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	
	2026	2025	2026	2025
PPL Electric from PPL Services	$ 75	$ 64	$ 221	$ 196
LG&E from LKS	27	28	87	76
LG&E from PPL Services	37	49	116	112
KU from LKS	37	38	111	98
KU from PPL Services	62	48	158	109

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, 2026, CEP Reserves had borrowings outstanding of $169 million. At December 31, 2025, CEP Reserves had borrowings outstanding of $143 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, 2026, LG&E's money pool unused capacity was $978 million. At September 30, 2026, LG&E had borrowings outstanding of $2 million from KU and/or LKE. This balance is reflected in "Notes payable to affiliates" on the LG&E Balance Sheets. At December 31, 2025, LG&E had no borrowings outstanding from KU and/or LKE.

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, 2026, KU's money pool unused capacity was $880 million. At September 30, 2026, KU had no borrowings outstanding from LG&E and/or LKE. At December 31, 2025, KU had borrowings outstanding of $36 million from LG&E and/or LKE. These balances are reflected in "Notes payable to affiliates" on the KU 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	
	2026	2025	2026	2025
Defined benefit plans - non-service credits (Note 9)	$ 6	$ 8	$ 18	$ 23
Interest income	4	6	22	13
AFUDC - equity component	31	23	82	58
Miscellaneous (a)	(19)	2	(18)	(4)
Other Income (Expense) - net	$ 22	$ 39	$ 104	$ 90

(a) The expense for the three and nine months ended September 30, 2026 was primarily due to a RIE transition services agreement settlement.

(PPL Electric)

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

	Three Months		Nine Months	
	2026	2025	2026	2025
Defined benefit plans - non-service credits (Note 9)	$ 1	$ 4	$ 4	$ 11
AFUDC - equity component	11	8	30	23
Miscellaneous	1	2	5	2
Other Income (Expense) - net	$ 13	$ 14	$ 39	$ 36

(LG&E)

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

	Three Months		Nine Months	
	2026	2025	2026	2025
Defined benefit plans - non-service credits (costs) (Note 9)	$ —	$ —	$ (1)	$ 1
AFUDC - equity component	7	4	18	11
Miscellaneous	—	4	2	4
Other Income (Expense) - net	$ 7	$ 8	$ 19	$ 16

(KU)

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

	Three Months		Nine Months	
	2026	2025	2026	2025
Defined benefit plans - non-service credits (Note 9)	$ 1	$ 1	$ 2	$ 4
AFUDC - equity component	8	6	21	14
Miscellaneous	1	2	—	1
Other Income (Expense) - net	$ 10	$ 9	$ 23	$ 19

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 2025 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, 2026				December 31, 2025			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
PPL								
Assets								
Cash and cash equivalents	$ 393	$ 393	$ —	$ —	$ 1,071	$ 1,071	$ —	$ —
Restricted cash and cash equivalents (a)	3	3	—	—	15	15	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	396	396	—	—	1,086	1,086	—	—
Special use funds (a):								
Money market fund	—	—	—	—	1	1	—	—
Commingled debt fund measured at NAV (c)	2	—	—	—	5	—	—	—
Commingled equity fund measured at NAV (c)	1	—	—	—	5	—	—	—
Total special use funds	3	—	—	—	11	1	—	—
Price risk management assets (d):								
Gas contracts	3	—	—	3	6	—	2	4
Total assets	$ 402	$ 396	$ —	$ 3	$ 1,103	$ 1,087	$ 2	$ 4
Liabilities								
Price risk management liabilities (d):								
Interest rate derivatives	$ 1	$ —	$ 1	$ —	$ 5	$ —	$ 5	$ —
Gas contracts	21	—	19	2	10	—	6	4
Total price risk management liabilities	$ 22	$ —	$ 20	$ 2	$ 15	$ —	$ 11	$ 4
PPL Electric								
Assets								
Cash and cash equivalents	$ 9	$ 9	$ —	$ —	$ 30	$ 30	$ —	$ —
Total assets	$ 9	$ 9	$ —	$ —	$ 30	$ 30	$ —	$ —
LG&E								
Assets								
Cash and cash equivalents	$ 13	$ 13	$ —	$ —	$ 162	$ 162	$ —	$ —
Restricted cash and cash equivalents (a)	1	1	—	—	7	7	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	14	14	—	—	169	169	—	—
Total assets	$ 14	$ 14	$ —	$ —	$ 169	$ 169	$ —	$ —
Liabilities								
Price risk management liabilities								
Interest rate derivatives	$ 1	$ —	$ 1	$ —	$ 5	$ —	$ 5	$ —
Total price risk management liabilities	$ 1	$ —	$ 1	$ —	$ 5	$ —	$ 5	$ —
KU								
Assets								
Cash and cash equivalents	$ 23	$ 23	$ —	$ —	$ 10	$ 10	$ —	$ —
Restricted cash and cash equivalents (a)	1	1	—	—	7	7	—	—
Total Cash, Cash Equivalents and Restricted Cash (b)	24	24	—	—	17	17	—	—
Total assets	$ 24	$ 24	$ —	$ —	$ 17	$ 17	$ —	$ —

(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
2026	
Balance at beginning of period	$ —
Total unrealized gains (losses) recognized as Regulatory Assets/Regulatory Liabilities	1
Balance at end of period	$ 1

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)*

Substantially all long-term debt is classified as Level 2. Contract adjustment payments are classified as Level 2. The effect of third-party credit enhancements is not included in the fair value measurement. The carrying amounts of contract adjustment payments related to the Purchase Contract component of the Corporate Units and long-term debt on the Balance Sheets and their estimated fair values are set forth below:

	September 30, 2026		December 31, 2025	
	Carrying Amount (a)	Fair Value	Carrying Amount (a)	Fair Value
PPL				
Contract adjustment payments (b)	$ 82	$ 80	$ —	$ —
Long-term debt	20,211	18,451	18,894	18,488
PPL Electric				
Long-term debt	6,200	5,450	5,707	5,473
LG&E				
Long-term debt	2,816	2,520	2,865	2,784
KU				
Long-term debt	3,493	3,016	3,510	3,304

(a) Long-term debt amounts are net of issuance costs.
(b) Current portion is included in "Other current liabilities" and noncurrent portion is included in "Other deferred credits and noncurrent liabilities" on the Balance Sheets.

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 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 September 30, 2026 and December 31, 2025.

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. PPL had no such contracts at September 30, 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 nine months ended September 30, 2026 and 2025, PPL had no cash flow hedges reclassified into earnings associated with discontinued cash flow hedges.

At September 30, 2026, 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, 2026, 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, 2026, RIE held contracts with notional volumes of 52 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 NPNS is elected. NPNS contracts include certain full requirement purchase contracts and other physical purchase contracts. Changes in the fair value of derivatives not designated as NPNS are recognized in earnings unless specific hedge accounting criteria are met and designated as such, except for the changes in fair values of LG&E's interest rate swaps and RIE's gas derivative contracts that are recognized as regulatory assets or regulatory liabilities. See Note 6 for amounts recorded in regulatory assets and regulatory liabilities at September 30, 2026 and December 31, 2025.

See Note 1 in each Registrant's 2025 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, 2026		December 31, 2025	
	Assets	Liabilities	Assets	Liabilities
Current:				
Price Risk Management				
Assets/Liabilities (a):				
Interest rate derivatives (b)	$ —	$ —	$ —	$ 1
Gas contracts	3	19	6	5
Total current	3	19	6	6
Noncurrent:				
Price Risk Management				
Assets/Liabilities (a):				
Interest rate derivatives (b)	—	1	—	4
Gas contracts	—	2	—	5
Total noncurrent	—	3	—	9
Total derivatives	$ 3	$ 22	$ 6	$ 15

(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 for the periods ended September 30, 2026:

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)

Derivatives Not Designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Three Months	Nine Months
Gas contracts	Energy purchases	$ (2)	$ 4
	Operating revenues	—	(1)
	Total	$ (2)	$ 3

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	$ 3
Gas contracts	Regulatory assets - noncurrent	(4)	(15)
	Total	$ (2)	$ (12)

The following tables present the pre-tax effect of derivative instruments recognized in income, OCI or regulatory assets and regulatory liabilities for the periods ended September 30, 2025:

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	$ —	$ 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
Gas contracts	Regulatory liabilities - current	(3)	—
	Regulatory assets - noncurrent	(6)	(6)
	Total	$ (9)	$ (5)

The following table presents the amount of gain (loss) reclassified from accumulated other comprehensive income into interest expense as a result of cash flow hedging activity for the periods ended September 30, 2026:

	Three Months Interest Expense	Nine Months Interest Expense
Total income and expense line items presented in the income statement in which the effect of cash flow hedges are recorded	$ 234	$ 690
Amount of gain (loss) reclassified from AOCI to income	—	(1)

The following table presents the amount of gain (loss) reclassified from accumulated other comprehensive income into interest expense as a result of cash flow hedging activity for the periods ended September 30, 2025:

	Three Months Interest Expense	Nine Months 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
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:

