





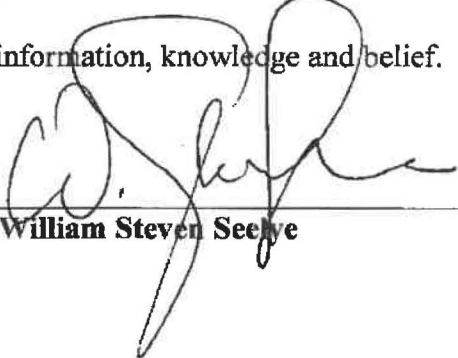




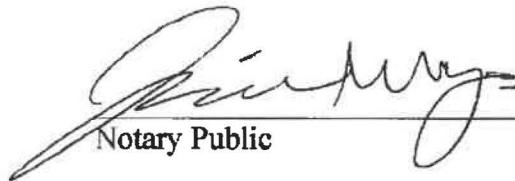
VERIFICATION

STATE OF NORTH CAROLINA )  
 )  
COUNTY OF BUNCOMBE )

The undersigned, **William Steven Seelye**, being duly sworn, deposes and states that he is a Principal of The Prime Group, LLC that he has personal knowledge of the matters set forth in the foregoing testimony and exhibits, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
**William Steven Seelye**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 13<sup>th</sup> day of April 2021.

  
\_\_\_\_\_  
Notary Public  
Notary Public ID No. \_\_\_\_\_

(SEAL)  
**Jasmine Myers**  
Notary Public  
Transylvania County, NC  
My Commission Expires: 03/07/26

My Commission Expires:

3 / 7 / 26

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 45 - 807 KAR 5:001 Section 16(7)(o)**  
**Sponsoring Witness: Daniel K. Arbough**

**Description of Filing Requirement:**

*Complete monthly budget variance reports, with narrative explanations, for the twelve (12) months immediately prior to the base period, each month of the base period, and any subsequent months, as they become available.*

**Response:**

The Companies have only one monthly budget variance (performance) report used for management reporting to the CEO and executive officers.

See attached for the monthly reports for:

- The twelve months prior to the March 2020 through February 2021 base period.
- Each month of the base period - As of the date of the filing only the months of March 2020 through September 2020 are available. The Company will provide this data for the remaining periods requested in the upcoming months as it becomes available.

**Base Period Update Response:**

See attached for the monthly reports for October 2020 through February 2021. The Company will provide this data for the remaining periods requested in the upcoming months as it becomes available.



**PPL companies**

# **Performance Report**

**October 2020**

**Content****Page**

Executive Summary	3
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LG&E	5
Income Statement: Actual vs. Budget (YTD) - KU	6
Income Statement: Forecast vs. Budget (Full Year) - LKE Consolidated	7
Margins Actual vs. Budget	8
O&M	9
Financing Activities	10
Balance Sheet - LKE Consolidated	11
Balance Sheet - LG&E	12
Balance Sheet - KU	13



	Current Month		YTD		Full Year	
	Actual	PY	Actual	PY	Forecast	PY
<b>Safety</b>						
TCIR - Employees <sup>(1)</sup>	0.75	1.08	0.97	1.04	0.95	1.01
Employee lost-time incidents	1	1	7	6	9	8
DART <sup>(1)</sup>	0.37	0.36	0.56	0.52	0.46	0.52
<b>Customer Service</b>						
Retail Customer Experience Rating	9.18	9.12	9.20	9.17	8.50	9.15
<b>Reliability</b>						
Utility EFOR	0.61%	4.5%	1.19%	4.5%	N/A	4.5%
Utility EAF	78.6%	75.7%	88.2%	85.3%	N/A	84.5%
Combined SAIFI	0.06	0.08	0.67	0.80	N/A	0.94
Combined SAIDI (minutes)	4.33	6.73	61.72	76.12	N/A	87.49
Gas Emergency Response Time	32.3	34.5	31.4	34.5	N/A	34.5
<b>GWh Sales</b>						
Residential	644	618	8,615	8,645	10,485	10,393
Commercial	590	651	6,256	6,851	7,445	8,123
Industrial	692	757	6,711	7,503	8,019	8,895
Other	207	229	2,144	2,333	2,561	2,775
Retail	2,134	2,256	23,726	25,331	28,510	30,185
Municipals	28	31	306	343	368	409
Off-System Sales	25	31	138	234	188	321
Total	2,187	2,319	24,171	25,909	29,066	30,915
<b>Weather-Normalized Retail Sales Growth</b>						
			<b>TTM</b>			
Residential			4.20%			
Commercial			-5.92%			
Industrial			-7.74%			
Other			-4.87%			
Total			-2.84%			

Variance Explanations
Lower MTD margins primarily due to \$1 million of lower sales volumes, of which \$2 million was related to weather, partially offset by \$1 million related to COVID-19, primarily due to higher residential usage, \$5 million of lower demand revenues from COVID-19 and \$1 million of lower late payment and reconnect fees from COVID-19.
Lower YTD margins primarily due to \$23 million of lower sales volumes, of which \$31 million was related to weather, partially offset by \$8 million related to COVID-19, primarily due to higher residential usage, \$38 million of lower demand revenues, of which \$29 million was related to COVID-19 and \$9 million of other, \$6 million of lower late payment and reconnect fees from COVID-19 and \$15 million of additional revenue budgeted in January.
Lower MTD O&M primarily due to \$2 million of labor burdens and PPL allocated costs, \$1 million of generation labor and supplemental contractors, \$1 million of timing of operating expenses, \$1 million of support services labor and \$2 million of other that individually were not significant compared to budget.
Lower YTD O&M primarily due to \$8 million of generation labor and supplemental contractors, \$6 million of timing of plant maintenance and operating expenses, \$5 million of labor burdens and PPL allocated costs, \$3 million of support services labor and supplemental contractors, \$3 million of training and travel savings from COVID-19, \$2 million related to the delay of process water system costs and \$6 million of other that individually were not significant compared to budget.

- (1) Full year forecast amount shown represents target.
- (2) Net of cost recovery mechanisms and variable costs of production.
- (3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses.
- (4) Actuals represents trailing twelve months.
- (5) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

	Current Month		YTD		Full Year	
	Actual	Budget	Actual	Budget	Forecast	Budget
<b>Margins (\$ millions)</b>						
Electric Margins	\$139	\$145	\$1,552	\$1,631	\$1,861	\$1,945
Gas Margins	\$15	\$15	\$174	\$173	\$225	\$221
<b>O&amp;M (\$ millions)</b>						
O&M – Management View <sup>(2)</sup>	\$62	\$69	\$607	\$640	\$746	\$766
O&M – GAAP View <sup>(3)</sup>	\$70	\$77	\$687	\$722	\$846	\$865
<b>Capital Expenditures (\$ millions)</b>						
	\$92	\$86	\$848	\$866	\$1,070	\$1,007
<b>Average Utility Capitalization (\$ millions)</b>						
	\$10,516	\$10,480	\$10,516	\$10,480	\$10,604	\$10,567
<b>Head Count</b>						
Full-time Employees	3,457	3,607	3,457	3,607	3,606	3,606

	YTD		Full Year	
	Actual	Budget	Full Year Forecast	Full Year Budget
<b>Financial Metrics<sup>(4)</sup></b>				
Utility ROE <sup>(5)</sup>	9.4%	9.7%	9.3%	9.7%
Effective Depreciation Rate <sup>(5)</sup>	3.5%	3.5%	3.5%	3.5%
Effective Interest Rate	4.0%	4.1%	3.9%	4.0%
Effective Tax Rate	19.7%	20.6%	19.1%	20.0%
<b>Moody's CFO pre-WC / Debt</b>				
LGE	23.0%	23.1%	21.9%	23.1%
KU	23.0%	22.8%	23.3%	23.4%
LKE Consolidated	16.3%	16.8%	16.2%	17.3%

Major Developments
The Company won its 25th J.D. Power award as Kentucky Utilities ranked #1 out of 9 utilities in the Midwest Midsize segment of the J.D. Power 2020 Electric Business Study with an index score of 827. LG&E ranked #4 with an index score of 784.
LG&E-KU announced its plans to file requests with the KPSC for a \$331 million (10.6%) rate increase premised upon an 10.00% return on equity. LG&E is requesting a 11.6%, or \$131 million, electric rate increase and a 8.3%, or \$30 million, natural gas rate increase. KU is requesting a 10.4%, or \$170 million, electric rate increase. The Companies are also asking for approval regarding a one-year billing credit which will credit customers about \$53 million, (\$39 million and \$12 million for LG&E and KU electricity customers) and \$2 million for LG&E gas customers. The credit represents the return to customers of certain regulatory liabilities and partially mitigates the rate increases during the first year in which the new rates are in effect. The applications also include requests for certificates of public convenience and necessity to deploy advanced metering infrastructure. The rate cases will be based on a forecasted test year of July 1, 2021 through June 30, 2022. Subject to KPSC approval, the requested rates, decreased by the amount of the billing credit, are expected to become effective on July 1, 2021. The application will be submitted on November 25.
LG&E-KU continue to provide support for various hurricane restoration efforts. 70 support personnel were deployed to assist Alabama Power with Hurricane Zeta. In addition, the Company also sent 85 resources to assist Oklahoma Gas and Electric with ice storms.
LG&E-KU filed its Renewables post hearing brief and now the case will be submitted with a decision requested by the end of the year.
The Company was honored by the Worksite Wellness Council of Louisville. For the fifth year in a row, the Company received a Platinum Award for its programs and initiatives supporting wellness. The award qualifies the Company for the national competition, the 100 Healthiest Employer Award.
A new Cross State Air Pollution Rule was recently released by the EPA. A lot of the background and model information is not yet available to the public, however, the rule is generally more restrictive. The Company will continue to evaluate the proposed rule, monitor its progression and assess potential impacts.

Significant Future Events
There are no significant events to report at this time.

**Income Statement: Actual vs. Budget (YTD) - LKE Consolidated**

**October 2020**

(\$ Millions)

	Actual vs. Budget - YTD			Actual vs. PY - YTD		
	Actual	Budget	Variance	Actual	PY Actual	Variance
<b>Gross Margin:</b>						
Electric Margin	\$ 1,552	\$ 1,631	\$ (79)	\$ 1,552	\$ 1,591	\$ (39)
Gas Margin	174	173	1	174	154	20
<b>Total Gross Margin</b>	<b>1,726</b>	<b>1,804</b>	<b>(78)</b>	<b>1,726</b>	<b>1,745</b>	<b>(19)</b>
O&M	607	640	33	607	629	22
Depreciation & Amortization	376	379	3	376	357	(19)
Taxes, Other than Income	59	60	1	59	58	(1)
Equity in earnings	0	0	0	0	0	0
Other income (expense)	2	(3)	5	2	2	(1)
EBIT	685	722	(37)	685	704	(18)
Interest Expense	218	220	2	218	214	(4)
<b>Income from Ongoing Operations before income taxes</b>	<b>467</b>	<b>502</b>	<b>(35)</b>	<b>467</b>	<b>490</b>	<b>(23)</b>
Income Tax Expense	88	100	12	88	83	(5)
<b>Net Income (loss) from ongoing operations</b>	<b>379</b>	<b>402</b>	<b>(23)</b>	<b>379</b>	<b>407</b>	<b>(28)</b>
Special Item - (Non Operating Income)	(4)	0	(4)	(4)	0	(4)
Discontinued Operations	(0)	0	(0)	(0)	(0)	0
<b>Net Income (loss)</b>	<b>\$ 375</b>	<b>\$ 402</b>	<b>\$ (27)</b>	<b>\$ 375</b>	<b>\$ 407</b>	<b>\$ (33)</b>
KY Regulated Financing Costs	(27)	(27)	(0)	(27)	(27)	(0)
<b>KY Regulated Net Income</b>	<b>348</b>	<b>\$ 375</b>	<b>\$ (27)</b>	<b>348</b>	<b>\$ 380</b>	<b>\$ (33)</b>
Earnings Per Share - Ongoing	\$ 0.46	\$ 0.49	\$ (0.03)	\$ 0.46	\$ 0.52	\$ (0.06)

Note: Schedules may not sum due to rounding.

