VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Daniel K. Arbough**, being duly sworn, deposes and says that he is Treasurer for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Daniel K. Arbough

____
Daniel K. Arbough

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 7th day of September 2012.

Susan A. Henry
______________________(SEAL)
Notary Public

My Commission Expires:

July 21, 2015
____

KENTUCKY UTILITIES COMPANY

CASE NO. 2012-00221

Response to Attorney General's Initial Requests for Information Dated July 31, 2012

Supplemental Response filed September 7, 2012

Question No. 216

Responding Witness: Daniel K. Arbough / Counsel

Q-216. Please provide copies of all presentations made to rating agencies and/or investment firms by PPL and/or Kentucky Utilities between January 1, 2010 and the present.

A-216. **Original response:**

Objections are made to the request for production of documents on the grounds that it seeks the production of documents that are irrelevant to the issues in this case and relate to non-utility activities or hypothetical scenarios based upon projections. Such projections are only estimates; there is no guarantee that such projections will be realized; and the estimates are based on a number of assumptions that may change over time. These non-utility activities and projected information are not relevant to the analysis of known and measurable pro forma adjustments to the historic test period in this case. The Commission determined in its September 6, 1990 Ruling and in its September 21 and October 19, 1990 Orders in Case No. 90-158 that comparable projected information is not discoverable in historical test year rate cases. Without waiver of this objection see the attached documents provided to the credit rating agencies and investment firms since September 2010. The presentations made by KU to the rating agencies prior to September 2010 were produced to the Attorney General and filed with the Commission in the course of discovery in Case No. 2009-00548; presentations made by PPL to the rating agencies and investment firms prior to September 2010 were produced to the Attorney General and filed with the Commission in Case No. 2010-00204.

Supplemental Response filed August 16, 2012:

KU incorporates by reference the objections stated above. Without waiving those objections, an additional responsive presentation was given on August 14, 2012, by PPL Corporation. A copy of the presentation is attached and is publicly available at: http://files.shareholder.com/downloads/PPL/1886099689x0x591311/b5fc1f87-8cdf-491b-acbc-0e9bc93951b9/PPL%20Corporation%20Goldman%20Sachs%20Power%20and%20Utility%20Conference_Final.pdf.

Second Supplemental Response filed September 7, 2012:

KU incorporates by reference the objections stated above. Without waiving those objections, an additional responsive presentation was given on September 6, 2012, by PPL Corporation. See the attached presentation delivered by PPL on September 6, 2012.

PPL CORP

FORM 8-K
(Current report filing)

Filed 09/05/12 for the Period Ending 08/30/12

Address	TWO N NINTH ST ALLENTOWN, PA 181011179
Telephone	6107745151
CIK	0000922224
Symbol	PPL
SIC Code	4911 - Electric Services
Industry	Electric Utilities
Sector	Utilities
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 30, 2012

Commission File Number	Registrant; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
1-11459	**PPL Corporation** (Exact name of Registrant as specified in its charter) (Pennsylvania) Two North Ninth Street Allentown, PA 18101-1179 (610) 774-5151	23-2758192

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 7 - Regulation FD

Item 7.01 Regulation FD Disclosure

On August 30, 2012, PPL Corporation ("PPL" or the "Company") announced that on September 5 and 6, 2012, Executive Vice President and Chief Financial Officer, Paul A. Farr, will make a presentation and discuss the Company's corporate strategy and general business outlook with investors and financial analysts at the 2012 Barclays Capital CEO Energy/Power Conference. At this conference, Mr. Farr is expected to reaffirm the Company's previously announced 2012 ongoing earnings forecast of $2.15 to $2.45 per share and 2012 reported earnings forecast of $2.33 to $2.63 per share (reflecting special items recorded through the second quarter of 2012). A webcast of the presentation will be available for 30 days following the conference on PPL's Internet Web site: www.pplweb.com. In addition to this conference, representatives of PPL will be discussing the Company's business outlook with financial analysts and investors through September 30, 2012. Unless it publicly discloses otherwise, PPL expects that during these meetings and discussions it will reaffirm the Company's 2012 earnings forecasts.

Furnished as Exhibit 99.1 are the slides to be used during Mr. Farr's presentation.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 - PPL slide presentation to be used at Barclay's 2012 CEO Energy/Power Conference on September 6, 2012.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PPL CORPORATION

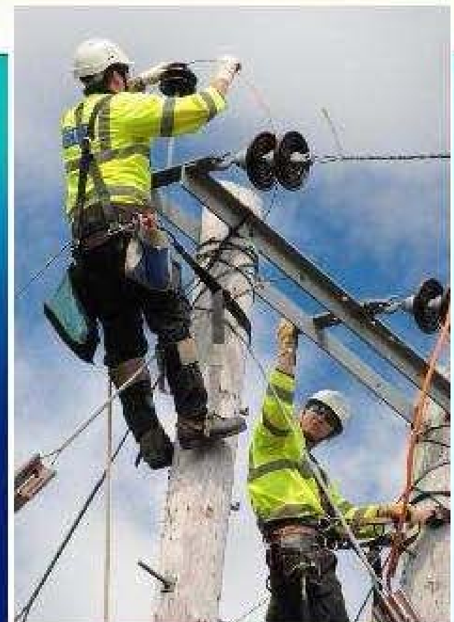
By: /s/ Vincent Sorgi
Vincent Sorgi
Vice President and Controller

Dated: September 5, 2012

Exhibit 99.1

Barclays CEO Energy-Power Conference

September 6, 2012



Cautionary Statements and Factors That May Affect Future Results

Any statements made in this presentation about future operating results or other future events are forward-looking statements under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from such forward-looking statements. A discussion of factors that could cause actual results or events to vary is contained in the Appendix to this presentation and in the Company's SEC filings.