	September 30, 2026		December 31, 2025	
	Assets	Liabilities	Assets	Liabilities
Current:				
Price Risk Management Assets/Liabilities:				
Interest rate derivatives	$ —	$ —	$ —	$ 1
Total current	—	—	—	1
Noncurrent:				
Price Risk Management Assets/Liabilities:				
Interest rate derivatives	—	1	—	4
Total noncurrent	—	1	—	4
Total derivatives	$ —	$ 1	$ —	$ 5

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 periods ended September 30, 2026:

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

(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, 2026								
Derivatives								
PPL	$ 3	$ 1	$ —	$ 2	$ 22	$ 1	$ —	$ 21
LG&E	—	—	—	—	1	—	—	1

	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

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, 2026, derivative contracts in a net liability position that contain credit risk-related contingent features were $18 million. The aggregate fair value of additional collateral requirements in the event of a credit downgrade below investment grade was $19 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 to 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, 2025	$ 140	$ 75	$ 57
Accretion	5	2	3
Changes in estimated timing or cost	(12)	(11)	(1)
Obligations settled	(18)	(7)	(11)
Other	1	—	—
Balance at September 30, 2026	$ 116	$ 59	$ 48

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: Prior service costs	Defined benefit plans: Actuarial gain (loss)	Total
PPL					
June 30, 2026	$ 13	$ 3	$ (2)	$ (219)	$ (205)
Amounts arising during the period	—	—	—	(2)	(2)
Reclassifications from AOCI	—	(3)	1	—	(2)
Net OCI during the period	—	(3)	1	(2)	(4)
September 30, 2026	$ 13	$ —	$ (1)	$ (221)	$ (209)
December 31, 2025	$ 12	$ 3	$ (2)	$ (215)	$ (202)
Amounts arising during the period	—	—	—	(7)	(7)
Reclassifications from AOCI	1	(3)	1	1	—
Net OCI during the period	1	(3)	1	(6)	(7)
September 30, 2026	$ 13	$ —	$ (1)	$ (221)	$ (209)
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)

17. New Accounting Guidance Pending Adoption

(All Registrants)

Disaggregation of Income Statement Expenses

In November 2024, the Financial Accounting Standards Board (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 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 prospectively 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 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' 2025 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, 2026 with the same periods in 2025. 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.

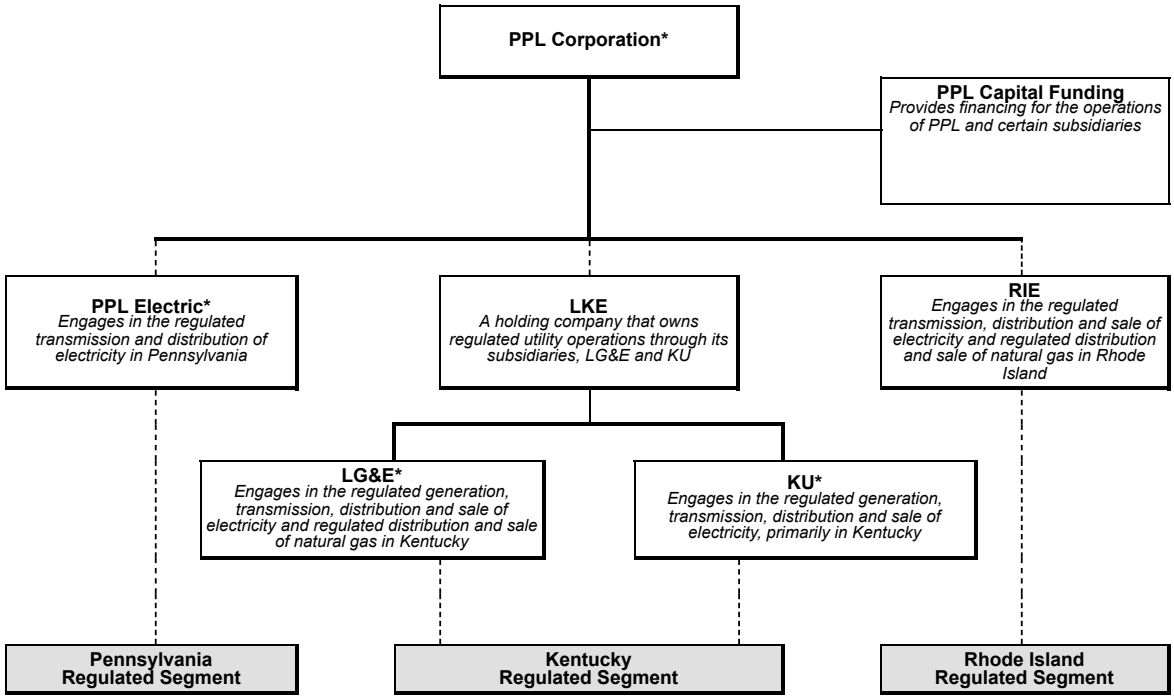
Overview

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" consists primarily 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

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

Rhode Island 2025 (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 sought to implement a two-year rate plan. As submitted in the initial application, in the first year of the rate plan RIE's proposed base distribution rates for electric and gas service were designed to collect additional annual operating revenue of approximately $181 million ($66 million in electricity revenues and $115 million in gas revenues). In the second year of the rate plan, RIE's proposed base distribution rates for electric and gas combined were 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 in electricity revenues and $32 million in gas revenues). The application was based on a historical test year of September 1, 2024 through August 31, 2025 and requested an authorized ROE of 10.75%. The amounts in the initial submission were evaluated after the Hold Harmless Commitment (as defined below) and potential bill credits were consolidated with the base distribution rate proceeding, as discussed below.

On August 21, 2026, the RIPUC approved oral motions in the proceeding. The RIPUC approved certain aspects of RIE's proposals and modified or rejected others. The RIPUC decisions authorized annual revenue increases of $44 million for electric and $94 million for gas, a return on equity of 9.275%, and a debt-to-equity ratio of 48% debt to 52% equity. The RIPUC did not approve a proposed second rate year.

The RIPUC decisions also addressed certain issues regarding the recovery and accounting treatment of certain expenses, directed RIE to propose new performance metrics for certain investments and directed RIE to file a new tariff for extra-large electric loads by December 31, 2026. The RIPUC also approved or accepted several settlement agreements with intervening parties.

In response to the motions, RIE submitted the required compliance filing on August 27, 2026. The approved rate changes were effective as of September 1, 2026. RIE has not received a final written order from the RIPUC as of the filing date of this Form 10-Q. RIE and all intervening parties have the right to appeal once the final written order is issued. RIE will evaluate the details of the written order and related matters, including potential next steps. PPL cannot predict the ultimate outcome of this matter.

Pennsylvania 2025 (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 have increased PPL Electric's total annual revenue by approximately 8.6%. The application was based on a fully projected future test year of July 1, 2026 through June 30, 2027 and requested an authorized ROE of 11.3%.

On March 5, 2026, PPL Electric reached a non-unanimous settlement in principle (the settlement) in its distribution rate case. On March 13, 2026, PPL Electric submitted a joint petition with the PAPUC reflecting the settlement to resolve all issues in PPL Electric's base rate proceeding.
The settlement proposed an annual electric base distribution revenue increase of approximately $275 million and does not stipulate a return on equity or capital structure. As part of the settlement, PPL Electric will not increase distribution base rates for two years from the effective date of the new rates. Additionally, the settlement:

- provides for DSIC eligible capital investment (and associated depreciation and tax effects) to be rolled into base rates, and for the DSIC to be reset to zero, capped at 5.0% of annual distribution revenues, upon implementation of new base rates.
- sets the expense from reportable storms recovered through base rates for the Storm Damage Expense Rider (SDER) at $32 million annually beginning July 1, 2026. To the extent eligible reportable storm expenses are above or below this level, over or under collections would be addressed through the SDER during the applicable recovery period.
- supports capitalization of Information Technology (IT) upgrades for planned system implementations and infrastructure costs for shared IT platforms. The total projected cost of these projects is expected to be $54 million, inclusive of AFUDC, through June 30, 2027.
- supports adoption of a new tariff schedule governing service to certain large load customers (including data centers). This new rate class would provide $11 million in support for PPL Electric's residential low-income program.
- provides for enhancements to Customer Assistance Program processes and customer notifications, an increase to the Low-Income Usage Reduction Program annual budget beginning January 1, 2027 of $1.5 million (to a total of $13.5 million) with a rollover mechanism for unspent amounts, and a waiver of reconnection fees for low-income customers beginning July 1, 2027.

The settlement also contains agreed positions regarding certain other tariff, rate, regulatory accounting and other issues raised in the proceedings, as well as recommending approval of all remaining matters as requested by PPL Electric's rate request.

On June 11, 2026, the PAPUC entered its order approving the settlement with a minor modification related to net metering eligibility. None of the parties to the settlement objected to the PAPUC's minor modification to the settlement terms and new rates became effective on July 1, 2026. On June 26, 2026, the Customer-Generator Coalition filed a Petition for Reconsideration of the June 11, 2026 PAPUC Order, and PPL Electric filed its Answer on July 6, 2026. The PAPUC entered an Order denying the Customer-Generator Coalition’s Petition on August 27, 2026. One member of the Customer-Generator Coalition, Aspen Power Partners, LLC, filed a Petition for Review with the Pennsylvania Commonwealth Court on September 25, 2026, appealing the PAPUC’s August 27, 2026 Order. Aspen Power Partners’ appeal is limited to a net metering eligibility issue, and PPL Electric does not anticipate that the outcome of the Commonwealth Court appeal will have any effect on the rates approved by the PAPUC.