**Income Statement: Actual vs. Budget (YTD) - LG&E**

**October 2020**

(\$ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
<b>Gross Margin:</b>								
Electric Margin	\$ 621	\$ 644	\$ (23)	Due primarily to \$8 million of lower sales volumes from weather, \$17 million of lower demand revenues, of which \$13 million was related to COVID-19 and \$4 million of other, and \$3 million of lower late payment and reconnect fees from COVID-19.	\$ 621	\$ 638	\$ (17)	Due primarily to lower energy and demand revenues from weather and COVID-19, partially offset by higher base rates and the elimination of the TCJA surcredit effective May 1, 2019.
Gas Margin	174	173	1		174	154	20	
<b>Total Gross Margin</b>	<b>795</b>	<b>817</b>	<b>(22)</b>		<b>795</b>	<b>792</b>	<b>2</b>	
O&M	282	291	9	Due primarily to favorability related to maintenance and operation expenses, generation labor and supplemental contractors, partially offset by expenses related to line locating and vegetation management.	282	290	8	Due primarily to favorability related to change in storm amortization, change in outage normalization and refined coal amortization, labor burden costs, and Inline Inspections offset by higher bad debt, facility/metering contracts and line locating expenses.
Depreciation & Amortization	155	157	2		155	147	(9)	
Taxes, Other than Income	31	30	(1)		31	30	(0)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(1)	(3)	2		(1)	(1)	0	
EBIT	326	335	(10)		326	324	1	
Interest Expense	74	75	2	74	72	(2)		
<b>Income from Ongoing Operations before income taxes</b>	<b>252</b>	<b>260</b>	<b>(8)</b>	<b>252</b>	<b>252</b>	<b>(0)</b>		
Income Tax Expense	51	55	4	51	54	3		
<b>Net Income (loss) from ongoing operations</b>	<b>\$ 201</b>	<b>\$ 205</b>	<b>\$ (4)</b>	<b>\$ 201</b>	<b>\$ 198</b>	<b>\$ 3</b>		

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

**Income Statement: Actual vs. Budget (YTD) - KU**

**October 2020**

(\$ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
<b>Gross Margin:</b>								
Electric Margin	\$ 932	\$ 973	\$ (41)	Due primarily to \$15 million of lower sales volumes, of which \$23 million was related to weather, partially offset by \$8 million related to COVID-19, primarily due to higher residential usage, \$21 million of lower demand revenues, of which \$16 million was related to COVID-19 and \$5 million of other, and \$3 million of lower late payment and reconnect fees from COVID-19.	\$ 932	\$ 953	\$ (21)	Due primarily to lower energy and demand revenues from weather and COVID-19, partially offset by higher base rates and the elimination of the TCJA surcredit effective May 1, 2019.
Gas Margin	0	0	0		0	0	0	
<b>Total Gross Margin</b>	932	973	(41)		932	953	(21)	
O&M	307	324	17	Due primarily to favorability related to maintenance and operation expenses, generation labor and supplemental contractors, labor burden costs, lower bad debt expenses, and lower vegetation management expenses, slightly offset by higher legal costs.	307	312	5	Due primarily to favorability related to change in storm amortization, change in outage normalization, refined coal amortization, and labor burden costs, offset by higher legal expenses and facility/metering contracts.
Depreciation & Amortization	219	220	1		219	209	(10)	
Taxes, Other than Income	29	30	1		29	28	(1)	
Other income (expense)	2	(0)	2		2	3	(1)	
EBIT	379	399	(20)		379	407	(28)	
Interest Expense	95	94	(1)	95	91	(3)	Due primarily to higher plant in service and updated depreciation rates effective 5/1/2019.	
<b>Income from Ongoing Operations before income taxes</b>	284	305	(21)	284	316	(32)		
Income Tax Expense	54	62	8	54	66	12		
					0		Lower income taxes primarily due to lower pretax income and tax benefits on R&D tax credit adjustments for 2015-2019 return years.	
<b>Net Income (loss) from ongoing operations</b>	<b>\$ 230</b>	<b>\$ 243</b>	<b>\$ (13)</b>	<b>\$ 230</b>	<b>\$ 250</b>	<b>\$ (20)</b>		

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

**Income Statement: Forecast vs. Budget (Full Year) - LKE Consolidated**

**October 2020**

(\$ Millions)

	Forecast vs. Budget - Full Year			Comments
	Q3 Forecast	Budget	Variance	
<b>Gross Margin:</b>				
Electric Margin	\$ 1,862	\$ 1,945	\$ (83)	Due primarily to \$20 million of lower sales volumes, of which \$29 million was related to weather, partially offset by \$9 million related to COVID-19, primarily due to higher residential usage, \$40 million of lower demand revenues, of which \$32 million was related to COVID-19 and \$8 million of other, \$8 million of lower late payment and reconnect fees from COVID-19, and \$15 million of additional revenue budgeted in January.
Gas Margin	223	221	2	
<b>Total Gross Margin</b>	<b>2,085</b>	<b>2,166</b>	<b>(81)</b>	
O&M	750	766	16	Due primarily to favorability related to timing of plant maintenance, storm restoration, ongoing operation and maintenance expenses, and training/travel savings from pandemic related cancellations, partially offset by inline inspection tool development costs, bad debt related to potential pandemic effects, and Title V fees.
Depreciation & Amortization	454	457	2	
Taxes, Other than Income	71	72	1	
Other income (expense)	2	(4)	6	Due primarily to pension and postretirement expenses due to higher asset earnings.
EBIT	812	868	(55)	
Interest Expense	260	263	3	
<b>Income from Ongoing Operations before income taxes</b>	<b>552</b>	<b>605</b>	<b>(53)</b>	
Income Tax Expense	105	121	16	Lower income taxes primarily due to lower pretax income and tax benefits on R&D tax credit adjustments for 2015-2019 return years.
<b>Net Income (loss) from ongoing operations</b>	<b>447</b>	<b>484</b>	<b>(37)</b>	
Special Item - (Non Operating Income)	(6)	0	(6)	Due to reclassification of COVID expenses from O&M – such outside services of \$2.3m primarily for additional cleaning and disinfecting of Company facilities, \$2m for PPE for employee usage, disinfectants, hand sanitizers and thermometers, etc. also \$1m for credit and debit card, and e-check costs that the Company absorbed for the second quarter.
Discontinued Operations	(0)	0	(0)	
<b>Net Income (loss)</b>	<b>\$ 441</b>	<b>\$ 484</b>	<b>\$ (42)</b>	
KY Regulated Financing Costs	(32)	(32)	0	
<b>KY Regulated Net Income</b>	<b>\$ 409</b>	<b>\$ 452</b>	<b>\$ (42)</b>	
Earnings Per Share - Ongoing	\$ 0.53	\$ 0.59	\$ (0.05)	

Note: Schedules may not sum due to rounding.

**Margins Actual vs. Budget**

**October 2020**

(\$ Millions)

**MARGINS (MTD)**

	LKE Electric Margins					
	MTD Current Year October-20	MTD Budget October-20	Change			
				\$	%	
Base Service Charge	\$ 19	\$ 19	↑	\$ 0	1%	
Base Energy	60	61	↓	\$ (1)	-2%	
Demand Charge	46	50	↓	\$ (5)	-10%	
Retail Fuel (Net)	1	(0)	↑	\$ 1	-380%	
DSM	0	0	↑	\$ 0	215%	
ECR	15	16	↓	\$ (1)	-3%	
Transmission	(1)	0	↓	\$ (1)	-1646%	
Purchase Power Demand	(3)	(2)	↓	\$ (0)	10%	
Off-System Sales	0	0	→	\$ 0	8%	
Shared Solar Program	0	0	→	\$ 0	9%	
Other Revenue	2	3	↓	\$ (1)	-25%	
Cost of Sales	(1)	(2)	↑	\$ 0	-26%	
Tax Cuts and Job Act (TCJA)	-	-	→	\$ -	0%	
Additional Revenue Budgeted	-	0	→	\$ (0)	-100%	
	<b>\$ 139</b>	<b>\$ 145</b>	<b>↓</b>	<b>\$ (6)</b>	<b>-4%</b>	

**LKE Gas Margins**

	LKE Gas Margins					
	MTD Current Year October-20	MTD Budget October-20	Change			
				\$	%	
Base Service Charge	\$ 8	\$ 8	↑	\$ 0	1%	
Distribution Charge	6	6	↑	\$ 0	1%	
WNA	(0)	-	↓	\$ (0)	0%	
DSM	0	0	→	\$ 0	266%	
GSC	0	-	↑	\$ 0	0%	
GLT	1	1	↑	\$ 0	8%	
Other Revenue	0	0	↓	\$ (0)	-95%	
Cost of Sales	-	-	→	\$ -	0%	
Tax Cuts and Job Act (TCJA)	-	-	→	\$ -	0%	
	<b>\$ 15</b>	<b>\$ 15</b>	<b>↓</b>	<b>\$ (0)</b>	<b>-1%</b>	

**MARGINS (YTD)**

	LKE Electric Margins					
	YTD Current Year October-20	YTD Budget October-20	Change			
				\$	%	
	\$ 189	\$ 187	↑	\$ 2	1%	
	746	769	↓	\$ (23)	-3%	
	476	514	↓	\$ (38)	-7%	
	1	(2)	↑	\$ 3	-132%	
	2	1	↑	\$ 1	56%	
	160	160	↓	\$ (0)	0%	
	(2)	2	↓	\$ (4)	-175%	
	(24)	(24)	↓	\$ (0)	2%	
	0	0	↓	\$ (0)	-43%	
	0	0	↑	\$ 0	48%	
	22	28	↓	\$ (7)	-23%	
	(17)	(20)	↑	\$ 3	-15%	
	-	-	→	\$ -	0%	
	-	15	↓	\$ (15)	-100%	
	<b>\$ 1,552</b>	<b>\$ 1,631</b>	<b>↓</b>	<b>\$ (79)</b>	<b>-5%</b>	

**LKE Gas Margins**

	LKE Gas Margins					
	YTD Current Year October-20	YTD Budget October-20	Change			
				\$	%	
	\$ 80	\$ 80	↑	\$ 0	0%	
	75	83	↓	\$ (8)	-10%	
	7	-	↑	\$ 7	0%	
	1	0	↑	\$ 1	9087%	
	1	-	↑	\$ 1	0%	
	9	9	↑	\$ 1	8%	
	0	1	↓	\$ (1)	-53%	
	-	-	→	\$ -	0%	
	-	-	→	\$ -	0%	
	<b>\$ 174</b>	<b>\$ 173</b>	<b>↑</b>	<b>\$ 1</b>	<b>1%</b>	

O&M October 2020

(\$ Millions)

	Actual vs. Budget - YTD			Forecast vs. Budget - Full Year		
	Actual	Budget	Variance	Q3 Forecast	Budget	Variance
<b>Chief Operating Officer</b>						
<b>Power Production</b>						
All Other	\$ 58.0	\$ 61.5	\$ 3.5	\$ 72.3	\$ 73.1	\$ 0.8
Maintenance	72.4	82.7	10.2	93.7	98.3	4.7
Outages	25.8	25.9	0.1	33.3	32.6	(0.7)
<b>Power Production</b>	<b>156.3</b>	<b>170.1</b>	<b>13.8</b>	<b>199.2</b>	<b>204.1</b>	<b>4.8</b>
<b>Customer Services</b>						
All Other	\$ 80.4	\$ 82.5	\$ 2.2	\$ 98.2	\$ 99.1	\$ 0.9
Bad Debt Expense	6.9	7.7	0.8	9.8	8.8	(1.0)
<b>Customer Services</b>	<b>87.2</b>	<b>90.2</b>	<b>3.0</b>	<b>108.0</b>	<b>107.9</b>	<b>(0.1)</b>
<b>Electric Distribution</b>						
All Other	\$ 36.4	\$ 37.2	\$ 0.8	\$ 44.1	\$ 44.2	\$ 0.1
Storm Restoration	4.5	5.8	1.3	5.5	6.5	1.1
Vegetation Mgmt	21.6	21.5	(0.1)	25.5	25.7	0.3
<b>Electric Distribution</b>	<b>62.5</b>	<b>64.5</b>	<b>2.0</b>	<b>75.0</b>	<b>76.5</b>	<b>1.5</b>
<b>Transmission</b>						
All Other	\$ 19.7	\$ 21.0	\$ 1.3	\$ 23.6	\$ 24.4	\$ 0.8
Storm Restoration	0.4	0.3	(0.1)	0.4	0.3	(0.1)
Vegetation Mgmt	12.4	11.3	(1.1)	13.8	13.2	(0.6)
<b>Transmission</b>	<b>32.5</b>	<b>32.6</b>	<b>0.1</b>	<b>37.8</b>	<b>37.9</b>	<b>0.1</b>
<b>Gas Distribution</b>						
All Other	\$ 30.7	\$ 32.1	\$ 1.4	\$ 38.2	\$ 38.5	\$ 0.3
Line Locating	10.6	9.1	(1.5)	12.5	10.9	(1.7)
Inline Inspections	2.4	1.3	(1.1)	4.8	1.3	(3.5)
<b>Gas Distribution</b>	<b>43.6</b>	<b>42.5</b>	<b>(1.2)</b>	<b>55.5</b>	<b>50.7</b>	<b>(4.8)</b>
<b>Energy Supply &amp; Analysis</b>	<b>10.5</b>	<b>11.3</b>	<b>\$ 0.7</b>	<b>\$ 12.7</b>	<b>\$ 13.4</b>	<b>\$ 0.7</b>
<b>Project Engineering</b>	<b>0.4</b>	<b>0.6</b>	<b>\$ 0.2</b>	<b>\$ 0.7</b>	<b>\$ 0.7</b>	<b>\$ (0.1)</b>
<b>Safety &amp; Tech Training</b>	<b>5.5</b>	<b>5.8</b>	<b>\$ 0.3</b>	<b>\$ 6.7</b>	<b>\$ 6.7</b>	<b>\$ (0.0)</b>
<b>Environmental</b>	<b>6.0</b>	<b>6.1</b>	<b>\$ 0.0</b>	<b>\$ 7.7</b>	<b>\$ 7.3</b>	<b>\$ (0.4)</b>
<b>Chief Operating Officer</b>	<b>0.4</b>	<b>0.5</b>	<b>\$ 0.1</b>	<b>\$ 0.6</b>	<b>\$ 0.6</b>	<b>\$ (0.0)</b>
<b>Chief Operating Officer Total</b>	<b>\$ 405.0</b>	<b>\$ 424.1</b>	<b>\$ 19.1</b>	<b>\$ 504.0</b>	<b>\$ 505.7</b>	<b>\$ 1.7</b>
<b>Chief Financial Officer</b>						
Treasurer	\$ 21.4	\$ 22.1	\$ 0.7	\$ 25.7	\$ 26.3	\$ 0.6
Controller	\$ 7.0	\$ 7.6	\$ 0.5	\$ 8.7	\$ 9.0	\$ 0.3
Information Technology	\$ 52.2	\$ 54.5	\$ 2.3	\$ 62.5	\$ 65.9	\$ 3.4
State Reg & Rates	\$ 1.8	\$ 2.0	\$ 0.2	\$ 2.1	\$ 2.3	\$ 0.2
Audit Services	\$ 1.4	\$ 1.5	\$ 0.1	\$ 1.7	\$ 1.7	\$ 0.0
Supply Chain	\$ 3.1	\$ 3.4	\$ 0.3	\$ 3.9	\$ 4.0	\$ 0.2
Other	\$ 1.5	\$ 1.7	\$ 0.2	\$ 1.8	\$ 2.0	\$ 0.2
<b>Chief Financial Officer Total</b>	<b>\$ 88.4</b>	<b>\$ 92.8</b>	<b>\$ 4.4</b>	<b>\$ 106.5</b>	<b>\$ 111.3</b>	<b>\$ 4.8</b>
<b>Communication</b>	<b>\$ 7.6</b>	<b>\$ 8.4</b>	<b>\$ 0.7</b>	<b>\$ 9.6</b>	<b>\$ 9.8</b>	<b>\$ 0.2</b>
<b>Human Resources</b>	<b>\$ 5.8</b>	<b>\$ 6.5</b>	<b>\$ 0.7</b>	<b>\$ 7.0</b>	<b>\$ 7.7</b>	<b>\$ 0.7</b>
<b>General Counsel</b>	<b>\$ 14.6</b>	<b>\$ 14.0</b>	<b>\$ (0.6)</b>	<b>\$ 17.2</b>	<b>\$ 17.0</b>	<b>\$ (0.2)</b>
<b>Corporate Cost Center</b>	<b>\$ 67.2</b>	<b>\$ 68.4</b>	<b>\$ 1.2</b>	<b>\$ 81.1</b>	<b>\$ 81.6</b>	<b>\$ 0.6</b>
<b>Non-Utility</b>	<b>\$ 18.5</b>	<b>\$ 25.8</b>	<b>\$ 7.2</b>	<b>\$ 24.2</b>	<b>\$ 32.6</b>	<b>\$ 8.4</b>
<b>Grand Total</b>	<b>\$ 607.1</b>	<b>\$ 639.9</b>	<b>\$ 32.8</b>	<b>\$ 749.6</b>	<b>\$ 765.8</b>	<b>\$ 16.2</b>