PPL Well-Positioned for Future Success

- Rate-regulated business provides earnings and dividend stability in weak economic environment
  - Approximately 70% of projected 2012 EPS from regulated businesses
  - Substantial organic growth in rate base: ~8% CAGR from 2012-2016
  - Business Risk Profile rated "Excellent" by S&P
  - Secure dividend with strong platform for continued growth

- Highly attractive competitive generation fleet with diverse fuel mix allows for significant upside when power markets recover
  - Strong baseload footprint in PJM complemented by flexible gas-fired units
  - No major exposure to currently proposed environmental regulations

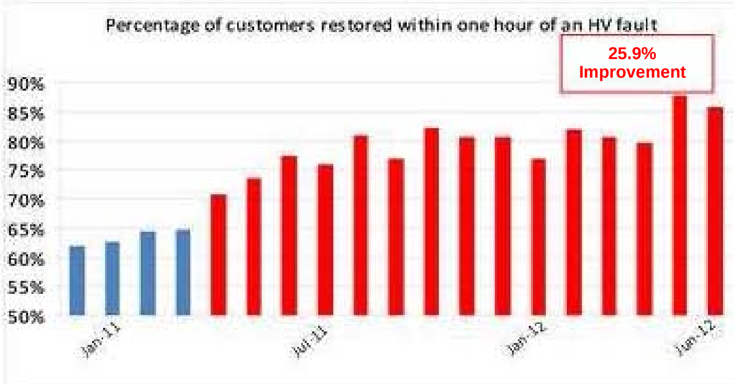
- Strong management team with track record of execution
  - U.K. team best-in-class among U.K. peers
  - ECR approval received in Kentucky
  - Successfully hedging competitive generation and locking in margins in a challenging market

U.K. Regulated Segment Investment Highlights

- Highly attractive rate-regulated business with significant growth prospects
  - Regulator-approved 5-year forward-looking revenues based on future business plan, including capital expenditures and O&M plus adjustments for inflation
  - Real-time return of and return on capital investment - no lag
  - No volumetric risk
  - Additional incentives for operational efficiency and high-quality service
- Top performing electricity distribution business in the U.K.
  - Leader in capital and operating cost efficiency, customer service and reliability
  - Over $380 million in incentive revenues earned over past 7 years
    - Highest percentage of bonus revenue among peers
- Best-in-class U.K. management team
  - Experienced team with record of delivering results
  - Completely transformed acquired Midlands operation in 9 months
  - Strong potential to earn additional incentive revenues
  - Awarded Customer Service Excellence Standard
- Consistent pattern of dividend repatriation to U.S. parent

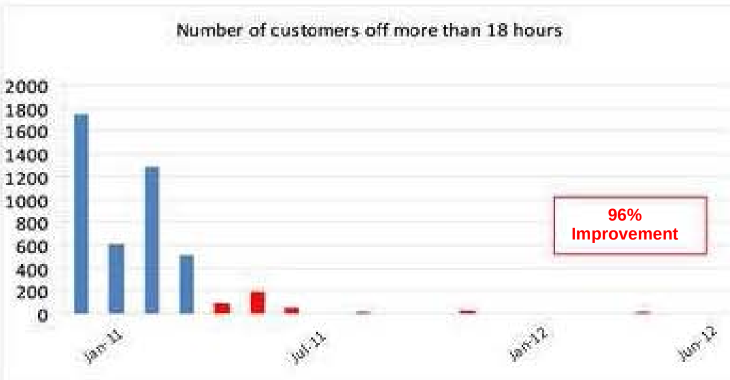
Midlands Integration - Improved Network Performance

Target 60



Customer Minutes Lost

18 Hour Standard



Customer Interruptions (per 100 customers)

U.K. Regulatory Framework Change

	DPCR5	RIIO-ED1
Revenue Determination	RPI - X (cost efficiency model)	RIIO (Revenue = Incentives + Innovation + Outputs)
Price Control Period	5 years	8 years
Financeability	WACC (fixed for price control period)	WACC (annual debt adjustments based on iBoxx 10+ year index)
Recovery Period	20 years	20 years, existing assets; 45 years, new assets
Incentives	Rewards / Penalties for output delivery	Rewards / Penalties for output delivery
Innovation	Low Carbon Network (LCN) Fund	LCN Fund supplemented
Stakeholders	Customer Engagement	Expanded Stakeholder Engagement

Ofgem 2012 Initial Proposal Comparison

	Electricity Transmission (RIIO-T1)	Gas Transmission (RIIO-T1)	Gas Distribution (RIIO-GD1)	Electricity Distribution (DPCR5)
Price Control Period	8 years (1 April 2013 - 2021)	8 years (1 April 2013 - 2021)	8 years (1 April 2013 - 2021)	5 years (1 April 2010 - 2015)
WACC (real): Cost of debt (pre-tax) Cost of equity Gearing (leverage) "Vanilla" WACC	 3.0% 7.0% 60% 4.6%	 3.0% 6.8% 62.5% 4.4%	 3.0% 6.7% 65% 4.3%	 3.6% 6.7% 65% 4.7% (4.3% with 3.0% debt cost)
Recovery Period	20 years, existing assets; 45 years, new assets	45 years (no change)	45 years; new assets front-end loaded	20 years
Incentives	Rewards / Penalties for output delivery	Rewards / Penalties for output delivery	Rewards / Penalties for output delivery	Rewards / Penalties for output delivery
Innovation	Low Carbon Network Fund equivalent	Low Carbon Network Fund equivalent	Low Carbon Network Fund equivalent	Low Carbon Network Fund