Kentucky 2025 (PPL, LG&E and KU)

On February 16, 2026, the KPSC issued orders approving portions of LG&E's and KU's October 2025 stipulation and recommendation, with modifications. See "Regulatory Matters – Kentucky Activities – Rate Case Proceedings" in Note 7 in PPL's, LG&E's and KU's 2025 Form 10-K for additional information on the filings made by LG&E and KU with the KPSC in 2025.

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 included authorized returns on equity of 9.775% for base rate purposes and 9.675% for capital rate adjustment mechanisms.

The KPSC orders approved 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 Generation Cost Recovery Adjustment Clause 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. LG&E and KU applied refunds to customer accounts for amounts billed in excess of the rates approved by the KPSC.

The KPSC orders did not approve the Sharing Mechanism 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.

On March 11, 2026, LG&E and KU filed a request for rehearing on several issues contained in the orders from the KPSC along with a Notice of their Withdrawal from the stipulation. On March 27, 2026, the KPSC issued orders correcting tariff appendices, denying two intervenor rehearing requests, and reopening the dockets to consider LG&E's and KU's request for rehearing. Following two rounds of additional discovery and the filing of briefs by the parties, on June 20, 2026, the case was submitted for a decision on the record by the KPSC.

On August 14, 2026, the KPSC issued an order relating to LG&E's and KU's requests for rehearing of the KPSC's February 2026 orders granting certain increases in annual electricity and gas revenues and associated accounting and other matters. The KPSC order approved certain elements of the rehearing requests, including matters relating to incorporating regulatory assets and liabilities in rate base calculations and recovery therein, utilizing updated cost estimates in a potential recovery cap in the PGR mechanism, and allowing pre-2026 costs to be included in a regulatory asset relating to LG&E's stay-open costs regarding Mill Creek Unit 2.

The KPSC order denied other elements of the rehearing requests, including seeking reinstatement of certain other aspects of a prior October 2025 stipulation and recommendation of LG&E and KU and certain intervenors in the rate increase proceedings.

LG&E and KU estimate that the KPSC order represents increases of approximately $4 million in annual LG&E electricity and gas revenues and approximately $3 million in annual KU electricity revenues, above the increased amounts contained in the KPSC's February 2026 order. The revised rates are effective for services rendered on and after the date of the order.

Virginia 2026 (PPL and KU)

On April 30, 2026, KU filed a request with the VSCC for an increase in Virginia annual base electricity rates of approximately $19 million. KU's request is based on an authorized 10.95% ROE. On October 1, 2026, the VSCC's staff filed testimony recommending a revenue increase of approximately $12 million based on a 9.80% ROE. Subject to regulatory review and approval, new rates would become effective February 1, 2027. A public hearing is scheduled to commence on November 12, 2026. PPL and KU cannot predict the outcome of this matter.

(PPL, LG&E and KU)

Potential Legal Merger of LG&E and KU

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 and KU filed a joint update in the rate case proceedings stating that they expected to file necessary applications for merger approval in mid-2026 with the KPSC. On March 31, 2026, LG&E and KU filed an application with the KPSC for approval of the merger and associated accounting, financing and rate mechanism matters. On April 17, 2026, LG&E and KU filed an application with the VSCC for approval of the merger and certain associated matters. On May 29, 2026, LG&E and KU filed a related application with the VSCC for approval of financing and affiliate transactions in connection with the proposed merger. On July 2, 2026, LG&E and KU reached a proposed settlement agreement with the majority of the intervenors in the KPSC proceeding and filed a stipulation and recommendation with the KPSC recommending approval of the merger by the KPSC and including certain LG&E and KU commitments regarding merged LG&E and KU rate transition plans and deferred regulatory asset and liability accounting and rate treatment regarding relevant merger costs and savings and depreciation changes. On July 9, 2026, LG&E and KU filed a Section 203 application with the FERC for approval of the merger.

On August 31, 2026, the VSCC issued an order authorizing the financing and affiliate transaction matters relating to the merger. On September 18, 2026, the FERC issued an order authorizing the merger. On September 23, 2026, the FCC consented to the merger transaction. On September 25, 2026, the KPSC issued an order authorizing the merger and related matters, with certain modifications to the proposed settlement agreement and associated accounting, financing and rate matters. On October 22, 2026, the VSCC issued an order authorizing the merger. The merger remains subject to approvals by internal boards and the sole shareholder of both companies, and the entry by LG&E and KU into the operative merger transactional agreements.

The proposed merger structure contemplates LG&E as the successor legal entity which would, by operation of law, retain and assume, respectively, all the assets, properties and rights, and liabilities, duties and obligations of LG&E and KU. The targeted effective date is January 1, 2027.

PPL, LG&E and KU cannot predict the outcome of this matter.

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. 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 "Kentucky Activities - Rate Case Proceedings" in Note 6 to the Financial Statements for additional information.

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, which are underway. In May 2026, the FERC issued an order declaring the transition mechanism agreements effective, subject to refund, and set the proceedings for hearing suspended for settlement. 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)

Joint Venture Agreement with Blackstone Infrastructure

PPL and affiliates of Blackstone Infrastructure Advisors L.L.C. (Blackstone Infrastructure) have formed a joint venture, Invitium Energy, LLC (Invitium), to build, own and operate new electricity generation stations to power data centers in Pennsylvania under long-term energy supply services agreements to address underlying resource adequacy and affordability concerns in Pennsylvania and the territory served by PJM Interconnection, L.L.C. more broadly. PPL owns 51% of Invitium and Blackstone Infrastructure owns 49%. Invitium is actively engaged with hyperscalers, landowners, natural gas pipeline companies and turbine manufacturers, and has secured multiple land parcels and placed deposits on future turbine purchases to enable the build of new generation. Construction of new generation stations is contingent on the execution of commercial agreements with data center developers, including hyperscalers.

Hold Harmless Commitment

As a condition of its approval of the acquisition of RIE in May 2022, the Rhode Island Division of Public Utilities and Carriers (the Division) 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). See "Regulatory Matters - Rhode Island Activities - Hold Harmless Implementation Agreement" in Note 7 in PPL's 2025 Form 10-K for additional information on the filings and other matters related to the Hold Harmless Commitment that occurred in 2025.

On April 16, 2026, RIE filed a motion with the RIPUC to reopen the previous docket concerning the Hold Harmless Commitment along with an updated tariff advice which reflected a methodology consistent with the previously proposed miscellaneous bill credits and two potential, alternative methods of allocating the bill credits among customers. On April 17, 2026, the RIPUC approved the motion and consolidated the tariff advice docket with the pending base distribution rate proceeding. The RIPUC held hearings on the RIE proposal on July 8, 2026.

On August 21, 2026, the RIPUC addressed RIE's proposal with respect to its Hold Harmless Commitment. The RIPUC denied RIE's hold harmless proposal as submitted but authorized an alternative that increases the amount to be provided to customers to approximately $175 million, of which $163 million will be delivered to customers as bill credits and $12 million through a reduction to the gas cost recovery rate adjustment mechanism balance. The Division confirmed that the alternative proposal would fully satisfy RIE's obligation under the Hold Harmless Commitment, and RIE voluntarily accepted the RIPUC's alternative proposal on August 25, 2026. The RIPUC approved the implementing tariff on September 24, 2026. The bill credits will be issued to RIE electric and gas customers from October 2026 through September 2027. RIE will record a reduction of revenue as the bill credits are issued. The reduction of the gas cost recovery rate adjustment mechanism balance was recorded in the third quarter of 2026.

FY 2027 Gas ISR Plan

On March 27, 2026, the RIPUC approved a capital budget of $161 million. In addition, the RIPUC approved an operation and maintenance expense budget of $17 million for curb-to-curb paving. On March 31, 2026, the RIPUC approved RIE's compliance filing for rates effective April 1, 2026.

FY 2027 Electric ISR Plan

On March 27, 2026, the RIPUC approved a capital budget of $141 million (including $18 million for Advanced Metering Functionality). In addition, the RIPUC approved an operation and maintenance expense budget of $14 million, primarily for vegetation management. On March 31, 2026, the RIPUC approved RIE's compliance filing for rates effective April 1, 2026.

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, 2026 with the same periods in 2025. 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, 2026 with the same periods in 2025.