<b>Financing Activities</b>	<b>October 2020</b>
-----------------------------	---------------------

(\$ Millions)	Actual vs. Budget - YTD			Full Year		
	Actual	Budget	Variance	Q2 Forecast	Budget	Variance
<b>Balance Sheet</b>						
<b>PCB</b>						
Beg Bal	\$ 881.1	\$ 881.1	\$ 0.0	\$ 881.1	\$ 881.1	\$ 0.0
End Bal	881.1	881.1	0.0	881.1	881.1	0.0
Ave Bal	<b>\$ 881.1</b>	<b>\$ 881.1</b>	<b>\$ 0.0</b>	<b>\$ 881.1</b>	<b>\$ 881.1</b>	<b>\$ 0.0</b>
Interest Exp	\$ 18.1	\$ 18.2	\$ 0.1	\$ 21.2	\$ 21.3	\$ 0.2
Rate	2.47%	2.48%	0.02%	2.36%	2.38%	0.02%
<b>FMB/Sr Nts/Loan with PPL</b>						
Beg Bal	\$ 5,160.0	\$ 5,160.0	\$ 0.0	\$ 5,160.0	\$ 5,160.0	\$ 0.0
End Bal	5,235.0	5,060.0	(175.0)	5,235.0	5,035.0	(200.0)
Ave Bal	<b>\$ 5,271.4</b>	<b>\$ 5,178.2</b>	<b>\$ (93.2)</b>	<b>\$ 5,265.8</b>	<b>\$ 5,156.2</b>	<b>\$ (109.6)</b>
Interest Exp	\$ 185.0	\$ 181.1	\$ (3.9)	\$ 222.0	\$ 216.6	\$ (5.4)
Rate	4.21%	4.20%	-0.01%	4.15%	4.13%	-0.01%
<b>Short-term Debt</b>						
Beg Bal	\$ 538.3	\$ 538.3	\$ 0.0	\$ 538.3	\$ 538.3	\$ 0.0
End Bal	538.2	712.4	174.3	739.9	813.2	73.2
Ave Bal <sup>(1)</sup>	<b>\$ 473.7</b>	<b>\$ 565.1</b>	<b>\$ 91.4</b>	<b>\$ 508.9</b>	<b>\$ 599.8</b>	<b>\$ 90.9</b>
Interest Exp	\$ 6.4	\$ 11.0	\$ 4.6	\$ 7.5	\$ 13.9	\$ 6.4
Rate	1.58%	2.29%	0.71%	1.45%	2.28%	0.83%
<b>Unamortized Debt Expense Bonds</b>						
Beg Bal	\$ (39.3)	\$ (39.3)	\$ 0.0	\$ (39.3)	\$ (39.3)	\$ 0.0
End Bal	(43.0)	(37.6)	5.4	(42.1)	(36.7)	5.3
Ave Bal	<b>\$ (40.7)</b>	<b>\$ (37.8)</b>	<b>\$ 2.9</b>	<b>\$ (40.9)</b>	<b>\$ (37.6)</b>	<b>\$ 3.3</b>
<b>Total End Bal</b>	<b>\$ 6,611.3</b>	<b>\$ 6,615.9</b>	<b>\$ 4.6</b>	<b>\$ 6,813.9</b>	<b>\$ 6,692.5</b>	<b>\$ (121.4)</b>
<b>Total Average Bal</b>	<b>\$ 6,585.5</b>	<b>\$ 6,586.6</b>	<b>\$ 1.1</b>	<b>\$ 6,614.8</b>	<b>\$ 6,599.3</b>	<b>\$ (15.5)</b>
<b>Total Expense Excl I/C <sup>(2)</sup></b>	<b>\$ 217.8</b>	<b>\$ 219.7</b>	<b>\$ 1.9</b>	<b>\$ 260.4</b>	<b>\$ 263.0</b>	<b>\$ 2.6</b>
<b>Rate</b>	<b>3.94%</b>	<b>3.98%</b>	<b>0.04%</b>	<b>3.85%</b>	<b>3.90%</b>	<b>0.05%</b>

<sup>(1)</sup> Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

<sup>(2)</sup> Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities (\$ Millions)	Committed Capacity	Borrowed <sup>(3)</sup>	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	\$ 825	\$ 168		\$ 657	
LG&E	500	214		286	\$ -
KU	400	157		243	-
TOTAL	\$ 1,725	\$ 538	\$ -	\$ 1,187	\$ -

<sup>(3)</sup> LG&E borrowed amount represent commercial paper issuances and borrowings from the revolving credit facility. KU borrowed amount represent commercial paper issuances and borrowings from the revolving credit facility. LKE borrowed amount includes debt with PPL.



**Balance Sheet - LKE Consolidated**

**October 2020**

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 73	\$ 15	\$ 27	\$ 59	Primarily due to pre-funding short term borrowing needs at the utilities due to anticipated lack of liquidity in the commercial paper market in the days immediately before the election and extending through Veterans day.
Accounts Receivable (Trade)	362	380	359	(18)	
Inventory	243	270	249	(28)	Primarily due to budget inadvertently including refined coal (third party) inventory of \$16M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	56	54	32	1	
Prepayments and other current assets	82	97	74	(14)	Primarily due to lower than anticipated accounts receivable from affiliated companies and refined coal contracts and a lower clearing account balance for other current assets and lease.
<b>Total Current Assets</b>	<b>816</b>	<b>815</b>	<b>741</b>	<b>0</b>	
Property, Plant, and Equipment	13,401	13,376	12,969	25	
Intangible Assets	109	95	118	14	Primarily due to the variance in the operating lease asset which is offset by the variance in the operating lease liability in Other Liabilities
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	741	740	818	1	
Goodwill	997	997	997	0	
Other Long-term Assets	68	71	96	(3)	
<b>Total Assets</b>	<b>\$ 16,132</b>	<b>\$ 16,095</b>	<b>\$ 15,741</b>	<b>\$ 37</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 268	\$ 312	\$ 325	\$ (44)	Primarily due to timing of accounts payable expected to occur in the budget versus actuals.
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	64	62	63	1	
Derivative Liability	2	4	5	(3)	
Accrued Taxes	65	45	68	20	Primarily due to timing of property tax payments expected to occur in the budget versus actuals.
Regulatory Liabilities Current	10	11	28	(1)	
Other Current Liabilities	256	274	301	(18)	
<b>Total Current Liabilities</b>	<b>664</b>	<b>708</b>	<b>789</b>	<b>(45)</b>	
Debt - Affiliated Company	1,368	865	788	503	Primarily due to an earlier and higher than budgeted long term intercompany issuance with PPL offset by variance in Debt.
Debt <sup>(1)</sup>	5,244	5,751	5,441	(507)	\$500M bond called in August vs. budget assumption of maturing in November.
<b>Total Debt</b>	<b>6,611</b>	<b>6,616</b>	<b>6,229</b>	<b>(5)</b>	
Deferred Tax Liabilities	1,155	1,160	1,059	(5)	
Investment Tax Credit	121	121	123	(0)	
Accum Provision for Pension & Related Benefits	164	163	260	1	
Asset Retirement Obligation	156	97	135	59	Primarily due to an increased vendor bid (Ghent Ash Treatment Basin #2), increased costs due to permit delays and treatment of dewatering discharge (Brown Aux), increased costs based on an updated engineering estimate (Trimble County), and an awarded contract and change in settlement date (Canal Asbestos) and recent construction and settlement activity (Gas Mains/Center UGS wells).
Regulatory Liabilities Non Current	1,962	1,940	1,987	22	Primarily due to the payment received by LG&E in connection with the resolution of a disputed electric service territory combined with lower than budgeted reserve accounts due to the lower than budgeted depreciation and amortization expenses.
Derivative Liability	22	13	19	9	
Other Liabilities	154	144	154	10	
<b>Total Deferred Credits and Other Liabilities</b>	<b>3,735</b>	<b>3,638</b>	<b>3,737</b>	<b>97</b>	
<b>Equity</b>	<b>5,122</b>	<b>5,132</b>	<b>4,985</b>	<b>(10)</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 16,132</b>	<b>\$ 16,095</b>	<b>\$ 15,741</b>	<b>\$ 37</b>	

<sup>(1)</sup> Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E

October 2020

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 22	\$ 5	\$ 5	\$ 17	Primarily due to pre-funding short term borrowing needs due to anticipated lack of liquidity in the commercial paper market in the days immediately before the election and extending through Veterans day.
Accounts Receivable (Trade)	159	171	161	(12)	
Inventory	121	130	126	(9)	Primarily due to budget inadvertently including refined coal (third party) inventory of \$5M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	21	21	21	1	
Prepayments and other current assets	69	72	67	(2)	
<b>Total Current Assets</b>	<b>392</b>	<b>398</b>	<b>380</b>	<b>(6)</b>	
Property, Plant, and Equipment	5,979	5,997	5,756	(18)	
Intangible Assets	23	17	24	7	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	357	361	409	(3)	
Goodwill	0	0	0	0	
Other Long-term Assets	66	60	23	6	
<b>Total Assets</b>	<b>\$ 6,818</b>	<b>\$ 6,833</b>	<b>\$ 6,592</b>	<b>\$ (15)</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 160	\$ 202	\$ 193	\$ (42)	Primarily due to timing of accounts payable expected to occur in the budget versus actuals.
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	32	31	31	1	
Derivative Liability	2	4	5	(3)	
Accrued Taxes	42	26	36	16	Primarily due to timing of property tax payments expected to occur in the budget versus actuals.
Regulatory Liabilities Current	2	3	8	(1)	
Other Current Liabilities	85	86	94	(1)	
<b>Total Current Liabilities</b>	<b>323</b>	<b>352</b>	<b>367</b>	<b>(29)</b>	
Debt - Affiliated Company	0	0	13	0	
Debt <sup>(1)</sup>	2,220	2,253	2,094	(33)	
<b>Total Debt</b>	<b>2,220</b>	<b>2,253</b>	<b>2,107</b>	<b>(33)</b>	
Deferred Tax Liabilities	712	715	683	(3)	
Investment Tax Credit	33	33	33	(0)	
Accum Provision for Pension & Related Benefits	(12)	(0)	3	(12)	Variance primarily relates to pension costs recorded in actuals to Accumulated Provision for Pensions during non-quarter months via the burdening process. These amounts are reclassified to the appropriate asset account, as applicable, at quarter-end.
Asset Retirement Obligation	61	35	50	26	Primarily due to an awarded contract and change in settlement date (Canal Asbestos) and recent construction and settlement activity (Gas Mains/Center UGS wells).
Regulatory Liabilities Non Current	855	839	852	16	Primarily due to the payment received by LG&E in connection with the resolution of a disputed electric service territory.
Derivative Liability	22	13	19	9	
Other Liabilities	93	87	87	5	
<b>Total Deferred Credits and Other Liabilities</b>	<b>1,762</b>	<b>1,722</b>	<b>1,727</b>	<b>40</b>	
<b>Equity</b>	<b>2,513</b>	<b>2,506</b>	<b>2,391</b>	<b>7</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 6,818</b>	<b>\$ 6,833</b>	<b>\$ 6,592</b>	<b>\$ (15)</b>	

<sup>(1)</sup> Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

**Balance Sheet - KU**

**October 2020**

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 51	\$ 5	\$ 21	\$ 46	Primarily due to pre-funding short term borrowing needs due to anticipated lack of liquidity in the commercial paper market in the days immediately before the election and extending through Veterans day.
Accounts Receivable (Trade)	203	209	197	(6)	
Inventory	122	140	124	(19)	Primarily due to budget inadvertently including refined coal (third party) inventory of \$11M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	34	34	11	1	
Prepayments and other current assets	46	42	41	4	
<b>Total Current Assets</b>	<b>456</b>	<b>430</b>	<b>395</b>	<b>26</b>	
Property, Plant, and Equipment	7,406	7,365	7,196	41	
Intangible Assets	40	33	40	7	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	382	380	408	3	
Goodwill	0	0	0	0	
Other Long-term Assets	90	95	69	(5)	
<b>Total Assets</b>	<b>\$ 8,375</b>	<b>\$ 8,302</b>	<b>\$ 8,107</b>	<b>\$ 72</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 156	\$ 160	\$ 173	\$ (4)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	32	31	32	0	
Derivative Liability	0	0	0	0	
Accrued Taxes	30	20	36	9	
Regulatory Liabilities Current	8	8	20	(0)	
Other Current Liabilities	116	127	151	(10)	
<b>Total Current Liabilities</b>	<b>342</b>	<b>347</b>	<b>412</b>	<b>(5)</b>	
Debt - Affiliated Company	0	0	0	0	
Debt <sup>(1)</sup>	2,774	2,773	2,623	1	
<b>Total Debt</b>	<b>2,774</b>	<b>2,773</b>	<b>2,623</b>	<b>1</b>	
Deferred Tax Liabilities	828	814	795	14	
Investment Tax Credit	89	89	90	(0)	
Accum Provision for Pension & Related Benefits	(7)	0	(5)	(7)	
Asset Retirement Obligation	95	62	85	34	Primarily due to an increased vendor bid (Ghent Ash Treatment Basin #2), increased costs due to permit delays and treatment of dewatering discharge (Brown Aux), and increased costs based on an updated engineering estimate (Trimble County)
Regulatory Liabilities Non Current	1,055	1,050	1,072	5	
Derivative Liability	0	0	0	0	
Other Liabilities	49	38	48	11	Primarily due to the variance in the operating lease liability which is offset by the variance in the operating lease asset in Intangible Assets
<b>Total Deferred Credits and Other Liabilities</b>	<b>2,109</b>	<b>2,052</b>	<b>2,085</b>	<b>57</b>	
<b>Equity</b>	<b>3,150</b>	<b>3,131</b>	<b>2,986</b>	<b>19</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 8,375</b>	<b>\$ 8,302</b>	<b>\$ 8,107</b>	<b>\$ 72</b>	

<sup>(1)</sup> Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.