Kentucky Regulated Segment Investment Highlights

- Efficient, well-run utility focused on safety, reliability and customer service
- Projected rate base CAGR of 9.6% through 2016
- Constructive regulatory environment that provides a timely return on a substantial amount of planned capex over the next 5 years
  - Environmental Cost Recovery (ECR): ~$2.3 billion plan approved by the KPSC with a 10.1% ROE; ~$500 million remaining under prior plan at 10.63% ROE - virtually no regulatory lag
  - Other supportive recovery mechanisms include Construction Work In Process, Fuel Adjustment Clause, Gas Supply Clause Adjustment and Demand Side Management recovery
- Very competitive retail rates that attract energy-intensive businesses

Pennsylvania Regulated Segment Investment Highlights

- Significant growth in transmission portion of business which earns a favorable rate of return on a near real-time basis
  - CAGR of 22.3% in transmission rate base through 2016 driven by initiatives to improve aging infrastructure
  - ROE of 11.68% earned through FERC Formula Rate Mechanism
  - ROE of 12.93% and return on CWIP for $560 million Susquehanna-Roseland project
  - Pending FERC request for 100 basis point incentive and return on CWIP for $200 million Northeast Pocono project

- Projected CAGR of 6.5% in distribution rate base through 2016 driven by reliability initiatives

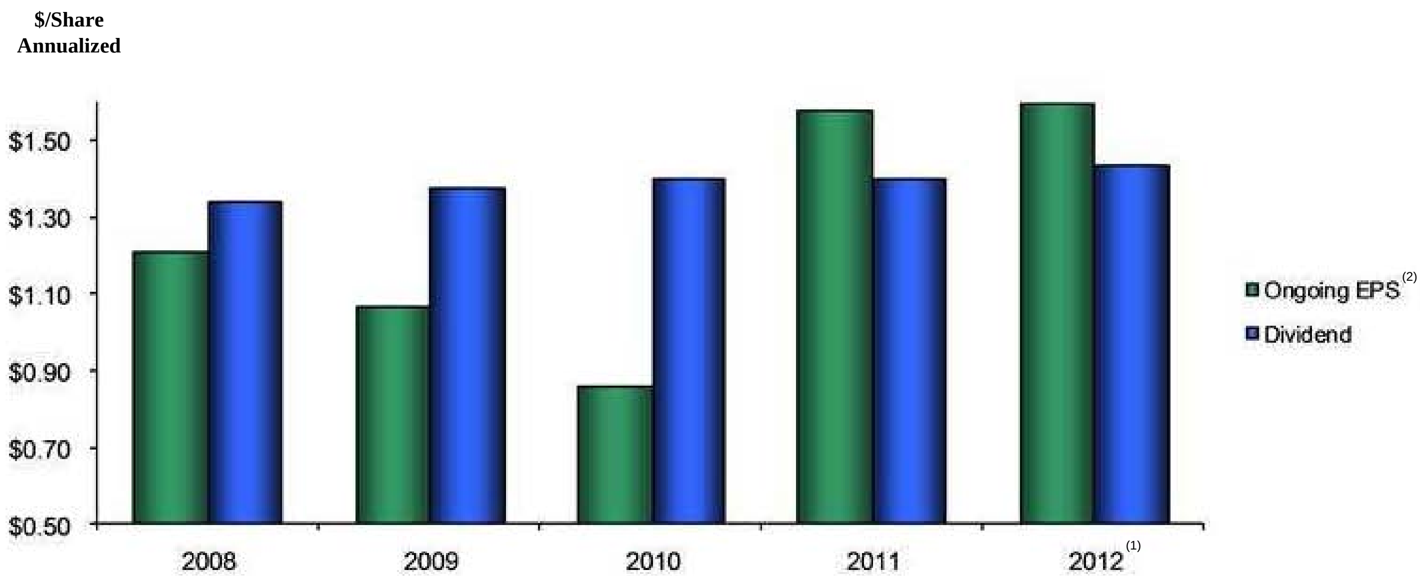
- Act 11 - Alternative ratemaking legislation provides for more timely recovery of eligible distribution plant costs that improve and maintain safety and reliability

Supply Segment Investment Highlights

- Very well-positioned competitive generation
  - PJM assets:
    - Low marginal cost nuclear and hydro facilities
    - Efficient supercritical coal units with fuel switching optionality
    - Attractive gas-fired assets that capture market opportunity and back-stop base load unit availability
  - Montana assets:
    - Low marginal cost coal and hydro units that are critical to infrastructure supporting load in the Northwest
    - Considerable upside from potential expansion of export capability to Alberta and the Dakotas in support of rapidly growing unconventional oil production activities
- Substantially in compliance with new emissions standards without further major investments
- Generation fleet will benefit from multiple factors
  - Tightening reserve margins
    - Forced retirement of less efficient stations due to tightening emissions standards
    - Firming of demand driven by general economic recovery
  - General firming of natural gas prices
- Among the strongest forward hedge profiles in industry
- Wholesale generation increasingly augmented by growing competitive retail activities across commercial, industrial and residential customer classes

Dividend Profile

A significantly more rate-regulated business mix provides strong support for current dividend and a platform for future growth