(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		
	2026	2025	$ Change	2026	2025	$ Change
Operating Revenues	$ 2,497	$ 2,239	$ 258	$ 7,382	$ 6,768	$ 614
Operating Expenses						
Operation						
Fuel	246	231	15	715	657	58
Energy purchases	486	422	64	1,592	1,369	223
Other operation and maintenance	617	586	31	1,768	1,798	(30)
Depreciation	366	331	35	1,079	977	102
Taxes, other than income	117	100	17	343	314	29
Total Operating Expenses	1,832	1,670	162	5,497	5,115	382
Operating Income	665	569	96	1,885	1,653	232
Other Income (Expense) - net	22	39	(17)	104	90	14
Interest Expense	234	210	24	690	599	91
Income Before Income Taxes	453	398	55	1,299	1,144	155
Income Taxes	86	80	6	250	229	21
Net Income	$ 367	$ 318	$ 49	$ 1,049	$ 915	$ 134

Operating Revenues

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

	Three Months	Nine Months
PPL Electric distribution price (a)	$ 61	$ 58
PPL Electric distribution volumes (b)	1	8
PPL Electric PLR (c)	51	209
PPL Electric transmission formula rate (d)	16	53
LG&E retail rates (e)	22	76
LG&E volumes	11	5
LG&E fuel and other energy purchases (f)	7	51
LG&E RAR	5	15
KU retail rates (e)	32	96
KU volumes	12	5
KU fuel and other energy purchases (g)	11	39
RIE distribution price (h)	9	(31)
RIE distribution volume	13	21
RIE retail transmission (i)	(5)	(4)
RIE retail energy (j)	7	(26)
RIE transmission formula rate (k)	4	(1)
RIE gas (l)	(2)	21
Other	3	19
Total	$ 258	$ 614

(a) The increases were primarily due to new base distribution rates approved by the PAPUC effective July 1, 2026, partially offset by reconcilable cost recovery mechanisms.
(b) The increase for the nine months ended September 30, 2026 was primarily due to weather.
(c) The increases were primarily due to higher energy prices, higher volumes due to usage and weather and an increase in PLR customers.
(d) The increases were primarily due to returns on additional transmission capital investments and return of depreciation expense.
(e) The increases were due to new base rates approved by the KPSC effective January 1, 2026.
(f) The increase for the nine months ended September 30, 2026 was primarily due to higher recoveries of fuel expenses and energy purchases.
(g) The increases were primarily due to higher recoveries of fuel expenses.

(h) The increase for the three months ended September 30, 2026 was primarily due to reconcilable cost recovery mechanisms approved by the RIPUC. The decrease for the nine months ended September 30, 2026 was primarily due to reconcilable cost recovery mechanisms approved by the RIPUC.
(i) The decrease for the three months ended September 30, 2026 was primarily due to lower prices and lower customer volumes. The decrease for the nine months ended September 30, 2026 was primarily due to lower prices, partially offset by higher customer volumes.
(j) The increase for the three months ended September 30, 2026 was primarily due to higher prices, partially offset by lower volumes. The decrease for the nine months ended September 30, 2026 was primarily due to lower customer volumes and lower prices.
(k) The increase for the three months ended September 30, 2026 was primarily due to an increase in returns on additional transmission capital investments, partially offset by billing timing true ups for the transmission rate. The decrease for the nine months ended September 30, 2026 was primarily due to the ISO-NE transmission rates ROE reduction, partially offset by an increase in returns on additional transmission capital investments. See Note 6 to the Financial Statements for additional information about the ISO-NE transmission rates ROE reduction.
(l) The increase for the nine months ended September 30, 2026 was primarily due to higher prices and higher sales for resale.

Fuel

Fuel increased $15 million for the three months ended September 30, 2026 compared with 2025, primarily due to a $9 million increase in commodity costs and a $7 million increase in volumes.

Fuel increased $58 million for the nine months ended September 30, 2026 compared with 2025, primarily due to an increase in commodity costs.

Energy Purchases

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

	Three Months	Nine Months
PPL Electric PLR prices	$ 28	$ 140
PPL Electric PLR volumes	15	38
PPL Electric net metering	5	12
LG&E volumes	—	(9)
LG&E commodity costs	(2)	37
RIE commodity costs	2	(26)
RIE net metering	8	8
RIE renewable energy certificates	—	8
RIE volumes	1	17
Other	7	(2)
Total	$ 64	$ 223

Other Operation and Maintenance

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

	Three Months	Nine Months
PPL Electric storm costs	$ 11	$ 18
PPL Electric bad debt expenses	9	10
PPL Electric power restoration costs	—	12
KU miscellaneous expenses (a)	12	13
KU generation expenses	6	16
RIE energy efficiency program expenses	3	(20)
RIE miscellaneous expenses (b)	7	9
RIE bad debt expenses	11	9
RIE storm expenses	(18)	(40)
RIE pension alignment	6	16
IT costs (c)	(5)	(31)
Transition costs associated with RIE	(18)	(52)
Other	7	10
Total	$ 31	$ (30)

(a) The increase for the three months ended September 30, 2026 was primarily due to higher distribution supervision and engineering expenses, distribution software maintenance, DSM costs, and vegetation management expenses. The increase for the nine months ended September 30, 2026 was primarily due to higher DSM costs, distribution maintenance and supervision costs, and vegetation management expenses.
(b) The increases were primarily due to customer service related expenses.
(c) The decreases were primarily due to costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.

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)	$ (2)	$ (5)
Interest income	(2)	9
AFUDC - equity component	8	24
Miscellaneous (a)	(21)	(14)
Total	$ (17)	$ 14

(a) The decreases for the three and nine months ended September 30, 2026 were primarily due to a RIE transition services agreement settlement.

Depreciation

Depreciation increased $35 million for the three months ended September 30, 2026 compared with 2025, primarily due to an increase in PP&E additions, net of retirements.

Depreciation increased $102 million for the nine months ended September 30, 2026 compared with 2025, primarily due to a $77 million increase in PP&E additions, net of retirements, a $10 million increase due to higher depreciation rates effective March 1, 2026 at LG&E and a $14 million increase due to higher depreciation rates effective March 1, 2026 at KU.

Taxes, Other Than Income

Taxes, other than income increased $17 million for the three months ended September 30, 2026 compared with 2025, primarily due to a $10 million increase in property taxes and a $5 million increase in gross receipts tax.

Taxes, other than income increased $29 million for the nine months ended September 30, 2026 compared with 2025, primarily due to a $15 million increase in property taxes and a $15 million increase in gross receipts tax.

Interest Expense

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

	Three Months	Nine Months
Long-term debt (a)	$ 35	$ 113
Short-term debt	(7)	(14)
Other	(4)	(8)
Total	$ 24	$ 91

(a) The increases were primarily due to increased borrowings.

Segment Earnings

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

	Three Months			Nine Months		
	2026	2025	$ Change	2026	2025	$ Change
Kentucky Regulated	$ 224	$ 185	$ 39	$ 625	$ 534	$ 91
Pennsylvania Regulated	191	159	32	507	482	25
Rhode Island Regulated	2	27	(25)	48	80	(32)
Corporate and Other (a)	(50)	(53)	3	(131)	(181)	50
Net Income (Loss)	$ 367	$ 318	$ 49	$ 1,049	$ 915	$ 134

(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		
	2026	2025	$ Change	2026	2025	$ Change
Kentucky Regulated	$ 224	$ 191	$ 33	$ 611	$ 548	$ 63
Pennsylvania Regulated	194	160	34	515	485	30
Rhode Island Regulated	40	38	2	132	118	14
Corporate and Other	(47)	(34)	(13)	(122)	(112)	(10)
Earnings from Ongoing Operations	$ 411	$ 355	$ 56	$ 1,136	$ 1,039	$ 97

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

Kentucky Regulated Segment

The Kentucky Regulated segment consists primarily of the regulated electricity generation, transmission and distribution operations conducted by LG&E and KU, as well as LG&E's regulated 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		
	2026	2025	$ Change	2026	2025	$ Change
Operating Revenues	$ 1,048	$ 944	$ 104	$ 3,144	$ 2,841	$ 303
Fuel	246	231	15	715	657	58
Energy purchases	21	23	(2)	173	149	24
Other operation and maintenance	215	201	14	622	601	21
Depreciation	201	180	21	595	535	60
Taxes, other than income	29	26	3	84	77	7
Total Operating Expenses	712	661	51	2,189	2,019	170
Other Income (Expense) - net	17	17	—	41	35	6
Interest Expense	72	68	4	215	191	24
Income Taxes	57	47	10	156	132	24
Net Income	224	185	39	625	534	91
Less: Special Items	—	(6)	6	14	(14)	28
Earnings from Ongoing Operations	$ 224	$ 191	$ 33	$ 611	$ 548	$ 63

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	2026	2025	2026	2025
IT transformation, net of tax of $2, ($5), $4 (a)	Other operation and maintenance	$ —	$ (5)	$ 15	$ (11)
Office relocation and related costs, net of tax of $1, $1 (b)	Other operation and maintenance	—	(1)	—	(3)
Safety transformation, net of tax of $0 (c)	Other operation and maintenance	—	—	(1)	—
Total Special Items		$ —	$ (6)	$ 14	$ (14)

(a) Nine months ended September 30, 2026 is primarily related to the reclassification of 2025 costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems to a regulatory asset. See Note 6 to the Financial Statements for additional information.
(b) Certain costs related to the relocation of corporate offices.
(c) Costs associated with an enterprise-wide safety transformation program.