**PPL companies**

# **Performance Report**

**November 2020**

**Content****Page**

Executive Summary	3
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LG&E	5
Income Statement: Actual vs. Budget (YTD) - KU	6
Margins Actual vs. Budget	7
O&M	8
Financing Activities	9
Balance Sheet - LKE Consolidated	10
Balance Sheet - LG&E	11
Balance Sheet - KU	12

	Current Month		YTD		Full Year	
	Actual	PY	Actual	PY	Forecast	PY
<b>Safety</b>						
TCIR - Employees <sup>(1)</sup>	1.09	0.63	0.98	1.00	0.95	1.01
Employee lost-time incidents	0	1	8	7	9	8
DART <sup>(1)</sup>	0.73	0.31	0.60	0.50	0.46	0.52
<b>Customer Service</b>						
Retail Customer Experience Rating	9.40	8.97	9.22	9.16	8.50	9.15
<b>Reliability</b>						
Utility EFOR	2.6%	4.5%	1.3%	4.5%	N/A	4.5%
Utility EAF	75.5%	77.8%	87.0%	84.6%	N/A	84.5%
Combined SAIFI	0.04	0.07	0.71	0.87	N/A	0.94
Combined SAIDI (minutes)	3.83	5.98	65.58	82.09	N/A	87.49
Gas Emergency Response Time	35.0	34.5	31.7	34.5	N/A	34.5
<b>GWh Sales</b>						
Residential	713	754	9,328	9,399	10,374	10,393
Commercial	536	624	6,792	7,474	7,422	8,123
Industrial	675	709	7,386	8,212	8,048	8,895
Other	182	220	2,327	2,553	2,543	2,775
Retail	2,106	2,306	25,832	27,637	28,387	30,185
Municipals	28	32	335	375	367	409
Off-System Sales	11	15	149	249	188	321
Total	2,145	2,353	26,316	28,261	28,942	30,915
<b>Weather-Normalized Retail Sales Growth</b>						
Residential			TTM	4.62%		
Commercial				-6.82%		
Industrial				-7.39%		
Other				-5.87%		
Total				-2.92%		

Variance Explanations
Lower MTD margins primarily due to \$6 million of lower sales volumes, of which \$5 million related to weather and \$1 million related to COVID-19, \$5 million of lower demand revenues from COVID-19 and \$1 million of lower late payment and reconnect fees from COVID-19.
Lower YTD margins primarily due to \$29 million of lower sales volumes, \$36 million related to weather partially offset by \$7 million related to COVID-19 due to higher residential usage, \$43 million of lower demand revenues, \$35 million related to COVID-19 and \$8 million of other, \$7 million of lower late payment and reconnect fees from COVID-19 and \$15 million of additional revenue budgeted in January.
Lower YTD O&M primarily due to \$9 million of generation labor and supplemental contractors, \$5 million of labor burdens and PPL allocated costs, \$4 million of support services labor and supplemental contractors, \$3 million of gas in-line inspections, \$3 million of training and travel savings from COVID-19, \$2 million of timing of plant maintenance and operating expenses, \$2 million related to the delay of process water system costs and \$1 million of other expenses.

(1) Full year forecast amount shown represents target.

(2) Net of cost recovery mechanisms and variable costs of production.

(3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses.

(4) Actuals represents trailing twelve months.

(5) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

	Current Month		YTD		Full Year	
	Actual	Budget	Actual	Budget	Forecast	Budget
<b>Margins (\$ millions)</b>						
Electric Margins	\$138	\$150	\$1,690	\$1,781	\$1,852	\$1,945
Gas Margins	\$20	\$21	\$194	\$194	\$223	\$221
<b>O&amp;M (\$ millions)</b>						
O&M – Management View <sup>(2)</sup>	\$66	\$63	\$673	\$702	\$738	\$766
O&M – GAAP View <sup>(3)</sup>	\$75	\$72	\$762	\$794	\$836	\$865
<b>Capital Expenditures (\$ millions)</b>	\$93	\$79	\$941	\$945	\$1,066	\$1,007
<b>Average Utility Capitalization (\$ millions)</b>	\$10,560	\$10,527	\$10,560	\$10,527	\$10,605	\$10,567
<b>Head Count</b>						
Full-time Employees	3,474	3,607	3,474	3,607	3,606	3,606

	YTD		Full Year	
	Actual	Budget	Forecast	Full Year Budget
<b>Financial Metrics<sup>(4)</sup></b>				
Utility ROE <sup>(5)</sup>	9.1%	9.6%	9.3%	9.7%
Effective Depreciation Rate <sup>(5)</sup>	3.5%	3.5%	3.5%	3.5%
Effective Interest Rate	3.9%	4.0%	3.9%	4.0%
Effective Tax Rate	19.3%	20.2%	19.1%	20.0%
<b>Moody's CFO pre-WC / Debt</b>				
LGE	22.6%	23.0%	21.8%	23.1%
KU	22.8%	22.7%	23.2%	23.4%
LKE Consolidated	16.1%	16.8%	16.1%	17.3%

Major Developments
LG&E and KU's rate case applications were filed on November 25 and approved by the KPSC without deficiencies on December 2. This maintains the July 1, 2021 effective date for new rates. A procedural schedule is expected to be issued mid-December (subsequently issued December 9th).
In keeping with our industry-recognized leadership position in mutual assistance, more than 1,200 LG&E-KU employees and contractors supported 18 fellow utilities. The events included two ice storms, eight severe thunderstorms and tornadoes, and six hurricanes and tropical storms. The work was done efficiently and safely amid the challenges of COVID-19.
Linda Bridwell was appointed Executive Director of the KPSC. Bridwell most recently served as deputy executive director at the Kentucky Infrastructure Authority and also held a variety of positions at American Water.
Mayor Greg Fischer announced a \$10 million ordinance using unused CARES Act money to provide utility bill help in Louisville. LG&E-KU, Louisville Water Company and Metropolitan Sanitary District are working with the mayor on this initiative.

Significant Future Events
Discovery in the LG&E-KU rate cases will be completed in the first quarter of 2021.

Income Statement: Actual vs. Budget (YTD) - LKE Consolidated

November 2020

(\$ Millions)

	Actual vs. Budget - YTD			Actual vs. PY - YTD			
	Actual	Budget	Variance				Comments
<b>Gross Margin:</b>							
Electric Margin	\$ 1,690	\$ 1,781	\$ (91)				Due primarily to lower energy and demand revenues from weather and COVID-19, partially offset by higher base rates and the elimination of the TCJA surcredit effective May 1, 2019.
Gas Margin	194	194	0				Due primarily to higher base rates, the elimination of the TCJA surcredit effective May 1, 2019, and higher GLT rate base.
<b>Total Gross Margin</b>	<b>1,884</b>	<b>1,975</b>	<b>(90)</b>	<b>1,884</b>	<b>1,922</b>	<b>(38)</b>	
O&M	673	702	29	673	695	22	Due primarily to favorability related to change in storm amortization, change in outage normalization and refined coal amortization, Lower PPL charges, offset by higher legal expenses, bad debt, and facility/metering contracts.
Depreciation & Amortization	414	418	4	414	394	(20)	Due primarily to higher plant in service and updated depreciation rates effective 5/1/2019.
Taxes, Other than Income	66	66	0	66	64	(2)	
Equity in earnings	0	0	0	0	0	0	
Other income (expense)	2	(4)	6	2	2	0	Due to timing of recording \$6 million in YTD favorability per actuarial disclosures for pension non-service costs.
EBIT	734	785	(51)	734	771	(38)	
Interest Expense	239	241	2	239	235	(4)	
<b>Income from Ongoing Operations before income taxes</b>	<b>495</b>	<b>544</b>	<b>(49)</b>	<b>495</b>	<b>536</b>	<b>(42)</b>	
Income Tax Expense	94	109	15	94	94	0	Due primarily to \$12 million lower pre-tax income and \$3 million for R&D credit.
<b>Net Income (loss) from ongoing operations</b>	<b>401</b>	<b>435</b>	<b>(34)</b>	<b>401</b>	<b>442</b>	<b>(41)</b>	
Special Item - (Non Operating Income)	(5)	0	(5)	(5)	0	(5)	Reclassification of COVID expenses from O&M – such as outside services of \$2.5m primarily for additional cleaning and disinfecting of Company facilities, \$2m for PPE for employee usage, disinfectants, hand sanitizers and thermometers, etc. also \$1m for credit and debit card, and e-check costs that the Company absorbed for the second quarter.
Discontinued Operations	(0)	0	(0)	(0)	(0)	0	
<b>Net Income (loss)</b>	<b>\$ 396</b>	<b>\$ 435</b>	<b>\$ (39)</b>	<b>\$ 396</b>	<b>\$ 442</b>	<b>\$ (46)</b>	
KY Regulated Financing Costs	(30)	(30)	0	(30)	(30)	0	
<b>KY Regulated Net Income</b>	<b>367</b>	<b>\$ 406</b>	<b>\$ (39)</b>	<b>367</b>	<b>\$ 412</b>	<b>\$ (46)</b>	
Earnings Per Share - Ongoing	\$ 0.48	\$ 0.53	\$ (0.04)	\$ 0.48	\$ 0.56	\$ (0.08)	

Note: Schedules may not sum due to rounding.

**Income Statement: Actual vs. Budget (YTD) - LG&E**

**November 2020**

(\$ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
<b>Gross Margin:</b>								
Electric Margin	\$ 674	\$ 700	\$ (26)	Due primarily to \$9 million of lower sales volumes from weather, \$19 million of lower demand revenues, of which \$16 million was related to COVID-19 and \$3 million of other, and \$3 million of lower late payment and reconnect fees from COVID-19.	\$ 674	\$ 697	\$ (23)	Due primarily to lower energy and demand revenues from weather and COVID-19, partially offset by higher base rates and the elimination of the TCJA surcredit effective May 1, 2019.
Gas Margin	194	194	0		194	175	19	
<b>Total Gross Margin</b>	<b>868</b>	<b>894</b>	<b>(26)</b>		<b>868</b>	<b>873</b>	<b>(5)</b>	
O&M	313	319	6	Primarily due to favorability related to maintenance and operation expenses, generation labor and supplemental contractors, partially offset by expenses related to line locating and vegetation management.	313	321	8	Due primarily to favorability related to change in storm amortization, change in outage normalization and refined coal amortization, labor burden costs, and Inline Inspections offset by higher bad debt, facility/metering contracts and line locating expenses.
Depreciation & Amortization	171	173	2		171	162	(9)	
Taxes, Other than Income	34	33	(1)		34	33	(1)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(1)	(4)	3		(1)	(1)	1	
EBIT	350	365	(16)		350	355	(6)	
Interest Expense	81	83	2		81	80	(1)	
<b>Income from Ongoing Operations before income taxes</b>	<b>269</b>	<b>283</b>	<b>(14)</b>		<b>269</b>	<b>276</b>	<b>(7)</b>	
Income Tax Expense	55	61	5	Lower income taxes primarily due to lower pretax income and tax benefits on R&D tax credit adjustments for 2015-2019 return years.	55	60	5	Lower income taxes primarily due to lower pretax income and tax benefits on R&D tax credit adjustments for 2015-2019 return years.
<b>Net Income (loss) from ongoing operations</b>	<b>\$ 214</b>	<b>\$ 222</b>	<b>\$ (8)</b>		<b>\$ 214</b>	<b>\$ 216</b>	<b>\$ (2)</b>	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.