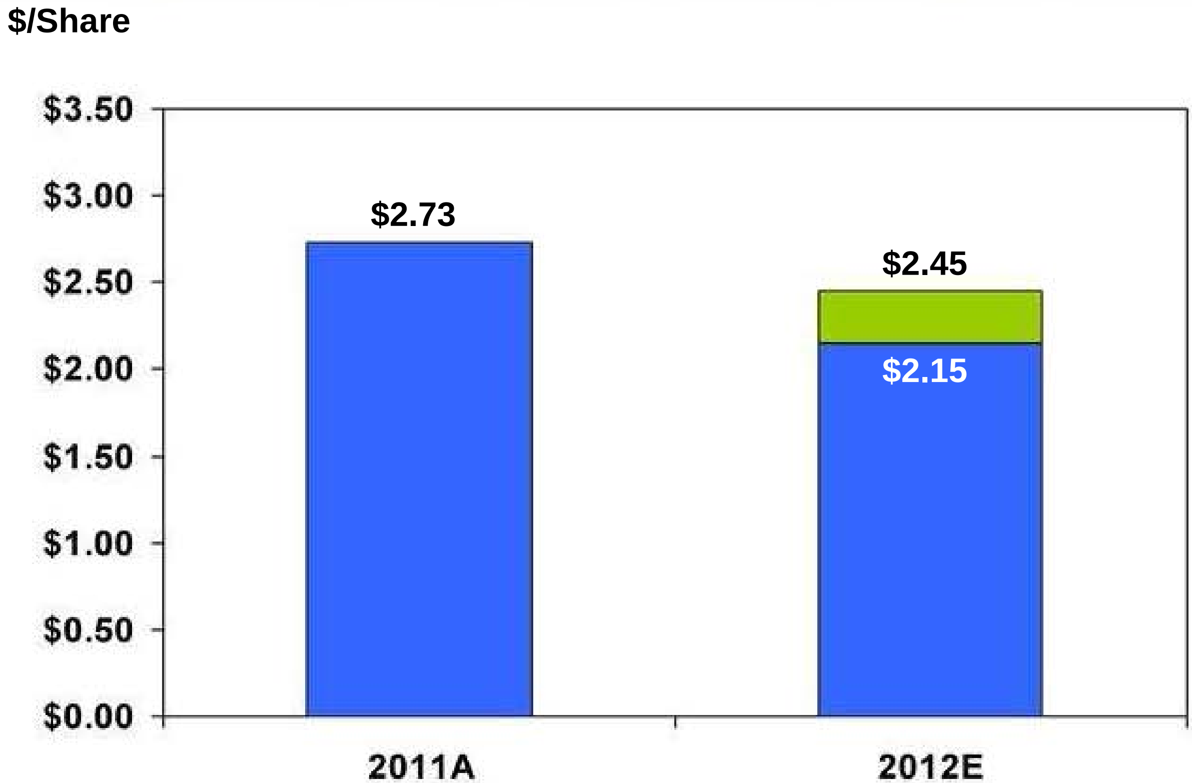


(1) Ongoing EPS based on mid-point of forecast. Annualized dividend based on 2 nd quarter declaration. Actual dividends to be determined by Board of Directors.

(2) From only regulated segments.

Appendix

Reaffirmed 2012 Ongoing Earnings Forecast



Note: See Appendix for the reconciliation of earnings from ongoing operations to reported earnings.

RIIO-ED1 Tentative Schedule

Provisional Timing	Milestone
September 2012	Publication of Strategy Consultation
February 2013	Publication of Strategy Decision
End May 2013	DNOs submit business plans
September 2013	Publication of Initial Assessment of companies business plans
November 2013	Publication of Fast Track Proposals
March 2014	Publication of Fast Track Decision
June 2014	Publication of Initial Proposals Consultation for non fast tracked companies
November 2014	Publication of Final Proposals for non fast tracked companies
December 2014	Issue statutory consultation on new license conditions
April 1, 2015	**Price control commences**

Source: Ofgem Press Release dated February 6, 2012

LG&E and KU Rate Case Facts

	LG&E		KU
	Electric	Gas	Electric
Revenue Increase Requested	$62.1 million	$17.2 million	$82.4 million
Test Year	12-months ended 3/31/2012	12-months ended 3/31/2012	12-months ended 3/31/2012
Requested ROE	11.00%	11.00%	11.00%
Rate Base (1)	$1.97 billion	$0.52 billion	$3.98 billion
Common Equity Ratio	55.64%	55.64%	53.74%
1% Change in ROE =	~$18 million in revenue	~$5 million in revenue	~$28 million in revenue
Docket No.	2012-00222	2012-00222	2012-00221

Complete filings available at www.lge-ku.com/regulatory.asp

(1) Represents total utility capitalization

LG&E and KU Rate Case Schedules

✓	1 st Request for information received	July 31, 2012
✓	LG&E and KU responses filed	August 14, 2012
✓	Supplemental request for information received	August 28, 2012
	LG&E and KU responses filed	September 12, 2012
	Intervenor testimony filed	September 25, 2012
	Request to intervenors submitted	October 9, 2012
	Intervenor responses filed	October 22, 2012
	LG&E/KU rebuttal testimony filed	November 5, 2012
	Public meetings across the state	TBD
	Public hearing in Frankfort	TBD
	Order issued (tentative)	Early January 2013
	New rates effective	January 2013