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	$ 104	$ 303
Fuel	(15)	(58)
Energy purchases	2	(24)
Other operation and maintenance	(22)	(59)
Depreciation	(21)	(60)
Taxes, other than income	(3)	(7)
Other Income (Expense) - net	—	6
Interest Expense	(4)	(24)
Income Taxes	(8)	(14)
Earnings from Ongoing Operations	33	63
Special Items, after-tax	6	28
Net Income	$ 39	$ 91

- Higher operating revenues for the three month period primarily due to a $54 million increase in retail rates due to new base rates approved by the KPSC effective January 1, 2026, a $23 million increase in volumes, an $18 million increase in recoveries of fuel and other energy purchases and a $5 million increase in RAR recoveries.

- Higher operating revenues for the nine month period primarily due to a $172 million increase in retail rates due to new base rates approved by the KPSC effective January 1, 2026, a $90 million increase in recoveries of fuel and other energy purchases, a $15 million increase in RAR recoveries and a $10 million increase in volumes.

- Higher fuel expense for the three month period primarily due to a $9 million increase in commodity costs and a $7 million increase in volumes.

- Higher fuel expense for the nine month period primarily due to an increase in commodity costs.

- Higher energy purchases for the nine month period primarily due to a $38 million increase in commodity costs, partially offset by a $9 million decrease in volumes due to weather.

- Higher other operation and maintenance expense for the three month period primarily due to a $9 million increase in generation expenses, a $3 million increase in DSM costs, a $3 million increase in storm amortization expenses and a $7 million increase in other items that were not individually significant.

- Higher other operation and maintenance expense for the nine month period primarily due to a $28 million increase in generation expenses, a $7 million increase in storm amortization expenses, a $7 million increase in DSM costs, a $5 million increase in vegetation management expenses and a $12 million increase in other items that were not individually significant.

- Higher depreciation for the three month period primarily due to a $14 million increase in additions to PP&E, net of retirements and a $10 million increase in depreciation rates effective March 1, 2026.

- Higher depreciation for the nine month period primarily due to a $36 million increase in additions to PP&E, net of retirements and a $24 million increase in depreciation rates effective March 1, 2026.

- Higher interest expense for the nine month period primarily due to a $19 million increase in interest rates on long-term debt and a $16 million increase in long-term debt borrowings, partially offset by a $6 million decrease in short-term debt borrowings and a $6 million decrease in interest rates on AFUDC debt.

Pennsylvania Regulated Segment

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

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

	Three Months			Nine Months		
	2026	2025	$ Change	2026	2025	$ Change
Operating Revenues	$ 918	$ 786	$ 132	$ 2,633	$ 2,298	$ 335
Energy purchases	274	224	50	818	622	196
Other operation and maintenance	188	160	28	536	481	55
Depreciation	112	105	7	330	307	23
Taxes, other than income	42	38	4	126	111	15
Total Operating Expenses	616	527	89	1,810	1,521	289
Other Income (Expense) - net	13	14	(1)	39	36	3
Interest Income from Affiliate	5	2	3	7	4	3
Interest Expense	73	67	6	213	189	24
Income Taxes	56	49	7	149	146	3
Net Income	191	159	32	507	482	25
Less: Special Items	(3)	(1)	(2)	(8)	(3)	(5)
Earnings from Ongoing Operations	$ 194	$ 160	$ 34	$ 515	$ 485	$ 30

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	2026	2025	2026	2025
IT transformation, net of tax of $1, $0, $3, $0 (a)	Other operation and maintenance	$ (2)	$ (1)	$ (7)	$ (1)
Office relocation and related costs, net of tax of $1 (b)	Other operation and maintenance	—	—	—	(2)
Safety transformation, net of tax of $0, $0 (c)	Other operation and maintenance	(1)	—	(1)	—
Total Special Items		$ (3)	$ (1)	$ (8)	$ (3)

(a) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(b) Certain costs related to the relocation of corporate offices.
(c) Costs associated with an enterprise-wide safety transformation program.

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	$ 132	$ 335
Energy purchases	(50)	(196)
Other operation and maintenance	(26)	(49)
Depreciation	(7)	(23)
Taxes, other than income	(4)	(15)
Other Income (Expense) - net	(1)	3
Interest Income from Affiliate	3	3
Interest Expense	(6)	(24)
Income Taxes	(7)	(4)
Earnings from Ongoing Operations	34	30
Special Items, after-tax	(2)	(5)
Net Income	$ 32	$ 25

- Higher operating revenues for the three month period primarily due to a $61 million increase in distribution pricing, a $51 million increase in PLR and a $16 million increase in transmission formula rate revenue.

- Higher operating revenues for the nine month period primarily due to a $209 million increase in PLR, a $58 million increase in distribution pricing, a $53 million increase in transmission formula rate revenue and an $8 million increase in distribution volumes.

- Higher energy purchases for the three month period primarily due to a $28 million increase in PLR prices, a $15 million increase in PLR volumes and a $5 million increase in net metering.

- Higher energy purchases for the nine month period primarily due to a $140 million increase in PLR prices, a $38 million increase in PLR volumes and a $12 million increase in net metering.

- Higher other operation and maintenance expense for the three month period primarily due to an $11 million increase in storm costs and a $9 million increase in bad debt expenses.

- Higher other operation and maintenance expense for the nine month period primarily due to an $18 million increase in storm costs, a $12 million increase in power restoration costs and a $10 million increase 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 interest expense for the three and nine month periods primarily due to an increase in long-term debt borrowings.

Rhode Island Regulated Segment

The Rhode Island Regulated segment includes 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		
	2026	2025	$ Change	2026	2025	$ Change
Operating Revenues	$ 530	$ 509	$ 21	$ 1,605	$ 1,629	$ (24)
Energy purchases	191	173	18	602	598	4
Other operation and maintenance	209	196	13	594	610	(16)
Depreciation	51	45	6	148	131	17
Taxes, other than income	46	38	8	132	127	5
Total Operating Expenses	497	452	45	1,476	1,466	10
Other Income (Expense) - net	(10)	2	(12)	8	5	3
Interest Income from Affiliate	5	—	5	5	3	2
Interest Expense	29	28	1	85	78	7
Interest Expense with Affiliate	—	—	—	7	—	7
Income Taxes	(3)	4	(7)	2	13	(11)
Net Income	2	27	(25)	48	80	(32)
Less: Special Items	(38)	(11)	(27)	(84)	(38)	(46)
Earnings from Ongoing Operations	$ 40	$ 38	$ 2	$ 132	$ 118	$ 14

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	2026	2025	2026	2025
ISO-NE transmission rates ROE reduction, net of tax of $4 (a)	Operating Revenues	$ —	$ —	$ (16)	$ —
Meter system integration impacts, net of tax of $2 (b)	Operating Revenues	—	—	(9)	—
Post TSA adjustments, net of tax of $4 (c)	Operating Revenues	—	—	—	(14)
Hold harmless commitment, net of tax of $2, $2 (d)	Operating Revenues	(10)	—	(10)	—
Customer system integration impacts, net of tax of $1, $2, $5, $2 (e)	Other operation and maintenance	(5)	(9)	(18)	(9)
IT transformation, net of tax of $0, $0, $1, $1 (f)	Other operation and maintenance	(1)	(1)	(5)	(5)
Post TSA adjustments, net of tax of $1 (c)	Other operation and maintenance	—	—	—	(3)
Safety transformation, net of tax of $0, $0 (g)	Other operation and maintenance	(1)	—	(1)	—
Acquisition integration, net of tax of $4, $0, $4, ($2) (h)	Other Income (Expense) - net	(17)	(1)	(17)	6
Energy efficiency programs settlement, net of tax of $2 (i)	Other Income (Expense) - net	—	—	—	(6)
Post TSA adjustments, net of tax of $2 (c)	Other Income (Expense) - net	—	—	—	(6)
Rate case disallowances, net of tax of $1, $1 (j)	Other Income (Expense) - net	(4)	—	(4)	—
ISO-NE transmission rates ROE reduction, net of tax of $1 (a)	Interest Expense	—	—	(4)	—
Post TSA adjustments, net of tax of $0 (c)	Interest Expense	—	—	—	(1)
Total Special Items		$ (38)	$ (11)	$ (84)	$ (38)

(a) Prior period impact of an ISO-NE transmission rate reduction. See Note 6 to the Financial Statements for additional information.
(b) Prior period impact related to a meter data system integration post transition services agreement.
(c) Adjustments related to account reconciliations and process alignment subsequent to the end of the transition services agreement associated with the acquisition of RIE.
(d) See Note 6 to the Financial Statements for additional information.
(e) Certain collection process costs incurred due to the timing and implementation of the customer system integration.
(f) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(g) Costs associated with an enterprise-wide safety transformation program.
(h) Primarily includes a transition services agreement settlement.
(i) Costs associated with a settlement agreement regarding energy efficiency programs prior to PPL's acquisition of RIE.
(j) Certain costs disallowed by the RIPUC related to the 2025 Rhode Island rate case proceedings.

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	$ 35	$ 1
Energy purchases	(18)	(4)
Other operation and maintenance	(15)	25
Depreciation	(6)	(17)
Taxes, other than income	(8)	(5)
Other Income (Expense) - net	11	22
Interest Income from Affiliate	5	2
Interest Expense	(2)	(3)
Interest Expense with Affiliate	—	(7)
Income Taxes	—	—
Earnings from Ongoing Operations	2	14
Special Items, after-tax	(27)	(46)
Net Income	$ (25)	$ (32)

- Higher operating revenues for the three month period primarily due to a $13 million increase in distribution volumes, a $10 million increase in gas prices, a $9 million increase in distribution prices, a $7 million increase in retail energy and a $4 million increase in transmission formula rate revenue, partially offset by a $5 million decrease in retail transmission and a $3 million decrease in other items that individually are not significant.