(\$ Millions)

	Actual vs. Budget - YTD			Actual vs. PY - YTD			
	Actual	Budget	Variance	Actual	PY Actual	Variance	Comments
<b>Gross Margin:</b>							
Electric Margin	\$ 1,016	\$ 1,066	\$ (49)	\$ 1,016	\$ 1,050	\$ (33)	Due primarily to lower energy and demand revenues from weather and COVID-19, partially offset by higher base rates and the elimination of the TCJA surcredit effective May 1, 2019.
Gas Margin	0	0	0	0	0	0	
<b>Total Gross Margin</b>	1,016	1,066	(49)	1,016	1,050	(33)	
O&M	339	355	16	339	344	5	Due primarily to favorability related to change in storm amortization, change in outage normalization, refined coal amortization, and labor burden costs, offset by higher legal expenses and facility/metering contracts.
Depreciation & Amortization	241	243	2	241	231	(11)	Due primarily to higher plant in service and updated depreciation rates effective 5/1/2019.
Taxes, Other than Income	32	33	1	32	31	(1)	
Other income (expense)	2	(0)	2	2	3	(1)	
EBIT	406	434	(28)	406	448	(42)	
Interest Expense	104	103	(1)	104	100	(3)	
<b>Income from Ongoing Operations before income taxes</b>	303	331	(29)	303	348	(45)	
Income Tax Expense	58	68	10	58	74	15	Lower income taxes primarily due to lower pretax income and tax benefits on R&D tax credit adjustments for 2015-2019 return years.
<b>Net Income (loss) from ongoing operations</b>	<b>\$ 244</b>	<b>\$ 263</b>	<b>\$ (19)</b>	<b>\$ 244</b>	<b>\$ 274</b>	<b>\$ (30)</b>	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

**Margins Actual vs. Budget**

**November 2020**

(\$ Millions)

**MARGINS (MTD)**

**LKE Electric Margins**

	MTD Current Year		MTD Budget		Change	
	November-20	November-20	November-20	November-20	\$	%
Base Service Charge	\$ 19	\$ 18	↑	\$ 0	2%	
Base Energy	63	69	↓	\$ (6)	-8%	
Demand Charge	44	49	↓	\$ (5)	-10%	
Retail Fuel (Net)	(1)	(0)	↓	\$ (0)	211%	
DSM	0	0	↑	\$ 0	195%	
ECR	15	16	↓	\$ (0)	-3%	
Transmission	(0)	(0)	↓	\$ (0)	2492%	
Purchase Power Demand	(2)	(2)	↑	\$ 0	-1%	
Off-System Sales	0	0	↓	\$ (0)	-40%	
Shared Solar Program	0	0	→	\$ 0	3%	
Other Revenue	2	2	↓	\$ (1)	-35%	
Cost of Sales	(2)	(2)	↑	\$ 0	-12%	
Tax Cuts and Job Act (TCJA)	-	-	→	\$ -	0%	
Additional Revenue Budgeted	-	0	→	\$ (0)	-100%	
<b>\$</b>	<b>138</b>	<b>\$ 150</b>	<b>↓</b>	<b>\$ (12)</b>	<b>-8%</b>	

**LKE Gas Margins**

	MTD Current Year		MTD Budget		Change	
	November-20	November-20	November-20	November-20	\$	%
Base Service Charge	\$ 8	\$ 8	↑	\$ 0	1%	
Distribution Charge	10	12	↓	\$ (2)	-17%	
WNA	1	-	↑	\$ 1	0%	
DSM	0	0	→	\$ 0	121%	
GSC	(0)	-	↓	\$ (0)	0%	
GLT	1	1	↑	\$ 0	24%	
Other Revenue	0	0	↓	\$ (0)	-94%	
Cost of Sales	-	-	→	\$ -	0%	
Tax Cuts and Job Act (TCJA)	-	-	→	\$ -	0%	
<b>\$</b>	<b>20</b>	<b>\$ 21</b>	<b>↓</b>	<b>\$ (0)</b>	<b>-2%</b>	

**MARGINS (YTD)**

**LKE Electric Margins**

	YTD Current Year		YTD Budget		Change	
	November-20	November-20	November-20	November-20	\$	%
Base Service Charge	\$ 208	\$ 206	↑	\$ 2	1%	
Base Energy	808	838	↓	\$ (29)	-3%	
Demand Charge	520	563	↓	\$ (43)	-8%	
Retail Fuel (Net)	0	(3)	↑	\$ 3	-101%	
DSM	3	2	↑	\$ 1	68%	
ECR	175	175	↓	\$ (0)	0%	
Transmission	(2)	2	↓	\$ (4)	-182%	
Purchase Power Demand	(27)	(26)	↓	\$ (0)	1%	
Off-System Sales	0	0	↓	\$ (0)	-43%	
Shared Solar Program	0	0	↑	\$ 0	44%	
Other Revenue	23	31	↓	\$ (8)	-24%	
Cost of Sales	(19)	(22)	↑	\$ 3	-15%	
Tax Cuts and Job Act (TCJA)	-	-	→	\$ -	0%	
Additional Revenue Budgeted	-	15	↓	\$ (15)	-100%	
<b>\$</b>	<b>1,690</b>	<b>\$ 1,781</b>	<b>↓</b>	<b>\$ (91)</b>	<b>-5%</b>	

**LKE Gas Margins**

	YTD Current Year		YTD Budget		Change	
	November-20	November-20	November-20	November-20	\$	%
Base Service Charge	\$ 88	\$ 88	↑	\$ 0	0%	
Distribution Charge	85	95	↓	\$ (10)	-11%	
WNA	8	-	↑	\$ 8	0%	
DSM	1	0	↑	\$ 1	8272%	
GSC	1	-	↑	\$ 1	0%	
GLT	11	10	↑	\$ 1	9%	
Other Revenue	1	1	↓	\$ (1)	-55%	
Cost of Sales	-	-	→	\$ -	0%	
Tax Cuts and Job Act (TCJA)	-	-	→	\$ -	0%	
<b>\$</b>	<b>194</b>	<b>\$ 194</b>	<b>↑</b>	<b>\$ 1</b>	<b>0%</b>	

**Case No. 2020-00349 and 2020-00350**  
**Attachment to Filing Requirement**  
**Tab 45 - 807 KAR 5:001 Section 16(7)(o)**  
**Page 20 of 61**  
**Arbough**

**O&M** **November 2020**

(\$ Millions)

	Actual vs. Budget - YTD		
	Actual	Budget	Variance
<b>Chief Operating Officer</b>			
<b>Power Production</b>			
All Other	\$ 64.1	\$ 67.2	\$ 3.2
Maintenance	82.9	90.3	7.4
Outages	31.5	31.7	0.2
<b>Power Production</b>	<b>178.5</b>	<b>189.2</b>	<b>10.7</b>
<b>Customer Services</b>			
All Other	\$ 88.6	\$ 90.5	\$ 1.9
Bad Debt Expense	7.3	8.1	0.8
<b>Customer Services</b>	<b>95.8</b>	<b>98.6</b>	<b>2.7</b>
<b>Electric Distribution</b>			
All Other	\$ 39.6	\$ 40.8	\$ 1.1
Storm Restoration	4.9	6.2	1.3
Vegetation Mgmt	23.6	23.6	0.0
<b>Electric Distribution</b>	<b>68.1</b>	<b>70.6</b>	<b>2.5</b>
<b>Transmission</b>			
All Other	\$ 21.5	\$ 22.7	\$ 1.2
Storm Restoration	0.4	0.3	(0.0)
Vegetation Mgmt	12.9	12.3	(0.7)
<b>Transmission</b>	<b>34.8</b>	<b>35.3</b>	<b>0.5</b>
<b>Gas Distribution</b>			
All Other	\$ 33.7	\$ 35.1	\$ 1.3
Line Locating	11.5	10.0	(1.5)
Inline Inspections	4.0	1.3	(2.7)
<b>Gas Distribution</b>	<b>49.3</b>	<b>46.4</b>	<b>(2.9)</b>
<b>Energy Supply &amp; Analysis</b>	<b>11.5</b>	<b>12.3</b>	<b>\$ 0.8</b>
<b>Project Engineering</b>	<b>0.4</b>	<b>0.6</b>	<b>\$ 0.3</b>
<b>Safety &amp; Tech Training</b>	<b>6.0</b>	<b>6.3</b>	<b>\$ 0.2</b>
<b>Environmental</b>	<b>5.9</b>	<b>6.7</b>	<b>\$ 0.8</b>
<b>Chief Operating Officer</b>	<b>0.5</b>	<b>0.5</b>	<b>\$ 0.1</b>
<b>Chief Operating Officer Total</b>	<b>\$ 450.8</b>	<b>\$ 466.5</b>	<b>\$ 15.7</b>
<b>Chief Financial Officer</b>			
<b>Treasurer</b>	<b>\$ 23.5</b>	<b>\$ 24.2</b>	<b>\$ 0.7</b>
<b>Controller</b>	<b>\$ 8.0</b>	<b>\$ 8.3</b>	<b>\$ 0.3</b>
<b>Information Technology</b>	<b>\$ 57.5</b>	<b>\$ 59.9</b>	<b>\$ 2.4</b>
<b>State Reg &amp; Rates</b>	<b>\$ 1.9</b>	<b>\$ 2.2</b>	<b>\$ 0.2</b>
<b>Audit Services</b>	<b>\$ 1.5</b>	<b>\$ 1.6</b>	<b>\$ 0.1</b>
<b>Supply Chain</b>	<b>\$ 3.4</b>	<b>\$ 3.7</b>	<b>\$ 0.3</b>
<b>Other</b>	<b>\$ 1.6</b>	<b>\$ 1.9</b>	<b>\$ 0.3</b>
<b>Chief Financial Officer Total</b>	<b>\$ 97.6</b>	<b>\$ 101.8</b>	<b>\$ 4.2</b>
<b>Communication</b>	<b>\$ 8.4</b>	<b>\$ 9.1</b>	<b>\$ 0.7</b>
<b>Human Resources</b>	<b>\$ 6.3</b>	<b>\$ 7.1</b>	<b>\$ 0.7</b>
<b>General Counsel</b>	<b>\$ 15.7</b>	<b>\$ 15.2</b>	<b>\$ (0.5)</b>
<b>Corporate Cost Center</b>	<b>\$ 73.2</b>	<b>\$ 74.8</b>	<b>\$ 1.6</b>
<b>Non-Utility</b>	<b>\$ 21.2</b>	<b>\$ 28.0</b>	<b>\$ 6.9</b>
<b>Grand Total</b>	<b>\$ 673.1</b>	<b>\$ 702.5</b>	<b>\$ 29.4</b>

<b>Financing Activities</b>	<b>November 2020</b>
-----------------------------	----------------------

(\$ Millions)

Balance Sheet	Actual vs. Budget - YTD		
	Actual	Budget	Variance
<b>PCB</b>			
Beg Bal	\$ 881.1	\$ 881.1	\$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	<b>\$ 881.1</b>	<b>\$ 881.1</b>	<b>\$ 0.0</b>
Interest Exp	<b>\$ 19.6</b>	<b>\$ 19.8</b>	<b>\$ 0.1</b>
Rate	<b>2.43%</b>	<b>2.45%</b>	<b>0.02%</b>
<b>FMB/Sr Nts/Loan with PPL</b>			
Beg Bal	\$ 5,160.0	\$ 5,160.0	\$ 0.0
End Bal	5,235.0	5,035.0	(200.0)
Ave Bal	<b>\$ 5,268.3</b>	<b>\$ 5,166.3</b>	<b>\$ (102.1)</b>
Interest Exp	<b>\$ 203.5</b>	<b>\$ 198.9</b>	<b>\$ (4.6)</b>
Rate	<b>4.21%</b>	<b>4.20%</b>	<b>-0.01%</b>
<b>Short-term Debt</b>			
Beg Bal	\$ 538.3	\$ 538.3	\$ 0.0
End Bal	543.1	767.4	224.4
Ave Bal <sup>(1)</sup>	<b>\$ 478.7</b>	<b>\$ 582.0</b>	<b>\$ 103.3</b>
Interest Exp	<b>\$ 6.7</b>	<b>\$ 12.4</b>	<b>\$ 5.7</b>
Rate	<b>1.50%</b>	<b>2.29%</b>	<b>0.79%</b>
<b>Unamortized Debt Expense Bonds</b>			
Beg Bal	\$ (39.3)	\$ (39.3)	\$ 0.0
End Bal	(42.6)	(37.2)	5.4
Ave Bal	<b>\$ (40.8)</b>	<b>\$ (37.7)</b>	<b>\$ 3.1</b>
<b>Total End Bal</b>	<b>\$ 6,616.5</b>	<b>\$ 6,646.3</b>	<b>\$ 29.8</b>
<b>Total Average Bal</b>	<b>\$ 6,587.3</b>	<b>\$ 6,591.6</b>	<b>\$ 4.3</b>
<b>Total Expense Excl I/C <sup>(2)</sup></b>	<b>\$ 238.9</b>	<b>\$ 241.3</b>	<b>\$ 2.4</b>
<b>Rate</b>	<b>3.93%</b>	<b>3.97%</b>	<b>0.04%</b>

<sup>(1)</sup> Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

<sup>(2)</sup> Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities (\$ Millions)	Committed Capacity	Borrowed <sup>(3)</sup>	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	\$ 825	\$ 172		\$ 653	
LG&E	500	225		275	\$ -
KU	400	146		254	-
<b>TOTAL</b>	<b>\$ 1,725</b>	<b>\$ 543</b>	<b>\$ -</b>	<b>\$ 1,182</b>	<b>\$ -</b>

<sup>(3)</sup> LG&E borrowed amount represent commercial paper issuances and borrowings from the revolving credit facility. KU borrowed amount represent commercial paper issuances and borrowings from the revolving credit facility. LKE borrowed amount includes debt with PPL.