✓ Completed

PPL Electric Utilities Distribution Rate Case Facts

Distribution Revenue Increase Requested	$104.6 million
Test Year	2012
Requested ROE	11.25%
2012 Distribution Rate Base	$2.42 billion
2012 Common Equity Ratio	51.03%
1% Change in ROE =	~$23 million in revenue
Docket No.	R-2012-2290597

Complete filing available at www.pplelectric.com/rateinfo

PPL Electric Utilities Distribution Rate Case Schedule

✓ Direct testimony of other parties	June 22, 2012
✓ Rebuttal testimony	July 16, 2012
✓ Sur-rebuttal testimony	August 1, 2012
✓ Evidentiary hearings	August 6, 7, 9 and 10, 2012
✓ Close of record	August 10, 2012
✓ Main briefs	August 29, 2012
Reply briefs	September 14, 2012
Recommended Decision	October 2012
Order issued (tentative)	Mid-December 2012
New rates effective	January 2013

✓ Completed

Enhancing Value Through Active Hedging

	2012	2013
Baseload		
Expected Generation[1] (Million MWhs)	**45.3**	**49.7**
East	38.3	41.5
West	7.0	8.2
Current Hedges (%)	**96-100%**	**92-96%**
East	98-102%	98-102%
West	90-94%	65-69%
Average Hedged Price (Energy Only) ($/MWh)[2]		
East	$57-58	$48-49
West	$56-57	$46-49
Current Coal Hedges (%)	**108%**	**106%**
East	110%	109%
West	100%	100%
Average Hedged Consumed Coal Price (Delivered $/Ton)		
East	$75-77	$80-83
West	$23-28	$23-29
Intermediate/Peaking		
Expected Generation[1] (Million MWhs)	9.2	8.7
Current Hedges (%)	72%	5%

Capacity revenues are expected to be $385 million and $590 million for 2012 and 2013, respectively.

As of June 30, 2012

(1) Represents expected sales of Supply segment based on current business plan assumptions.

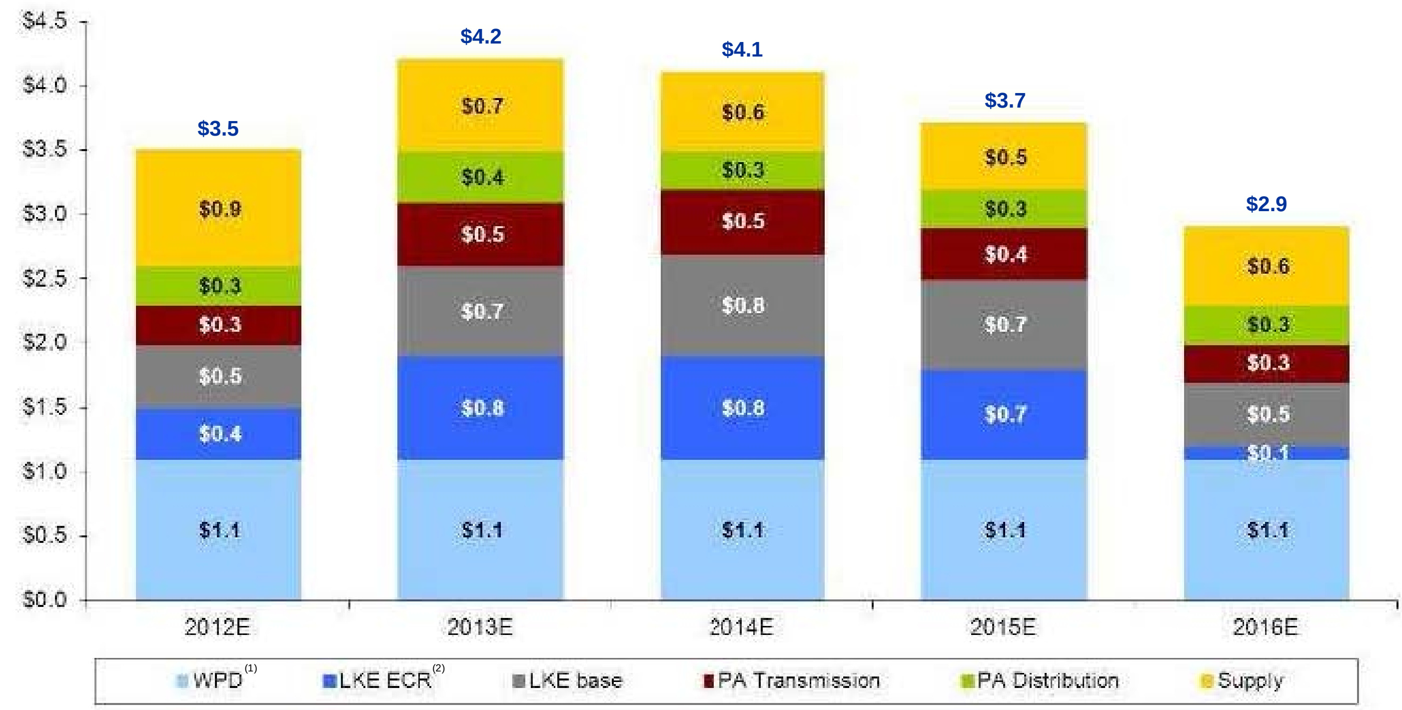
(2) The 2013 ranges of average energy prices for existing hedges were estimated by determining the impact on the existing collars resulting from 2013 power prices at the 5th and 95th percentile confidence levels.