- Higher operating revenues for the nine month period primarily due to a $25 million increase in gas prices and sales for resale, a $21 million increase in distribution volumes and an $11 million increase in transmission formula rate revenue, partially offset by a $31 million decrease in distribution prices, a $15 million decrease in retail energy, a $4 million decrease in retail transmission and a $6 million decrease in other items that individually are not significant.

- Higher energy purchases for the three month period primarily due to an $8 million increase in net metering, a $2 million increase in commodity costs and a $7 million increase in other items that are not individually significant.

- Higher energy purchases for the nine month period primarily due to a $17 million increase in volumes, an $8 million increase in net metering and an $8 million increase in renewable energy certificate purchases, partially offset by a $26 million decrease in commodity costs and a $3 million decrease in other items that are not individually significant.

- Higher other operation and maintenance expense for the three month period primarily due to an $11 million increase in bad debt expenses, a $7 million increase in miscellaneous expenses, a $6 million increase due to a reclassification of the pension adjustment mechanism to align with PPL's accounting for other revenue related recovery items, a $3 million increase in energy efficiency expenses, a $3 million increase in distribution costs and a $3 million increase in vegetation management expenses, partially offset by an $18 million decrease in storm recovery funds.

- Lower other operation and maintenance expense for the nine month period primarily due to a $40 million decrease in storm recovery funds and a $20 million decrease in energy efficiency expenses, partially offset by a $16 million increase due to a reclassification of the pension adjustment mechanism to align with PPL's accounting for other revenue related recovery items, a $9 million increase in bad debt expenses and a $9 million increase in miscellaneous 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 property taxes.

- Higher other income (expense) for the three month period primarily due to a $7 million increase related to a litigation settlement and a $4 million increase due to a reclassification of the pension adjustment mechanism to align with PPL's accounting for other revenue related recovery items.

- Higher other income (expense) for the nine month period primarily due to a $12 million increase due to a reclassification of the pension adjustment mechanism to align with PPL's accounting for other revenue related recovery items, a $7 million increase related to a litigation settlement and a $5 million increase in other items that are not individually significant.

- Higher interest income from affiliate for the three month period primarily due to an increase in affiliate borrowings.

- Higher interest expense for the three and nine month periods primarily due to an increase in borrowings.

- Higher interest expense with affiliate for the nine month period primarily due to an increase in borrowings with affiliates.

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:

	2026 Three Months				
	KY Regulated	PA Regulated	RI Regulated	Corporate and Other	Total
Net Income (Loss)	$ 224	$ 191	$ 2	$ (50)	$ 367
Less: Special Items (expense) benefit:					
Acquisition integration, net of tax of $5 (a)	—	—	(17)	—	(17)
IT transformation, net of tax of $1, $0, $1 (b)	—	(2)	(1)	(3)	(6)
Customer system integration impacts, net of tax of $2 (c)	—	—	(5)	—	(5)
Safety transformation, net of tax of $0, $0 (d)	—	(1)	(1)	—	(2)
Hold harmless commitment, net of tax of $2 (e)	—	—	(10)	—	(10)
Rate case disallowances, net of tax of $1 (f)	—	—	(4)	—	(4)
Total Special Items	—	(3)	(38)	(3)	(44)
Earnings from Ongoing Operations	$ 224	$ 194	$ 40	$ (47)	$ 411

(a) Primarily includes a transition services agreement settlement.
(b) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems.
(c) Certain collection process costs incurred due to the timing and implementation of the customer system integration.
(d) Costs associated with an enterprise-wide safety transformation program.
(e) See Note 6 to the Financial Statements for additional information.
(f) Certain costs disallowed by the RIPUC related to the 2025 Rhode Island rate case proceedings.

	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.

	2026 Nine Months				
	KY Regulated	PA Regulated	RI Regulated	Corporate and Other	Total
Net Income (Loss)	$ 625	$ 507	$ 48	$ (131)	$ 1,049
Less: Special Items (expense) benefit:					
Acquisition integration, net of tax of $5 (a)	—	—	(17)	—	(17)
IT transformation, net of tax of ($5), $3, $1, $2 (b)	15	(7)	(5)	(9)	(6)
Customer system integration impacts, net of tax of $5 (c)	—	—	(18)	—	(18)
ISO-NE transmission rates ROE reduction, net of tax of $5 (d)	—	—	(20)	—	(20)
Meter system integration impacts, net of tax of $2 (e)	—	—	(9)	—	(9)
Safety transformation, net of tax of $0, $0, $0 (f)	(1)	(1)	(1)	—	(3)
Hold harmless commitment, net of tax of $2 (g)	—	—	(10)	—	(10)
Rate case disallowances, net of tax of $1 (h)	—	—	(4)	—	(4)
Total Special Items	14	(8)	(84)	(9)	(87)
Earnings from Ongoing Operations	$ 611	$ 515	$ 132	$ (122)	$ 1,136

(a) Primarily includes a transition services agreement settlement.
(b) Costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems. Kentucky Regulated contains the reclassification of 2025 costs associated with PPL's restructuring and rebuilding of its IT infrastructure, organization and systems to a regulatory asset. See Note 6 to the Financial Statements for additional information.
(c) Certain collection process costs incurred due to the timing and implementation of the customer system integration.
(d) Prior period impact of an ISO-NE transmission rate reduction. See Note 6 to the Financial Statements for additional information.
(e) Prior period impact of a meter data system integration post transition services agreement.
(f) Costs associated with an enterprise-wide safety transformation program.
(g) See Note 6 to the Financial Statements for additional information.
(h) Certain costs disallowed by the RIPUC related to the 2025 Rhode Island rate case proceedings.

	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 related to litigation associated with its former affiliate, Talen Montana, LLC and certain affiliated entities.
(b) Rhode Island Regulated primarily includes a 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) Costs associated with a settlement agreement regarding energy efficiency programs prior to PPL's acquisition of RIE.
(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.

PPL Electric: Statement of Income Analysis

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

	Three Months			Nine Months		
	2026	2025	$ Change	2026	2025	$ Change
Operating Revenues	$ 918	$ 786	$ 132	$ 2,633	$ 2,298	$ 335
Operating Expenses						
Operation						
Energy purchases	274	224	50	818	622	196
Other operation and maintenance	188	160	28	536	481	55
Depreciation	112	105	7	330	307	23
Taxes, other than income	42	38	4	126	111	15
Total Operating Expenses	616	527	89	1,810	1,521	289
Operating Income	302	259	43	823	777	46
Other Income (Expense) - net	13	14	(1)	39	36	3
Interest Income from Affiliate	5	2	3	7	4	3
Interest Expense	73	67	6	213	189	24
Income Before Income Taxes	247	208	39	656	628	28
Income Taxes	56	49	7	149	146	3
Net Income	$ 191	$ 159	$ 32	$ 507	$ 482	$ 25

Operating Revenues

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

	Three Months	Nine Months
Distribution price (a)	$ 61	$ 58
Distribution volume (b)	1	8
PLR (c)	51	209
Transmission formula rate (d)	16	53
Other	3	7
Total	$ 132	$ 335

(a) The increases were primarily due to new base distribution rates approved by the PAPUC effective July 1, 2026, partially offset by reconcilable cost recovery mechanisms.
(b) The increase for the nine months ended September 30, 2026 was primarily due to weather.
(c) The increases were primarily due to higher energy prices, higher volumes due to usage and weather and an increase in PLR customers.
(d) The increases were primarily due to returns on additional transmission capital investments and return of depreciation expense.

Energy Purchases

Energy purchases increased $50 million for the three months ended September 30, 2026 compared with 2025, primarily due to a $28 million increase in PLR prices, a $15 million increase in PLR volumes and a $5 million increase in net metering.

Energy purchases increased $196 million for the nine months ended September 30, 2026 compared with 2025, primarily due to a $140 million increase in PLR prices, a $38 million increase in PLR volumes and a $12 million increase in net metering.

Other Operation and Maintenance

Other operation and maintenance increased $28 million for the three months ended September 30, 2026 compared with 2025, primarily due to an $11 million increase in storm costs and a $9 million increase in bad debt expenses.

Other operation and maintenance increased $55 million for the nine months ended September 30, 2026 compared with 2025, primarily due to an $18 million increase in storm costs, a $12 million increase in power restoration costs and a $10 million increase in bad debt expenses.

Depreciation

Depreciation increased $7 million and $23 million for the three and nine months ended September 30, 2026 compared with 2025, primarily due to an increase in PP&E additions, net of retirements.

Interest Expense

Interest expense increased $24 million for the nine months ended September 30, 2026 compared with 2025, primarily due to an increase in long-term debt borrowings.