**Balance Sheet - LKE Consolidated**

**November 2020**

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 17	\$ 15	\$ 22	\$ 3	
Accounts Receivable (Trade)	385	396	397	(11)	
Inventory	250	275	256	(25)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	60	55	37	5	
Prepayments and other current assets	84	94	76	(10)	Primarily due to lower than anticipated accounts receivable from affiliated companies and refined coal contracts and a lower clearing account balance for other current assets and lease.
<b>Total Current Assets</b>	<b>797</b>	<b>835</b>	<b>787</b>	<b>(38)</b>	
Property, Plant, and Equipment	13,435	13,400	13,027	36	
Intangible Assets	108	93	118	15	Primarily due to the variance in the operating lease asset which is offset by the variance in the operating lease liability in Other Liabilities
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	739	737	817	2	
Goodwill	997	997	997	0	
Other Long-term Assets	70	72	99	(2)	
<b>Total Assets</b>	<b>\$ 16,147</b>	<b>\$ 16,134</b>	<b>\$ 15,845</b>	<b>\$ 13</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 290	\$ 305	\$ 334	\$ (16)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	64	62	62	1	
Derivative Liability	2	4	5	(2)	
Accrued Taxes	76	61	85	15	Primarily due to timing of property tax payments expected to occur in the budget versus actuals.
Regulatory Liabilities Current	9	12	23	(3)	
Other Current Liabilities	219	245	249	(26)	Primarily due to reclass of ARO liability balance from current to non-current. Budget balance assumed a static balance as of December 2019, when the budget was finalized.
<b>Total Current Liabilities</b>	<b>660</b>	<b>690</b>	<b>758</b>	<b>(30)</b>	
Debt - Affiliated Company	1,372	1,353	805	19	
Debt <sup>(1)</sup>	5,244	5,293	5,538	(49)	
<b>Total Debt</b>	<b>6,617</b>	<b>6,646</b>	<b>6,343</b>	<b>(30)</b>	
Deferred Tax Liabilities	1,154	1,158	1,058	(4)	
Investment Tax Credit	121	121	123	(0)	
Accum Provision for Pension & Related Benefits	165	162	261	3	
Asset Retirement Obligation	149	94	129	55	Primarily due to an increased vendor bid (Ghent Ash Treatment Basin #2), increased costs due to permit delays and treatment of dewatering discharge (Brown Aux), increased costs based on an updated engineering estimate (Trimble County), and an awarded contract and change in settlement date (Canal Asbestos) and recent construction and settlement activity (Gas Mains/Center UGS wells).
Regulatory Liabilities Non Current	1,960	1,939	1,981	21	
Derivative Liability	22	13	19	9	
Other Liabilities	155	143	154	12	
<b>Total Deferred Credits and Other Liabilities</b>	<b>3,727</b>	<b>3,632</b>	<b>3,724</b>	<b>96</b>	
<b>Equity</b>	<b>5,144</b>	<b>5,166</b>	<b>5,020</b>	<b>(23)</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 16,147</b>	<b>\$ 16,134</b>	<b>\$ 15,845</b>	<b>\$ 13</b>	

<sup>(1)</sup> Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

**Balance Sheet - LG&E**

**November 2020**

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 7	\$ 5	\$ 9	\$ 2	
Accounts Receivable (Trade)	174	182	183	(8)	
Inventory	128	132	129	(4)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	25	20	23	5	
Prepayments and other current assets	60	71	64	(10)	Primarily due to lower than anticipated accounts receivable from affiliated companies and refined coal contracts.
<b>Total Current Assets</b>	<b>394</b>	<b>409</b>	<b>408</b>	<b>(15)</b>	
Property, Plant, and Equipment	6,005	6,017	5,794	(12)	
Intangible Assets	23	16	24	7	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	355	359	407	(4)	
Goodwill	0	0	0	0	
Other Long-term Assets	66	61	24	5	
<b>Total Assets</b>	<b>\$ 6,845</b>	<b>\$ 6,864</b>	<b>\$ 6,658</b>	<b>\$ (19)</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 178	\$ 199	\$ 206	\$ (21)	Primarily due to timing of accounts payable expected to occur in the budget versus actuals.
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	32	31	31	1	
Derivative Liability	2	4	5	(2)	
Accrued Taxes	48	35	45	13	Primarily due to timing of property tax payments expected to occur in the budget versus actuals.
Regulatory Liabilities Current	1	2	4	(1)	
Other Current Liabilities	68	79	83	(10)	Primarily due to reclass of ARO liability balance from current to non-current. Budget balance assumed a static balance as of December 2019, when the budget was finalized.
<b>Total Current Liabilities</b>	<b>329</b>	<b>350</b>	<b>374</b>	<b>(21)</b>	
Debt - Affiliated Company	0	0	0	0	
Debt <sup>(1)</sup>	2,231	2,271	2,152	(40)	
<b>Total Debt</b>	<b>2,231</b>	<b>2,271</b>	<b>2,152</b>	<b>(40)</b>	
Deferred Tax Liabilities	712	715	683	(3)	
Investment Tax Credit	33	33	33	(0)	
Accum Provision for Pension & Related Benefits	(12)	(0)	3	(12)	Variance primarily relates to pension costs recorded in actuals to Accumulated Provision for Pensions during non-quarter months via the burdening process. These amounts are reclassified to the appropriate asset account, as applicable, at quarter-end.
Asset Retirement Obligation	58	34	46	24	Primarily due to an awarded contract and change in settlement date (Canal Asbestos) and recent construction and settlement activity (Gas Mains/Center UGS wells).
Regulatory Liabilities Non Current	854	839	852	15	
Derivative Liability	22	13	19	9	
Other Liabilities	93	87	87	6	
<b>Total Deferred Credits and Other Liabilities</b>	<b>1,760</b>	<b>1,720</b>	<b>1,724</b>	<b>40</b>	
<b>Equity</b>	<b>2,526</b>	<b>2,523</b>	<b>2,409</b>	<b>3</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 6,845</b>	<b>\$ 6,864</b>	<b>\$ 6,658</b>	<b>\$ (19)</b>	

<sup>(1)</sup> Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

**Balance Sheet - KU**

**November 2020**

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 10	\$ 5	\$ 10	\$ 5	
Accounts Receivable (Trade)	211	215	214	(4)	
Inventory	122	143	127	(21)	Primarily due to budget inadvertently including refined coal (third party) inventory of \$11M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	35	35	14	(0)	
Prepayments and other current assets	41	40	33	1	
<b>Total Current Assets</b>	<b>419</b>	<b>438</b>	<b>398</b>	<b>(19)</b>	
Property, Plant, and Equipment	7,415	7,369	7,220	46	
Intangible Assets	40	32	40	8	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	383	379	409	3	
Goodwill	0	0	0	0	
Other Long-term Assets	91	96	71	(5)	
<b>Total Assets</b>	<b>\$ 8,348</b>	<b>\$ 8,314</b>	<b>\$ 8,138</b>	<b>\$ 34</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 148	\$ 160	\$ 169	\$ (11)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	32	31	31	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	33	30	48	3	
Regulatory Liabilities Current	7	9	19	(2)	
Other Current Liabilities	96	110	116	(14)	Primarily due to reclass of ARO liability balance from current to non-current. Budget balance assumed a static balance as of December 2019, when the budget was finalized.
<b>Total Current Liabilities</b>	<b>317</b>	<b>340</b>	<b>383</b>	<b>(23)</b>	
Debt - Affiliated Company	0	0	0	0	
Debt <sup>(1)</sup>	2,763	2,773	2,662	(10)	
<b>Total Debt</b>	<b>2,763</b>	<b>2,773</b>	<b>2,662</b>	<b>(10)</b>	
Deferred Tax Liabilities	828	814	795	14	
Investment Tax Credit	88	88	90	(0)	
Accum Provision for Pension & Related Benefits	(7)	0	(5)	(7)	
Asset Retirement Obligation	91	60	83	30	Primarily due to an increased vendor bid (Ghent Ash Treatment Basin #2), increased costs due to permit delays and treatment of dewatering discharge (Brown Aux), and increased costs based on an updated engineering estimate (Trimble County)
Regulatory Liabilities Non Current	1,055	1,050	1,072	4	
Derivative Liability	0	0	0	0	
Other Liabilities	49	38	48	12	Primarily due to the variance in the operating lease liability which is offset by the variance in the operating lease asset in Intangible Assets
<b>Total Deferred Credits and Other Liabilities</b>	<b>2,104</b>	<b>2,051</b>	<b>2,082</b>	<b>53</b>	
<b>Equity</b>	<b>3,164</b>	<b>3,151</b>	<b>3,010</b>	<b>13</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 8,348</b>	<b>\$ 8,314</b>	<b>\$ 8,138</b>	<b>\$ 34</b>	

<sup>(1)</sup> Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.



**PPL companies**

# **Performance Report**

**December 2020**



**Content****Page**

Executive Summary	3
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LG&E	5
Income Statement: Actual vs. Budget (YTD) - KU	6
Margins Actual vs. Budget	7
O&M	8
Financing Activities	9
Balance Sheet - LKE Consolidated	10
Balance Sheet - LG&E	11
Balance Sheet - KU	12

## Kentucky Regulated Dashboard

	Current Month		YTD	
	Actual	PY	Actual	PY
<b>Safety</b>				
TCIR - Employees <sup>(1)</sup>	1.19	1.21	1.00	1.01
Employee lost-time incidents	1	1	10	8
DART <sup>(1)</sup>	0.89	0.80	0.66	0.52
<b>Customer Service</b>				
Retail Customer Experience Rating	9.44	8.97	9.24	9.15
<b>Reliability</b>				
Utility EFOR	3.5%	4.5%	1.5%	4.5%
Utility EAF	90.7%	93.4%	87.3%	84.5%
Combined SAIFI	0.04	0.07	0.74	0.94
Combined SAIDI (minutes)	4.16	5.39	69.74	87.49
Gas Emergency Response Time	34.0	34.5	31.9	34.5
<b>GWh Sales</b>				
Residential	1,102	994	10,430	10,393
Commercial	619	649	7,411	8,123
Industrial	718	683	8,104	8,895
Other	203	222	2,529	2,775
Retail	2,641	2,548	28,474	30,185
Municipals	33	34	368	409
Off-System Sales	26	72	174	321
Total	2,700	2,653	29,016	30,915
<b>Weather-Normalized Retail Sales Growth</b>			<b>TTM</b>	
Residential			5.64%	
Commercial			-6.56%	
Industrial			-6.90%	
Other			-5.92%	
Total			-2.36%	

Variance Explanations
Higher MTD margins primarily due to \$5 million of higher sales volumes related to COVID-19, primarily due to higher residential usage, and \$2 million of higher gas margin from the Gas Supply Clauses' Performance Based Ratemaking mechanism, partially offset by \$2 million of lower demand revenues from COVID-19.
Lower YTD margins primarily due to \$24 million of lower sales volumes, of which \$35 million was related to weather, partially offset by \$11 million related to COVID-19, primarily due to higher residential usage, \$45 million of lower demand revenues, of which \$37 million was related to COVID-19 and \$8 million of other, \$7 million of lower late payment and reconnect fees from COVID-19 and \$15 million of additional revenue budgeted in January, partially offset by \$3 million lower cost of sales and \$2 million of higher gas margin from the Gas Supply Clauses' Performance Based Ratemaking mechanism.
Lower YTD O&M primarily due to \$9 million of generation labor and supplemental contractors, \$7 million of labor burdens, \$3 million of support services labor and supplemental contractors, \$3 million of training and travel savings from COVID-19, \$2 million of storm restoration costs, \$2 million of timing of plant maintenance and operating expenses, \$2 million related to the delay of process water system costs and \$5 million of other expenses offset by \$3 million of gas in-line inspections and \$2 million of line locating expenses.

(1) Full year forecast amount shown represents target.

(2) Net of cost recovery mechanisms and variable costs of production.

(3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses.

(4) Actuals represents trailing twelve months.

(5) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

	Current Month		YTD	
	Actual	Budget	Actual	Budget
<b>Margins (\$ millions)</b>				
Electric Margins	\$168	\$164	\$1,858	\$1,945
Gas Margins	\$29	\$27	\$223	\$221
<b>O&amp;M (\$ millions)</b>				
O&M – Management View <sup>(2)</sup>	\$64	\$63	\$737	\$766
O&M – GAAP View <sup>(3)</sup>	\$73	\$72	\$834	\$865
<b>Capital Expenditures (\$ millions)</b>	\$108	\$62	\$1,048	\$1,007
<b>Average Utility Capitalization (\$ millions)</b>	\$10,605	\$10,567	\$10,605	\$10,567
<b>Head Count</b>				
Full-time Employees	3,482	3,606	3,482	3,606

	Full Year	
	Full Year Forecast	Full Year Budget
<b>Financial Metrics<sup>(4)</sup></b>		
Utility ROE <sup>(5)</sup>	9.4%	9.7%
Effective Depreciation Rate <sup>(5)</sup>	3.5%	3.5%
Effective Interest Rate	3.9%	4.0%
Effective Tax Rate	19.2%	20.0%
Moody's CFO pre-WC / Debt		
LGE	22.3%	23.1%
KU	23.0%	23.4%
LKE Consolidated	16.3%	17.3%

Major Developments
The Company won its 26th J.D. Power award as KU ranked first among 16 utilities in the Midwest Midsize segment of the 2020 Electric Residential Study. KU earned a score of 783 while LG&E received a score of 759 and ranked fourth. This marks the fifth consecutive year in which KU has ranked first in the study.
The KPSC established the procedural schedule in the Kentucky rate case proceeding. This schedule is consistent with expectations and allows for a decision by the end of June. A formal hearing has not been scheduled but would be expected in late April. Discovery is underway in the proceeding.
The Company received a favorable outcome in its Solar PPA Case which should allow that project to move forward. LG&E-KU will be allowed to recover the cost of the PPA, net of renewable energy credits, as long as it is less than the avoidable variable generation cost of the Company's highest cost generating unit available to serve native load.
LG&E and KU issued a request for proposal for generation capacity to meet a potential energy shortfall being created by the expected retirements of Mill Creek Units 1 and 2 and E.W. Brown Unit 3. The utilities are seeking from 300 to 900 megawatts of capacity. A decision is expected by the middle of the year with certain regulatory approvals starting in early 2022.
LG&E and KU have fully subscribed phase 4 of the Community Solar Share facility in Simpsonville, KY. Phases 3 and 4 are expected to be fully operational by July 2021.
Company employees and researchers from the Power and Energy Institute of Kentucky (PEIK), a division of the College of Engineering at the University of Kentucky, received third prize for their research paper "Incorporating Battery Energy Storage Systems into Multi-MW Grid Connected PV Systems".
The Company's Supplier Diversity team received the 2020 Done Deals Award from the Women's Business Enterprise Council Ohio River Valley. The award is based on spending and available opportunities for Women-Owned Businesses.