Market Prices

	Balance of 2012	2013	2014
ELECTRIC			
PJM			
On-Peak	$42	$43	$45
Off-Peak	$27	$30	$32
ATC(1)	$34	$36	$38
Mid-Columbia			
On-Peak	$27	$33	$38
Off-Peak	$20	$24	$28
ATC(1)	$24	$29	$34
GAS(2)			
NYMEX	$2.96	$3.58	$3.95
TZ6NNY	$3.16	$3.89	$4.19
PJM MARKET			
HEAT RATE(3)	13.2	11.1	10.8
CAPACITY PRICES *(Per MWD)*	$123.63	$187.49	$173.85
EQA	89%	90%	91%

(1) 24-hour average.
(2) NYMEX and TZ6NNY forward gas prices on 6/30/2012.
(3) Market Heat Rate = PJM on-peak power price divided by TZ6NNY gas price.

Capital Expenditures



(1) Includes capex for WPD Midlands. Figures based on assumed exchange rate of $1.57 / GBP.
(2) Expect between 80% and 90% to receive timely returns via ECR mechanism based on historical experience and future projections.

Projected Regulated Rate Base Growth

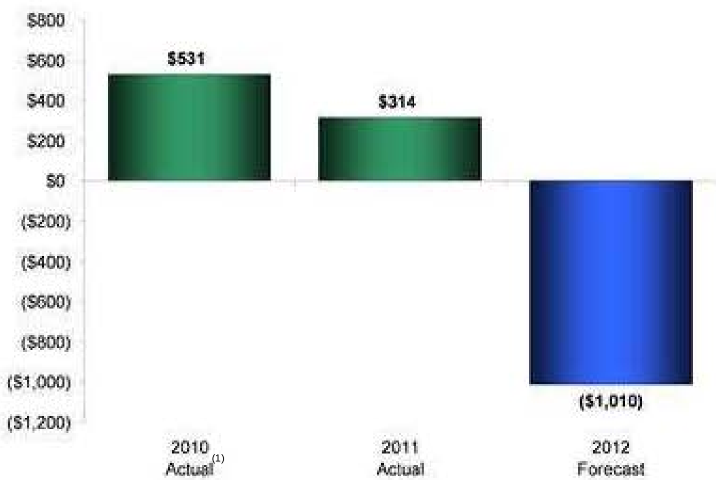
2012E - 2016E Regulatory Asset Base (1) CAGR: 7.9%

(1) Represents capitalization for LKE, as LG&E and KU rate constructs are based on capitalization. Represents Regulatory Asset Value (RAV) for WPD.
(2) Includes RAV for WPD Midlands. Figures based on assumed exchange rate of $1.57 / GBP and are as of year-end December 31.

Free Cash Flow before Dividends

Free Cash Flow before Dividends

(Millions of Dollars)



Reconciliation of Cash from Operations to Free Cash Flow before Dividends

(Millions of dollars)

	2010A	2011A	2012E
Cash from Operations	$ 2,034	$ 2,507	$ 2,800
Increase (Decrease) in cash due to:			
Capital Expenditures	(1,644)	(2,555)	(3,840)
Sale of Assets	161	381	
Other Investing Activities - Net	(20)	(19)	30
Free Cash Flow before Dividends	$ 531	$ 314	$ (1,010)

(1) 2010 Free Cash Flow includes two months of the results of the Kentucky Regulated segment.

Debt Maturities

(Millions)

	2012	2013	2014	2015	2016
PPL Capital Funding	$0 [1]	$0 [2]	$0 [3]	$0	$0
LG&E and KU Energy (Holding Co LKE)	0	0	0	400	0
Louisville Gas & Electric	0	0	0	250	0
Kentucky Utilities	0	0	0	250	0
PPL Electric Utilities	0	0	10 [4]	100	0
PPL Energy Supply	6	751	318	317 [5]	368
WPD	0	0	0	0	460
Total	$6	$751	$328	$1,317	$828

Note: As of June 30, 2012

(1) Excludes $99 million of senior notes due 2047, for which PPL Capital Funding gave notice in July 2012 of its election to redeem at par in August 2012.

(2) Excludes $1.15 billion of junior subordinated notes due 2018 that are a component of PPL's 2010 Equity Units and may be put back to PPL Capital Funding if the remarketing in 2013 is not successful.

(3) Excludes $978 million of junior subordinated notes due 2019 that are a component of PPL's 2011 Equity Units and may be put back to PPL Capital Funding if the remarketing in 2014 is not successful.

(4) Bonds defeased in substance in 2008 by depositing sufficient funds with the trustee.

(5) Represents REset Put Securities due 2035 that are required to be put by the holders in October 2015 either for (a) purchase and remarketing by a remarketing dealer or (b) repurchase by PPL Energy Supply.

Liquidity Profile

Institution	Facility	Expiration Date	Total Facility (Millions)	Letters of Credit Outstanding & Commercial Paper Backstop (Millions)	Drawn (Millions)	Availability (Millions)
PPL Energy Supply [1]	Syndicated Credit Facility	Oct-2016	$3,000	$662	$0	$2,338
	Letter of Credit Facility	Mar-2013	200	128	0	72
			$3,200	$790	$0	$2,410
PPL Electric Utilities	Syndicated Credit Facility	Oct-2016	$300	$196	$0	$104
	Asset-backed Credit Facility [2]	Jul-2012	150	0	0	150
			$450	$196	$0	$254
Louisville Gas & Electric	Syndicated Credit Facility	Oct-2016	$400	$0	$0	$400
Kentucky Utilities	Syndicated Credit Facility	Oct-2016	$400	$0	$0	$400
	Letter of Credit Facility	Apr-2014	198	198	0	0
			$598	$198	$0	$400
WPD	PPL WW Syndicated Credit Facility	Jan-2013	£150	£0	£110	£40
	WPD (South West) Syndicated Credit Facility	Jan-2017	245	0	0	245
	WPD (East Midlands) Syndicated Credit Facility	Apr-2016	300	0	0	300
	WPD (West Midlands) Syndicated Credit Facility	Apr-2016	300	0	0	300
	Uncommitted Credit Facilities		84	4	0	80
			£1,079	£4	£110	£965

Note: As of June 30, 2012

- Credit facilities consist of a diverse bank group, with no bank and its affiliates providing an aggregate commitment of more than 9% of the total committed capacity for the domestic facilities and 16% of the total committed capacity for WPD's facilities.