LG&E: Statement of Income Analysis

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

	Three Months			Nine Months		
	2026	2025	$ Change	2026	2025	$ Change
Operating Revenues						
Retail and wholesale	$ 466	$ 420	$ 46	$ 1,450	$ 1,293	$ 157
Electric revenue from affiliate	4	7	(3)	15	17	(2)
Total Operating Revenues	470	427	43	1,465	1,310	155
Operating Expenses						
Operation						
Fuel	96	97	(1)	263	254	9
Energy purchases	16	17	(1)	155	128	27
Energy purchases from affiliate	8	6	2	26	18	8
Other operation and maintenance	92	91	1	272	271	1
Depreciation	87	77	10	257	228	29
Taxes, other than income	15	13	2	43	39	4
Total Operating Expenses	314	301	13	1,016	938	78
Operating Income	156	126	30	449	372	77
Other Income (Expense) - net	7	8	(1)	19	16	3
Interest Expense	33	30	3	97	83	14
Income Before Income Taxes	130	104	26	371	305	66
Income Taxes	26	21	5	75	61	14
Net Income	$ 104	$ 83	$ 21	$ 296	$ 244	$ 52

Operating Revenues

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

	Three Months	Nine Months
Retail rates (a)	$ 22	$ 76
Fuel and other energy purchases (b)	4	53
Volumes (c)	11	5
RAR	5	15
Other	1	6
Total	$ 43	$ 155

(a) The increases were due to new base rates approved by the KPSC effective January 1, 2026.
(b) The increase for the nine months ended September 30, 2026 was primarily due to higher recoveries of fuel expenses, energy purchases and energy purchases from affiliate.
(c) The increase for the three months ended September 30, 2026 was due to increased sales volumes.

Fuel

Fuel expense increased $9 million for the nine months ended September 30, 2026 compared with 2025, primarily due to a $21 million increase in commodity costs, partially offset by a $9 million decrease in volumes.

Energy Purchases

Energy purchases increased $27 million for the nine months ended September 30, 2026 compared with 2025, primarily due to a $37 million increase in commodity costs, partially offset by a $9 million decrease in volumes.

Depreciation

Depreciation increased $10 million for the three months ended September 30, 2026 compared with 2025, primarily due to a $6 million increase from PP&E additions, net of retirements and a $4 million increase due to higher depreciation rates effective March 1, 2026.

Depreciation increased $29 million for the nine months ended September 30, 2026 compared with 2025, primarily due to a $16 million increase from PP&E additions, net of retirements and a $10 million increase due to higher depreciation rates effective March 1, 2026.

KU: Statement of Income Analysis

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

	Three Months			Nine Months		
	2026	2025	$ Change	2026	2025	$ Change
Operating Revenues						
Retail and wholesale	$ 582	$ 524	$ 58	$ 1,694	$ 1,548	$ 146
Electric revenue from affiliate	8	6	2	26	18	8
Total Operating Revenues	590	530	60	1,720	1,566	154
Operating Expenses						
Operation						
Fuel	151	135	16	452	404	48
Energy purchases	5	6	(1)	18	20	(2)
Energy purchases from affiliate	4	7	(3)	15	17	(2)
Other operation and maintenance	118	101	17	327	303	24
Depreciation	114	102	12	338	305	33
Taxes, other than income	14	13	1	41	38	3
Total Operating Expenses	406	364	42	1,191	1,087	104
Operating Income	184	166	18	529	479	50
Other Income (Expense) - net	10	9	1	23	19	4
Interest Expense	41	38	3	121	108	13
Income Before Income Taxes	153	137	16	431	390	41
Income Taxes	31	28	3	86	78	8
Net Income	$ 122	$ 109	$ 13	$ 345	$ 312	$ 33

Operating Revenues

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

	Three Months	Nine Months
Retail rates (a)	$ 32	$ 96
Fuel and other energy purchases (b)	13	47
Volumes (c)	12	5
Other	3	6
Total	$ 60	$ 154

(a) The increases were due to new base rates approved by the KPSC effective January 1, 2026.
(b) The increases were primarily due to higher recoveries of fuel expenses.
(c) The increase for the three months ended September 30, 2026 was due to increased sales volumes.

Fuel

Fuel expense increased $16 million for the three months ended September 30, 2026 compared with 2025, primarily due to an $8 million increase in commodity costs and an $8 million increase in volumes.

Fuel expense increased $48 million for the nine months ended September 30, 2026 compared with 2025, primarily due to an increase in commodity costs.

Other Operation and Maintenance

Other operation and maintenance increased $17 million for the three months ended September 30, 2026 compared with 2025, primarily due to a $6 million increase in generation expenses, a $4 million increase in distribution expenses and a $7 million increase in other items that were not individually significant.

Other operation and maintenance increased $24 million for the nine months ended September 30, 2026 compared with 2025, primarily due to an increase in generation expenses.

Depreciation

Depreciation increased $12 million for the three months ended September 30, 2026 compared with 2025, primarily due to an $8 million increase from PP&E additions, net of retirements and a $6 million increase due to higher depreciation rates effective March 1, 2026.

Depreciation increased $33 million for the nine months ended September 30, 2026 compared with 2025, primarily due to a $20 million increase from PP&E additions, net of retirements and a $14 million increase due to higher depreciation rates effective March 1, 2026.

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, 2026				
Cash and cash equivalents	$ 393	$ 9	$ 13	$ 23
Short-term debt	679	—	220	319
Long-term debt due within one year	358	108	190	60
Notes payable to affiliates	—	—	2	—
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 to affiliates	—	—	—	36

(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
2026				
Operating activities	$ 2,056	$ 663	$ 449	$ 582
Investing activities	(3,616)	(1,298)	(713)	(793)
Financing activities	870	614	109	218
2025				
Operating activities	$ 2,081	$ 719	$ 538	$ 647
Investing activities	(2,860)	(1,362)	(561)	(681)
Financing activities	1,559	632	522	354
Change - Cash Provided (Used)				
Operating activities	$ (25)	$ (56)	$ (89)	$ (65)
Investing activities	(756)	64	(152)	(112)
Financing activities	(689)	(18)	(413)	(136)

Operating Activities

The components of the change in cash provided by (used in) operating activities for the nine months ended September 30, 2026 compared with 2025 were as follows:

	PPL	PPL Electric	LG&E	KU
Change - Cash Provided (Used)				
Net income	$ 134	$ 25	$ 52	$ 33
Non-cash components	124	44	2	4
Working capital	(187)	(104)	(139)	(97)
Other operating activities	(96)	(21)	(4)	(5)
Total	$ (25)	$ (56)	$ (89)	$ (65)

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 2026 decreased $25 million compared with 2025.

- Net income increased $134 million between the periods and included an increase in non-cash components of $124 million. The increase in non-cash components was primarily due to an increase in depreciation.

- The $187 million decrease in cash from changes in working capital was primarily due to a decrease in current regulatory liabilities and taxes payable and an increase in fuel, materials and supplies, partially offset by a decrease in accounts receivable and unbilled revenues.

- The $96 million decrease in cash from other operating activities was primarily due to an increase in noncurrent regulatory assets and a decrease in noncurrent regulatory liabilities.

(PPL Electric)

PPL Electric's cash provided by operating activities in 2026 decreased $56 million compared with 2025.

- Net income increased $25 million between the periods and included an increase in non-cash components of $44 million. The increase in non-cash components was primarily due to an increase in depreciation and a decrease in defined benefit plans income.

- The $104 million decrease in cash from changes in working capital was primarily due to a decrease in accounts payable, taxes payable and current regulatory liabilities and an increase in current regulatory assets, partially offset by a decrease in unbilled revenues.

- The $21 million decrease in cash provided by other operating activities was driven primarily by an increase in noncurrent regulatory assets.

(LG&E)

LG&E's cash provided by operating activities in 2026 decreased $89 million compared with 2025.

- Net income increased $52 million between the periods.
- The $139 million decrease in cash from changes in working capital was primarily due to an increase in accounts receivable and fuel, materials and supplies and a decrease in accounts payable, taxes payable and accrued interest.

(KU)

KU's cash provided by operating activities in 2026 decreased $65 million compared with 2025.

- Net income increased $33 million between the periods.
- The $97 million decrease in cash from changes in working capital was primarily due to a decrease in taxes payable and accounts payable to affiliates and an increase in accounts receivable.

Investing Activities

(All Registrants)

The components of the change in cash provided by (used in) investing activities for the nine months ended September 30, 2026 compared with 2025 were as follows:

Change - Cash Provided (Used)	PPL	PPL Electric	LG&E	KU
Expenditures for PP&E	$ (662)	$ (214)	$ (188)	$ (119)
Notes receivable from affiliates	—	261	36	—
Other investing activities	(94)	17	—	7
Total	$ (756)	$ 64	$ (152)	$ (112)

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 the E.W. Brown battery storage project and Mill Creek Unit 5. The increase in expenditures at KU was primarily due to Mill Creek Unit 5.