Significant Future Events
Discovery for the Kentucky rate cases will continue through the first quarter of 2021.

**Income Statement: Actual vs. Budget (YTD) - LKE Consolidated**

**December 2020**

(\$ Millions)

	Actual vs. Budget - YTD			Actual vs. PY - YTD		
	Actual	Budget	Variance	Actual	PY Actual	Variance
<b>Gross Margin:</b>						
Electric Margin	\$ 1,858	\$ 1,945	\$ (87)	\$ 1,858	\$ 1,906	\$ (48)
Gas Margin	223	221	2	223	204	19
<b>Total Gross Margin</b>	<b>2,081</b>	<b>2,166</b>	<b>(85)</b>	<b>2,081</b>	<b>2,111</b>	<b>(29)</b>
O&M	737	766	29	737	769	31
Depreciation & Amortization	452	457	4	452	431	(22)
Taxes, Other than Income	72	72	0	72	70	(2)
Equity in earnings	0	0	0	0	0	0
Other income (expense)	2	(4)	7	2	(14)	16
EBIT	823	868	(45)	823	828	(5)
Interest Expense	260	263	3	260	257	(3)
<b>Income from Ongoing Operations before income taxes</b>	<b>563</b>	<b>605</b>	<b>(42)</b>	<b>563</b>	<b>571</b>	<b>(9)</b>
Income Tax Expense	108	121	13	108	103	(5)
<b>Net Income (loss) from ongoing operations</b>	<b>455</b>	<b>484</b>	<b>(29)</b>	<b>455</b>	<b>469</b>	<b>(14)</b>
Special Item - (Non Operating Income)	(5)	0	(5)	(5)	0	(5)
Discontinued Operations	(0)	0	(0)	(0)	(0)	(0)
<b>Net Income (loss)</b>	<b>\$ 450</b>	<b>\$ 484</b>	<b>\$ (34)</b>	<b>\$ 450</b>	<b>\$ 469</b>	<b>\$ (19)</b>
KY Regulated Financing Costs	(32)	(32)	0	(32)	(32)	1
<b>KY Regulated Net Income</b>	<b>418</b>	<b>\$ 452</b>	<b>\$ (34)</b>	<b>418</b>	<b>\$ 436</b>	<b>\$ (18)</b>
Earnings Per Share - Ongoing	\$ 0.55	\$ 0.59	\$ (0.04)	\$ 0.55	\$ 0.59	\$ (0.04)

Note: Schedules may not sum due to rounding.

**Income Statement: Actual vs. Budget (YTD) - LG&E**

**December 2020**

(\$ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD				
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments	
<b>Gross Margin:</b>									
Electric Margin	\$ 735	\$ 761	\$ (26)	Due primarily to \$8 million of lower sales volumes, of which \$9 million was related to weather, partially offset by \$1 million related to COVID-19, primarily due to higher residential usage, \$20 million of lower demand revenues, of which \$17 million was related to COVID-19 and \$3 million of other, and \$3 million of lower late payment and reconnect fees from COVID-19.	\$ 735	\$ 756	\$ (21)	Due primarily to lower energy and demand revenues from weather and COVID-19, partially offset by higher base rates and the elimination of the TCJA surcredit effective May 1, 2019.	
Gas Margin	223	221	2		223	204	19		Due primarily to higher base rates, the elimination of the TCJA surcredit effective May 1, 2019, and higher GLT rate base.
<b>Total Gross Margin</b>	<b>959</b>	<b>982</b>	<b>(23)</b>		<b>959</b>	<b>961</b>	<b>(2)</b>		
O&M	341	348	7	Primarily due to favorability related to maintenance and operation expenses, generation labor and supplemental contractors, partially offset by expenses related to line locating and vegetation management.	341	353	13	Due primarily to favorability related to change in storm amortization, change in outage normalization and refined coal amortization, labor burden costs, and Inline Inspections offset by higher bad debt, facility/metering contracts and line locating expenses.	
Depreciation & Amortization	187	190	3		187	177	(10)		Due primarily to higher plant in service and updated depreciation rates effective 5/1/2019.
Taxes, Other than Income	37	36	(1)		37	36	(0)		
Equity in earnings	0	0	0		0	0	0		
Other income (expense)	(1)	(4)	3		(1)	(11)	10		Due to LGE and KU Foundation contribution and AMS preliminary survey cost reclass.
EBIT	393	405	(11)		393	383	10		
Interest Expense	88	90	2		88	87	(1)		
<b>Income from Ongoing Operations before income taxes</b>	<b>306</b>	<b>315</b>	<b>(9)</b>	<b>306</b>	<b>296</b>	<b>10</b>			
Income Tax Expense	62	66	4	62	63	1			
<b>Net Income (loss) from ongoing operations</b>	<b>\$ 243</b>	<b>\$ 249</b>	<b>\$ (5)</b>	<b>\$ 243</b>	<b>\$ 233</b>	<b>\$ 11</b>			

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

**Income Statement: Actual vs. Budget (YTD) - KU**

**December 2020**

(\$ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
<b>Gross Margin:</b>								
Electric Margin	\$ 1,123	\$ 1,169	\$ (47)	Due primarily to \$16 million of lower sales volumes, of which \$26 million was related to weather, partially offset by \$10 million related to COVID-19, primarily due to higher residential usage, \$25 million of lower demand revenues, of which \$20 million was related to COVID-19 and \$5 million of other, and \$4 million of lower late payment and reconnect fees from COVID-19.	\$ 1,123	\$ 1,150	\$ (27)	Due primarily to lower energy and demand revenues from weather and COVID-19, partially offset by higher base rates and the elimination of the TCJA surcredit effective May 1, 2019.
Gas Margin	0	0	0		0	0	0	
<b>Total Gross Margin</b>	1,123	1,169	(47)		1,123	1,150	(27)	
O&M	370	386	15	Due primarily to favorability related to maintenance and operation expenses, generation labor and supplemental contractors, labor burden costs, lower bad debt expenses, and lower vegetation management expenses, slightly offset by higher legal costs.	370	379	9	Due primarily to favorability related to change in storm amortization, change in outage normalization, refined coal amortization, and labor burden costs, offset by higher legal expenses and facility/metering contracts.
Depreciation & Amortization	264	265	2		264	252	(11)	
Taxes, Other than Income	35	36	1		35	34	(1)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	2	(0)	3		2	(3)	5	
EBIT	456	482	(26)	456	482	(26)	Due to LGE and KU Foundation contribution and AMS preliminary survey cost reclass.	
Interest Expense	113	112	(1)	113	109	(3)		
<b>Income from Ongoing Operations before income taxes</b>	343	370	(27)	343	372	(29)		
Income Tax Expense	63	74	11	63	79	16		
<b>Net Income (loss) from ongoing operations</b>	<b>\$ 280</b>	<b>\$ 295</b>	<b>\$ (15)</b>	<b>\$ 280</b>	<b>\$ 293</b>	<b>\$ (13)</b>		
							Lower income taxes primarily due to lower pretax income and tax benefits on R&D tax credit adjustments for 2015-2020 return years.	
							Lower income taxes primarily due to lower pretax income, tax benefits on R&D tax credit adjustments for 2015-2020 return years and increased amortization of excess accumulated deferred income taxes.	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

**Margins Actual vs. Budget**

**December 2020**

(\$ Millions)

**MARGINS (MTD)**

	LKE Electric Margins					
	MTD Current Year December-20	MTD Budget December-20	Change			
				\$	%	
Base Service Charge	\$ 19	\$ 19	↑	\$ 0	1%	
Base Energy	89	84	↑	\$ 5	6%	
Demand Charge	45	48	↓	\$ (3)	-5%	
Retail Fuel (Net)	0	(0)	↑	\$ 1	-271%	
DSM	1	0	↑	\$ 1	899%	
ECR	15	15	↓	\$ (0)	-1%	
Transmission	0	0	↓	\$ (0)	-37%	
Purchase Power Demand	(3)	(2)	↓	\$ (1)	27%	
Off-System Sales	0	0	↓	\$ (0)	-65%	
Shared Solar Program	0	0	→	\$ 0	15%	
Other Revenue	2	3	↓	\$ (0)	-14%	
Cost of Sales	(2)	(2)	↑	\$ 0	-7%	
Tax Cuts and Job Act (TCJA)	-	-	→	\$ -	0%	
Additional Revenue Budgeted	-	0	↓	\$ (0)	-100%	
	\$ 168	\$ 164	↑	\$ 4	2%	

	LKE Gas Margins					
	MTD Current Year December-20	MTD Budget December-20	Change			
				\$	%	
Base Service Charge	\$ 8	\$ 8	↑	\$ 0	1%	
Distribution Charge	19	18	↑	\$ 1	7%	
WNA	0	-	↑	\$ 0	0%	
DSM	(1)	0	↓	\$ (1)	-96084%	
GSC	2	-	↑	\$ 2	0%	
GLT	1	1	↑	\$ 0	18%	
Other Revenue	0	0	↓	\$ (0)	-71%	
Cost of Sales	-	-	→	\$ -	0%	
Tax Cuts and Job Act (TCJA)	-	-	→	\$ -	0%	
	\$ 29	\$ 27	↑	\$ 2	7%	

**MARGINS (YTD)**

	LKE Electric Margins					
	YTD Current Year December-20	YTD Budget December-20	Change			
				\$	%	
	\$ 227	\$ 225	↑	\$ 2	1%	
	897	921	↓	\$ (24)	-3%	
	565	610	↓	\$ (45)	-7%	
	0	(3)	↑	\$ 3	-116%	
	4	2	↑	\$ 2	134%	
	190	191	↓	\$ (1)	0%	
	(2)	3	↓	\$ (4)	-165%	
	(30)	(29)	↓	\$ (1)	3%	
	0	1	↓	\$ (0)	-48%	
	0	0	↑	\$ 0	42%	
	26	33	↓	\$ (8)	-24%	
	(21)	(24)	↑	\$ 3	-14%	
	-	-	→	\$ -	0%	
	-	15	↓	\$ (15)	-100%	
	\$ 1,858	\$ 1,945	↓	\$ (87)	-4%	

	LKE Gas Margins					
	YTD Current Year December-20	YTD Budget December-20	Change			
				\$	%	
	\$ 96	\$ 96	↑	\$ 0	0%	
	104	113	↓	\$ (9)	-8%	
	8	-	↑	\$ 8	0%	
	(0)	0	↓	\$ (0)	-424%	
	2	-	↑	\$ 2	0%	
	12	11	↑	\$ 1	10%	
	1	1	↓	\$ (1)	-56%	
	-	-	→	\$ -	0%	
	-	-	→	\$ -	0%	
	\$ 223	\$ 221	↑	\$ 2	1%	

**O&M** **December 2020**

(\$ Millions)

	Actual vs. Budget - YTD		
	Actual	Budget	Variance
<b>Chief Operating Officer</b>			
<b>Power Production</b>			
All Other	\$ 71.6	\$ 73.1	\$ 1.6
Maintenance	91.6	98.3	6.7
Outages	32.6	32.6	0.0
<b>Power Production</b>	<b>195.7</b>	<b>204.1</b>	<b>8.3</b>
<b>Customer Services</b>			
All Other	\$ 97.6	\$ 99.1	\$ 1.5
Bad Debt Expense	7.8	8.8	1.0
<b>Customer Services</b>	<b>105.5</b>	<b>107.9</b>	<b>2.4</b>
<b>Electric Distribution</b>			
All Other	\$ 43.6	\$ 44.2	\$ 0.6
Storm Restoration	5.0	6.5	1.5
Vegetation Mgmt	25.3	25.7	0.4
<b>Electric Distribution</b>	<b>73.9</b>	<b>76.5</b>	<b>2.6</b>
<b>Transmission</b>			
All Other	\$ 23.3	\$ 24.4	\$ 1.1
Storm Restoration	0.4	0.3	(0.0)
Vegetation Mgmt	13.8	13.2	(0.6)
<b>Transmission</b>	<b>37.4</b>	<b>37.9</b>	<b>0.5</b>
<b>Gas Distribution</b>			
All Other	\$ 36.8	\$ 38.5	\$ 1.7
Line Locating	12.5	10.9	(1.6)
Inline Inspections	4.6	1.3	(3.2)
<b>Gas Distribution</b>	<b>53.8</b>	<b>50.7</b>	<b>(3.1)</b>
<b>Energy Supply &amp; Analysis</b>	<b>12.9</b>	<b>13.4</b>	<b>\$ 0.5</b>
<b>Project Engineering</b>	<b>0.4</b>	<b>0.7</b>	<b>\$ 0.3</b>
<b>Safety &amp; Tech Training</b>	<b>6.8</b>	<b>6.7</b>	<b>\$ (0.1)</b>
<b>Environmental</b>	<b>6.3</b>	<b>7.3</b>	<b>\$ 0.9</b>
<b>Chief Operating Officer</b>	<b>0.5</b>	<b>0.6</b>	<b>\$ 0.1</b>
<b>Chief Operating Officer Total</b>	<b>\$ 493.3</b>	<b>\$ 505.7</b>	<b>\$ 12.3</b>
<b>Chief Financial Officer</b>			
Treasurer	\$ 25.7	\$ 26.3	\$ 0.6
Controller	\$ 8.7	\$ 9.0	\$ 0.3
Information Technology	\$ 62.7	\$ 65.9	\$ 3.1
State Reg & Rates	\$ 2.1	\$ 2.3	\$ 0.2
Audit Services	\$ 1.7	\$ 1.7	\$ 0.0
Supply Chain	\$ 3.8	\$ 4.0	\$ 0.3
Other	\$ 1.7	\$ 2.0	\$ 0.3
<b>Chief Financial Officer Total</b>	<b>\$ 106.4</b>	<b>\$ 111.3</b>	<b>\$ 4.9</b>
<b>Communication</b>	<b>\$ 9.2</b>	<b>\$ 9.8</b>	<b>\$ 0.6</b>
<b>Human Resources</b>	<b>\$ 7.0</b>	<b>\$ 7.7</b>	<b>\$ 0.7</b>
<b>General Counsel</b>	<b>\$ 17.9</b>	<b>\$ 17.0</b>	<b>\$ (0.9)</b>
<b>Corporate Cost Center</b>	<b>\$ 77.6</b>	<b>\$ 81.6</b>	<b>\$ 4.0</b>
<b>Non-Utility</b>	<b>\$ 25.8</b>	<b>\$ 32.6</b>	<b>\$ 6.8</b>
<b>Grand Total</b>	<b>\$ 737.2</b>	<b>\$ 765.8</b>	<b>\$ 28.6</b>