(1) In July 2012, PPL Energy Supply entered into a $100 million uncommitted letter of credit facility agreement with BBVA that expires in July 2015.

(2) In July 2012, PPL Electric Utilities reduced the capacity of the asset-backed credit facility to $100 million and extended the expiration date to September 24, 2012.

Reconciliation of PPL's Earnings from Ongoing Operations to Reported Earnings

(Per Share - Diluted)

	Forecast		Actual	
	High 2012	Low 2012	2011	2010
Earnings from Ongoing Operations	$ 2.45	$ 2.15	$ 2.73	$ 3.13
Special Items:				
Adjusted energy-related economic activity, net	0.20	0.20	0.12	(0.27)
Foreign currency-related economic hedges			0.01	
Sales of assets:				
Maine hydroelectric generation business				0.03
Impairments:				
Emission allowances				(0.02)
Renewable energy credits			(0.01)	
Acquisition-related adjustments:				
WPD Midlands				
2011 Bridge Facility costs			(0.05)	
Foreign currency loss on 2011 Bridge Facility			(0.07)	
Net hedge gains			0.07	
Hedge ineffectiveness			(0.02)	
U.K. stamp duty tax			(0.04)	
Separation benefits	(0.01)	(0.01)	(0.13)	
Other acquisition-related adjustments	0.01	0.01	(0.10)	
LKE				
Monetization of certain full-requirement sales contracts				(0.29)
Sale of certain non-core generation facilities				(0.14)
Discontinued cash flow hedges and ineffectiveness				(0.06)
Reduction of credit facility				(0.01)
2010 Bridge Facility costs				(0.12)
Other acquisition-related adjustments				(0.05)
Net operating loss carryforward and other tax related adjustments	0.01	0.01		
Other:				
Montana hydroelectric litigation			0.08	(0.08)
LKE discontinued operations	(0.01)	(0.01)		
Health care reform - tax impact				(0.02)
Litigation settlement - spent nuclear fuel storage			0.06	
Change in U.K. tax rate			0.12	0.04
Windfall profits tax litigation			(0.07)	0.03
Counterparty bankruptcy	(0.01)	(0.01)	(0.01)	
Wholesale supply cost reimbursement			0.01	
Coal contract modification payments	(0.01)	(0.01)		
Total Special Items	0.18	0.18	(0.03)	(0.96)
Reported Earnings	$ 2.63	$ 2.33	$ 2.70	$ 2.17

Forward-Looking Information Statement

Statements contained in this presentation, including statements with respect to future earnings, cash flows, financing, regulation and corporate strategy are "forward-looking statements" within the meaning of the federal securities laws. Although PPL Corporation believes that the expectations and assumptions reflected in these forward-looking statements are reasonable, these statements are subject to a number of risks and uncertainties, and actual results may differ materially from the results discussed in the statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements: market demand and prices for energy, capacity and fuel; weather conditions affecting customer energy usage and operating costs; competition in power markets; the effect of any business or industry restructuring; the profitability and liquidity of PPL Corporation, its subsidiaries and customers; new accounting requirements or new interpretations or applications of existing requirements; operating performance of plants and other facilities; the length of scheduled and unscheduled outages at our generating plants; environmental conditions and requirements and the related costs of compliance, including environmental capital expenditures and emission allowance and other expenses; system conditions and operating costs; development of new projects, markets and technologies; performance of new ventures; asset or business acquisitions and dispositions, and PPL Corporation's ability to realize the expected benefits from acquired businesses, including the 2010 acquisition of Louisville Gas and Electric Company and Kentucky Utilities Company and the 2011 acquisition of the Central Networks electricity distribution businesses in the U.K.; any impact of hurricanes or other severe weather on our business, including any impact on fuel prices; receipt of necessary government permits, approvals, rate relief and regulatory cost recovery; capital market conditions and decisions regarding capital structure; the impact of state, federal or foreign investigations applicable to PPL Corporation and its subsidiaries; the outcome of litigation against PPL Corporation and its subsidiaries; stock price performance; the market prices of equity securities and the impact on pension income and resultant cash funding requirements for defined benefit pension plans; the securities and credit ratings of PPL Corporation and its subsidiaries; political, regulatory or economic conditions in states, regions or countries where PPL Corporation or its subsidiaries conduct business, including any potential effects of threatened or actual terrorism or war or other hostilities; foreign exchange rates; new state, federal or foreign legislation, including new tax legislation; and the commitments and liabilities of PPL Corporation and its subsidiaries. Any such forward-looking statements should be considered in light of such important factors and in conjunction with PPL Corporation's Form 10-K and other reports on file with the Securities and Exchange Commission.