For PPL Electric, the change in "Notes receivable from affiliates" is due to a decrease in lending to affiliates and additional payments received from affiliates. For LG&E, the change is due to additional payments received 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, 2026 compared with 2025 were as follows:

Change - Cash Provided (Used)	PPL	PPL Electric	LG&E	KU
Debt issuance/retirement, net	$ (567)	$ —	$ (750)	$ (718)
Dividends	(37)	(9)	(21)	(23)
Capital contributions/distributions, net	—	(9)	60	101
Change in short-term debt, net	(69)	—	245	459
Net increase (decrease) in notes payable with affiliate	—	—	45	37
Other financing activities	(16)	—	8	8
Total	$ (689)	$ (18)	$ (413)	$ (136)

See Note 7 to the Financial Statements in this Form 10-Q for information on 2026 short-term and long-term debt activity, equity transactions and PPL dividends. See Note 8 to the Financial Statements in the Registrants' 2025 Form 10-K for information on 2025 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, 2026, 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 (a)	Unused Capacity
PPL Capital Funding Credit Facilities (b)	$ 1,600	$ —	$ 140	$ 1,460
PPL Electric Credit Facility	750	—	23	727
LG&E Credit Facility	600	—	220	380
KU Credit Facility	600	—	320	280
Total Credit Facilities (c)	$ 3,550	$ —	$ 703	$ 2,847

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

(b) 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, 2026, PPL Capital Funding had $140 million of commercial paper outstanding and RIE had no commercial paper outstanding. RIE's obligations under the facility are not guaranteed by PPL.

(c) 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)	$ 1,200	$ 2	$ 220	$ 978
KU Money Pool (a)	1,200	—	320	880

(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, 2026:

	Capacity	Commercial Paper Issuances (a)	Unused Capacity
PPL Capital Funding (b)	$ 1,600	$ 140	$ 1,460
RIE (b)	400	—	400
PPL Electric	750	—	750
LG&E	600	220	380
KU	600	320	280
Total PPL	$ 3,950	$ 680	$ 3,270

(a) Commercial paper issued reflects the undiscounted face value of the issuance.
(b) Issuances under the PPL Capital Funding and RIE commercial paper programs are supported by the PPL Capital Funding syndicated credit facility, which has a total capacity of $1.5 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.

Forecasted Uses of Cash

(All Registrants)

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	$ 5,025	$ 1,000	$ 1,950	$ 2,075
Electric distribution facilities	5,475	1,850	1,900	1,725
Gas distribution facilities	1,200	375	400	425
Transmission facilities	5,900	1,675	1,900	2,325
Other	625	300	200	125
Total Capital Expenditures	$ 18,225	$ 5,200	$ 6,350	$ 6,675
PPL Electric				
Electric distribution facilities	$ 3,025	$ 1,100	$ 1,025	$ 900
Transmission facilities	3,375	1,050	1,075	1,250
Total Capital Expenditures	$ 6,400	$ 2,150	$ 2,100	$ 2,150

	Total	Projected 2026 (a)	2027	2028
LG&E				
Generating facilities	$ 3,000	$ 550	$ 1,150	$ 1,300
Electric distribution facilities	700	200	275	225
Gas distribution facilities	450	125	150	175
Transmission facilities	575	125	225	225
Other	300	150	100	50
Total Capital Expenditures	$ 5,025	$ 1,150	$ 1,900	$ 1,975
KU				
Generating facilities	$ 2,025	$ 450	$ 800	$ 775
Electric distribution facilities	975	275	350	350
Transmission facilities	1,325	300	450	575
Other	325	150	100	75
Total Capital Expenditures	$ 4,650	$ 1,175	$ 1,700	$ 1,775

(a) The 2026 total excludes amounts included in accounts payable as of September 30, 2026.

Capital expenditure plans are revised periodically to reflect changes in operational, market and regulatory conditions. The amounts in the table provided above have been updated from the amounts provided in PPL's 2025 Form 10-K to reflect PPL's preparation of its 2027 business and capital plans.

Long-term Debt and Equity Security Activities

(All Registrants)

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

Common Stock Dividends

In August 2026, PPL declared a quarterly common stock dividend, payable October 1, 2026, of 28.50 cents per share. Future dividends, declared at the discretion of the Board of Directors, will depend upon future earnings, cash flows, financial and legal requirements and other factors.

Rating Agency Actions

(All Registrants)

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

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

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

The rating agencies have taken the following actions related to the Registrants and their subsidiaries:

(PPL)

In May 2026, Moody's revised its outlook to negative for PPL, PPL Capital Funding and RIE.

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 derivative contracts in a net liability position at September 30, 2026.

(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' 2025 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, 2026:

	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	$ (1)	$ (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, 2026 is shown below:

	10% Adverse Movement in Rates on Fair Value of Debt
PPL	$ 792
PPL Electric	315
LG&E	133
KU	175

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 14 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.

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' 2025 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, Developments 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' 2025 Form 10-K for information about environmental laws and regulations affecting the Registrants' business. See "Legal Matters" in Note 10 to the Financial Statements for a discussion of the more significant environmental claims. See 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' 2025 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 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

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. On June 26, 2026, the D.C. Circuit Court upheld the fine particulate standard and denied the EPA's motion to vacate the rule. On August 28, 2026, various states and industry groups filed a petition seeking U.S. Supreme Court review of the D.C. Circuit Court’s ruling. 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 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 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. On January 31, 2026, the EPA published a 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, Cross-State Air Pollution Rule, 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 February 24, 2026, the EPA published a final rule 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 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. 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. On September 17, 2026, the EPA published in the Federal Register a final rule entitled "Partial Repeal of the Carbon Pollution Standards for Fossil Fuel-Fired Electric Generating Units" that rescinds all carbon capture and sequestration (CCS) standards and other key provisions of the 2024 rule. On the same date, the EPA also published a supplemental notice of proposed regulations (SNPRM) entitled "Rescission of the Greenhouse Gas Findings for Fossil Fuel-Fired Power Plants and Repeal of Regulations for Power Plant Greenhouse Gas Emissions Under Clean Air Act Section 111" that addresses the broader question of statutory authority and proposes to eliminate all remaining GHG requirements. PPL, LG&E, and KU are unable to determine the exact impact on operations until resolution of pending regulatory actions and litigation.

New Accounting Guidance *(All Registrants)*

There has been no new accounting guidance adopted in 2026. See Note 17 to the Financial Statements for discussion of significant accounting guidance pending adoption as of September 30, 2026.

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' 2025 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, 2026, 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 2026 see:

- "Item 3. Legal Proceedings" in each Registrant's 2025 Form 10-K; and
- Notes 5, 6, 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' 2025 Form 10-K.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Securities Trading Plans of Directors and Executive Officers

On August 18, 2026, Mr. Tadd J. Henninger, Senior Vice President-Finance and Treasurer, 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. Henninger's Rule 10b5-1 Trading Plan, which terminates on the earlier of (i) February 26, 2027, 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 19,466 shares of common stock of PPL, plus dividends on such shares prior to sale, pursuant to the terms of the plan.

On August 19, 2026, Ms. Christine M. Martin, President of PPL Electric, adopted 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. Martin's Rule 10b5-1 Trading Plan, which terminates on the earlier of (i) August 17, 2027, 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 8,109 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 September 30, 2026, 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 accounting and financial officer
*31(e)	- Louisville Gas and Electric Company's principal executive officer
*31(f)	- Louisville Gas and Electric Company's principal accounting and financial officer
*31(g)	- Kentucky Utilities Company's principal executive officer
*31(h)	- Kentucky Utilities Company's principal accounting and financial officer

Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, for the quarterly period ended September 30, 2026, 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 accounting and financial officer
*32(c)	- Louisville Gas and Electric Company's principal executive officer and principal accounting and financial officer
*32(d)	- Kentucky Utilities Company's principal executive officer and principal accounting and 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 6, 2026

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

PPL Electric Utilities Corporation
(Registrant)

Louisville Gas and Electric Company
(Registrant)

Kentucky Utilities Company
(Registrant)

Date: November 6, 2026

/s/ Marlene C. Beers
Marlene C. Beers
Vice President and Controller
(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: November 6, 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 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 6, 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 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 6, 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 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 6, 2026

/s/ Marlene C. Beers

Marlene C. Beers
Vice President and Controller
(Principal Accounting and 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 6, 2026

/s/ John R. Crockett III

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

Exhibit 31(f)

CERTIFICATION

I, MARLENE C. BEERS, 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 6, 2026

/s/ Marlene C. Beers

Marlene C. Beers
Vice President and Controller
(Principal Accounting and 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 6, 2026

/s/ John R. Crockett III

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

Exhibit 31(h)

CERTIFICATION

I, MARLENE C. BEERS, 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 6, 2026

/s/ Marlene C. Beers

Marlene C. Beers
Vice President and Controller
(Principal Accounting and 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, 2026

In connection with the quarterly report on Form 10-Q of PPL Corporation (the "Company") for the quarter ended September 30, 2026, 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 6, 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-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2026

In connection with the quarterly report on Form 10-Q of PPL Electric Utilities Corporation (the "Company") for the quarter ended September 30, 2026, 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 6, 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 Accounting and 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, 2026

In connection with the quarterly report on Form 10-Q of Louisville Gas and Electric Company (the "Company") for the quarter ended September 30, 2026, 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 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 6, 2026

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

/s/ Marlene C. Beers
Marlene C. Beers
Vice President and Controller
(Principal Accounting and 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, 2026

In connection with the quarterly report on Form 10-Q of Kentucky Utilities Company (the "Company") for the quarter ended September 30, 2026, 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 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 6, 2026

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

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