Definitions of Non-GAAP Financial Measures

"Earnings from ongoing operations," also referred to as "ongoing earnings," should not be considered as an alternative to reported earnings, or net income attributable to PPL, which is an indicator of operating performance determined in accordance with generally accepted accounting principles (GAAP). PPL believes that "earnings from ongoing operations," although a non-GAAP financial measure, is also useful and meaningful to investors because it provides management's view of PPL's fundamental earnings performance as another criterion in making investment decisions. PPL's management also uses "earnings from ongoing operations" in measuring certain corporate performance goals. Other companies may use different measures to present financial performance.

"Earnings from ongoing operations" is adjusted for the impact of special items. Special items include:

- *Adjusted energy-related economic activity (as discussed below).*
- *Foreign currency-related economic hedges.*
- *Gains and losses on sales of assets not in the ordinary course of business.*
- *Impairment charges (including impairments of securities in the company's nuclear decommissioning trust funds).*
- *Workforce reduction and other restructuring impacts.*
- *Acquisition-related adjustments.*
- *Other charges or credits that are, in management's view, not reflective of the company's ongoing operations.*

Adjusted energy-related economic activity includes the changes in fair value of positions used economically to hedge a portion of the economic value of PPL's generation assets, full-requirement sales contracts and retail activities. This economic value is subject to changes in fair value due to market price volatility of the input and output commodities (e.g., fuel and power) prior to the delivery period that was hedged. Also included in energy-related economic activity is the ineffective portion of qualifying cash flow hedges, the monetization of certain full-requirement sales contracts and premium amortization associated with options. This economic activity is deferred, with the exception of the full-requirement sales contracts that were monetized, and included in earnings from ongoing operations over the delivery period of the item that was hedged or upon realization. Management believes that adjusting for such amounts provides a better matching of earnings from ongoing operations to the actual amounts settled for PPL's underlying hedged assets. Please refer to the Notes to the Financial Statements and MD&A in PPL Corporation's periodic filings with the Securities and Exchange Commission for additional information on energy-related economic activity.

Free cash flow before dividends is derived by deducting capital expenditures and other investing activities-net, from cash flow from operations. Free cash flow before dividends should not be considered as an alternative to cash flow from operations, which is determined in accordance with GAAP. PPL believes that free cash flow before dividends, although a non-GAAP measure, is an important measure to both management and investors, as it is an indicator of the company's ability to sustain operations and growth without additional outside financing beyond the requirement to fund maturing debt obligations. Other companies may calculate free cash flow before dividends in a different manner.

Definitions of Non-GAAP Financial Measures

"Kentucky Gross Margins" is a single financial performance measure of the Kentucky Regulated segment's electricity generation, transmission and distribution operations as well as its distribution and sale of natural gas. In calculating this measure, utility revenues and expenses associated with approved cost recovery tracking mechanisms are offset. Certain costs associated with these mechanisms, primarily ECR and DSM, are recorded as "Other operation and maintenance" and "Depreciation." These mechanisms allow for recovery of certain expenses, returns on capital investments and performance incentives. As a result, this measure represents the net revenues from the Kentucky Regulated segment's operations.

"Pennsylvania Gross Delivery Margins" is a single financial performance measure of the Pennsylvania Regulated segment's electric delivery operations, which includes transmission and distribution activities. In calculating this measure, utility revenues and expenses associated with approved recovery mechanisms, including energy provided as a PLR, are offset with minimal impact on earnings. Costs associated with these mechanisms are recorded in "Energy purchases," "Other operation and maintenance," which is primarily Act 129 costs, and in "Taxes, other than income," which is primarily gross receipts tax. This performance measure includes PLR energy purchases by PPL Electric from PPL EnergyPlus, which are reflected in "PLR intersegment utility revenue (expense)." As a result, this measure represents the net revenues from the Pennsylvania Regulated segment's electric delivery operations.

"Unregulated Gross Energy Margins" is a single financial performance measure of the Supply segment's competitive energy non-trading and trading activities. In calculating this measure, the Supply segment's energy revenues, which include operating revenues associated with certain Supply segment businesses that are classified as discontinued operations, are offset by the cost of fuel, energy purchases, certain other operation and maintenance expenses, primarily ancillary charges, gross receipts tax, which is recorded in "Taxes, other than income," and operating expenses associated with certain Supply segment businesses that are classified as discontinued operations. This performance measure is relevant to PPL due to the volatility in the individual revenue and expense lines on the Statements of Income that comprise "Unregulated Gross Energy Margins." This volatility stems from a number of factors, including the required netting of certain transactions with ISOs and significant swings in unrealized gains and losses. Such factors could result in gains or losses being recorded in either "Wholesale energy marketing" or "Energy purchases" on the Statements of Income. This performance measure includes PLR revenues from energy sales to PPL Electric by PPL EnergyPlus, which are reflected in "PLR intersegment utility revenue (expense)." PPL excludes from "Unregulated Gross Energy Margins" the Supply segment's adjusted energy-related economic activity, which includes the changes in fair value of positions used to economically hedge a portion of the economic value of PPL's competitive generation assets, full-requirement sales contracts and retail activities. This economic value is subject to changes in fair value due to market price volatility of the input and output commodities (e.g., fuel and power) prior to the delivery period that was hedged. Also included in this energy-related economic activity is the ineffective portion of qualifying cash flow hedges, the monetization of certain full-requirement sales contracts and premium amortization associated with options. This economic activity is deferred, with the exception of the full-requirement sales contracts that were monetized, and included in unregulated gross energy margins over the delivery period that was hedged or upon realization.