<b>Financing Activities</b>	<b>December 2020</b>
-----------------------------	----------------------

(\$ Millions)

Balance Sheet	Actual vs. Budget - YTD		
	Actual	Budget	Variance
<b>PCB</b>			
Beg Bal	\$ 881.1	\$ 881.1	\$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	<b>\$ 881.1</b>	<b>\$ 881.1</b>	<b>\$ 0.0</b>
Interest Exp	<b>\$ 21.1</b>	<b>\$ 21.3</b>	<b>\$ 0.2</b>
Rate	<b>2.40%</b>	<b>2.42%</b>	<b>0.02%</b>
<b>FMB/Sr Nts/Loan with PPL</b>			
Beg Bal	\$ 5,160.0	\$ 5,160.0	\$ 0.0
End Bal	5,235.0	5,035.0	(200.0)
Ave Bal	<b>\$ 5,265.8</b>	<b>\$ 5,156.2</b>	<b>\$ (109.6)</b>
Interest Exp	<b>\$ 222.0</b>	<b>\$ 216.6</b>	<b>\$ (5.4)</b>
Rate	<b>4.22%</b>	<b>4.20%</b>	<b>-0.01%</b>
<b>Short-term Debt</b>			
Beg Bal	\$ 538.3	\$ 538.3	\$ 0.0
End Bal	716.2	813.2	96.9
Ave Bal <sup>(1)</sup>	<b>\$ 487.2</b>	<b>\$ 599.8</b>	<b>\$ 112.6</b>
Interest Exp	<b>\$ 7.0</b>	<b>\$ 13.9</b>	<b>\$ 6.9</b>
Rate	<b>1.41%</b>	<b>2.28%</b>	<b>0.87%</b>
<b>Unamortized Debt Expense Bonds</b>			
Beg Bal	\$ (39.3)	\$ (39.3)	\$ 0.0
End Bal	(42.3)	(36.7)	5.5
Ave Bal	<b>\$ (40.9)</b>	<b>\$ (37.6)</b>	<b>\$ 3.3</b>
<b>Total End Bal</b>	<b>\$ 6,790.0</b>	<b>\$ 6,692.5</b>	<b>\$ (97.5)</b>
<b>Total Average Bal</b>	<b>\$ 6,593.1</b>	<b>\$ 6,599.3</b>	<b>\$ 6.2</b>
<b>Total Expense Excl I/C <sup>(2)</sup></b>	<b>\$ 260.1</b>	<b>\$ 263.0</b>	<b>\$ 2.9</b>
<b>Rate</b>	<b>3.92%</b>	<b>3.96%</b>	<b>0.04%</b>

<sup>(1)</sup> Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

<sup>(2)</sup> Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities (\$ Millions)	Committed		Letters of	Unused	Money Pool
	Capacity	Borrowed <sup>(3)</sup>	Credit Issued	Capacity	Loans
LKE	\$ 825	\$ 251		\$ 574	
LG&E	500	262		238	\$ -
KU	400	203		197	-
<b>TOTAL</b>	<b>\$ 1,725</b>	<b>\$ 716</b>	<b>\$ -</b>	<b>\$ 1,009</b>	<b>\$ -</b>

<sup>(3)</sup> LG&E borrowed amount represent commercial paper issuances and borrowings from the revolving credit facility. KU borrowed amount represent commercial paper issuances and borrowings from the revolving credit facility. LKE borrowed amount includes debt with PPL.



Balance Sheet - LKE Consolidated

December 2020

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 29	\$ 15	\$ 27	\$ 15	Primarily due to prefunding forecasted short term borrowing needs for year end at the utilities in anticipation of limited market liquidity.
Accounts Receivable (Trade)	466	443	434	23	
Inventory	242	262	250	(20)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	59	52	41	7	
Prepayments and other current assets	95	92	91	2	
<b>Total Current Assets</b>	<b>891</b>	<b>865</b>	<b>843</b>	<b>26</b>	
Property, Plant, and Equipment	13,481	13,407	13,085	74	Primarily due to the variance in the operating lease asset which is offset by the variance in the operating lease liability in Other Liabilities
Intangible Assets	107	91	117	16	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	721	735	766	(14)	
Goodwill	997	997	997	0	
Other Long-term Assets	79	73	122	7	
<b>Total Assets</b>	<b>\$ 16,277</b>	<b>\$ 16,168</b>	<b>\$ 15,931</b>	<b>\$ 109</b>	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	\$ 311	\$ 301	\$ 327	\$ 9	Primarily due to timing of income tax accruals versus payments and an increase in FICA payroll tax balance as a result of deferred payments per CARES Act. FICA payroll tax budget balance assumed a static balance as of December 2019, when the budget was finalized.
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	64	62	62	1	
Derivative Liability	2	4	4	(3)	
Accrued Taxes	71	52	58	19	
Regulatory Liabilities Current	11	12	19	(1)	
Other Current Liabilities	248	261	261	(13)	
<b>Total Current Liabilities</b>	<b>706</b>	<b>693</b>	<b>731</b>	<b>13</b>	
Debt - Affiliated Company	1,451	1,372	800	79	
Debt <sup>(1)</sup>	5,339	5,320	5,740	19	
<b>Total Debt</b>	<b>6,790</b>	<b>6,692</b>	<b>6,540</b>	<b>98</b>	
Deferred Tax Liabilities	1,175	1,193	1,069	(18)	The net increase in the funded status of the plan was driven by 2020 actual return on asset of ~18% versus budget assumption of 7% and the acceleration of the planned January 2021 pension contribution of \$23M to December 2020. This was partially offset by an increase in the plan benefit obligation driven by a 41bps decrease in the discount rate partially offset by lump sum payments that settled a portion of the plan obligation and changes in mortality assumptions. Primarily due to an increased vendor bid (Ghent Ash Treatment Basin #2), increased costs due to permit delays and treatment of dewatering discharge (Brown Aux), increased costs based on an updated engineering estimate (Trimble County), and an awarded contract and change in settlement date (Canal Asbestos) and recent construction and settlement activity (Gas Mains/Center UGS wells).
Investment Tax Credit	121	121	124	0	
Accum Provision for Pension & Related Benefits	112	161	233	(49)	
Asset Retirement Obligation	132	92	145	40	
Regulatory Liabilities Non Current	1,952	1,932	1,973	21	
Derivative Liability	21	13	17	9	
Other Liabilities	150	139	155	10	
<b>Total Deferred Credits and Other Liabilities</b>	<b>3,664</b>	<b>3,651</b>	<b>3,717</b>	<b>13</b>	
<b>Equity</b>	<b>5,116</b>	<b>5,132</b>	<b>4,943</b>	<b>(15)</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 16,277</b>	<b>\$ 16,168</b>	<b>\$ 15,931</b>	<b>\$ 109</b>	

<sup>(1)</sup> Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

**Balance Sheet - LG&E**

**December 2020**

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 7	\$ 5	\$ 14	\$ 2	
Accounts Receivable (Trade)	210	209	203	1	
Inventory	119	123	122	(4)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	23	18	24	5	
Prepayments and other current assets	62	71	67	(9)	
<b>Total Current Assets</b>	<b>421</b>	<b>426</b>	<b>432</b>	<b>(5)</b>	
Property, Plant, and Equipment	6,035	6,025	5,825	10	
Intangible Assets	23	16	23	8	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	350	358	379	(8)	
Goodwill	0	0	0	0	
Other Long-term Assets	96	63	49	33	Primarily due to the net increase in the funded status of the plan which was driven by 2020 actual return on asset of ~18% versus budget assumption of 7% and the acceleration of the planned January 2021 pension contribution of \$23M to December 2020. This was partially offset by an increase in the plan benefit obligation driven by a 41bps decrease in the discount rate partially offset by lump sum payments that settled a portion of the plan obligation and changes in mortality assumptions.
<b>Total Assets</b>	<b>\$ 6,926</b>	<b>\$ 6,888</b>	<b>\$ 6,708</b>	<b>\$ 38</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 184	\$ 194	\$ 203	\$ (10)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	31	31	1	
Derivative Liability	2	4	4	(3)	
Accrued Taxes	32	28	32	3	
Regulatory Liabilities Current	0	2	2	(2)	
Other Current Liabilities	75	84	85	(9)	
<b>Total Current Liabilities</b>	<b>325</b>	<b>344</b>	<b>358</b>	<b>(19)</b>	
Debt - Affiliated Company	0	0	0	0	
Debt <sup>(1)</sup>	2,268	2,275	2,243	(6)	
<b>Total Debt</b>	<b>2,268</b>	<b>2,275</b>	<b>2,243</b>	<b>(6)</b>	
Deferred Tax Liabilities	716	721	697	(5)	
Investment Tax Credit	33	33	34	0	
Accum Provision for Pension & Related Benefits	0	(0)	0	0	
Asset Retirement Obligation	57	34	49	24	Primarily due to an awarded contract and change in settlement date (Canal Asbestos) and recent construction and settlement activity (Gas Mains/Center UGS wells).
Regulatory Liabilities Non Current	852	835	848	17	
Derivative Liability	21	13	17	9	
Other Liabilities	94	86	89	9	
<b>Total Deferred Credits and Other Liabilities</b>	<b>1,774</b>	<b>1,721</b>	<b>1,734</b>	<b>53</b>	
<b>Equity</b>	<b>2,559</b>	<b>2,548</b>	<b>2,374</b>	<b>11</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 6,926</b>	<b>\$ 6,888</b>	<b>\$ 6,708</b>	<b>\$ 38</b>	

<sup>(1)</sup> Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

Balance Sheet - KU

December 2020

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 22	\$ 5	\$ 12	\$ 17	Primarily due to prefunding forecasted short term borrowing needs for year end in anticipation of limited market liquidity.
Accounts Receivable (Trade)	256	234	230	22	
Inventory	123	140	128	(16)	Primarily due to budget inadvertently including refined coal (third party) inventory of \$11M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	36	34	16	2	
Prepayments and other current assets	44	39	38	5	
<b>Total Current Assets</b>	<b>482</b>	<b>453</b>	<b>425</b>	<b>29</b>	
Property, Plant, and Equipment	7,430	7,368	7,245	61	
Intangible Assets	40	31	41	9	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	369	379	386	(9)	
Goodwill	0	0	0	0	
Other Long-term Assets	122	97	100	25	Primarily due to the net increase in the funded status of the plan which was driven by 2020 actual return on asset of ~18% versus budget assumption of 7% and the acceleration of the planned January 2021 pension contribution of \$23M to December 2020. This was partially offset by an increase in the plan benefit obligation driven by a 41bps decrease in the discount rate partially offset by lump sum payments that settled a portion of the plan obligation and changes in mortality assumptions.
<b>Total Assets</b>	<b>\$ 8,443</b>	<b>\$ 8,328</b>	<b>\$ 8,197</b>	<b>\$ 114</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 163	\$ 160	\$ 172	\$ 4	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	32	31	31	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	29	22	26	7	
Regulatory Liabilities Current	11	10	17	1	
Other Current Liabilities	117	118	117	(1)	
<b>Total Current Liabilities</b>	<b>352</b>	<b>341</b>	<b>363</b>	<b>11</b>	
Debt - Affiliated Company	0	0	0	0	
Debt <sup>(1)</sup>	2,821	2,796	2,773	25	
<b>Total Debt</b>	<b>2,821</b>	<b>2,796</b>	<b>2,773</b>	<b>25</b>	
Deferred Tax Liabilities	835	822	792	13	
Investment Tax Credit	88	88	90	0	
Accum Provision for Pension & Related Benefits	0	0	0	0	
Asset Retirement Obligation	75	59	96	16	Primarily due to an increased vendor bid (Ghent Ash Treatment Basin #2), increased costs due to permit delays and treatment of dewatering discharge (Brown Aux), and increased costs based on an updated engineering estimate (Trimble County)
Regulatory Liabilities Non Current	1,048	1,046	1,069	2	
Derivative Liability	0	0	0	0	
Other Liabilities	48	36	46	12	Primarily due to the variance in the operating lease liability which is offset by the variance in the operating lease asset in Intangible Assets
<b>Total Deferred Credits and Other Liabilities</b>	<b>2,095</b>	<b>2,051</b>	<b>2,093</b>	<b>44</b>	
<b>Equity</b>	<b>3,175</b>	<b>3,141</b>	<b>2,967</b>	<b>34</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 8,443</b>	<b>\$ 8,328</b>	<b>\$ 8,197</b>	<b>\$ 114</b>	

<sup>(1)</sup> Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.



**PPL companies**

# **Performance Report**

**January 2021**

**Content****Page**

Executive Summary	3
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LG&E	5
Income Statement: Actual vs. Budget (YTD) - KU	6
Margins Actual vs. Budget	7
O&M	8
Financing Activities	9
Balance Sheet - LKE Consolidated	10
Balance Sheet - LG&E	11
Balance Sheet - KU	12

	Current Month		Full Year	
	Actual	PY	Forecast	PY
<b>Safety</b>				
TCIR - Employees <sup>(1)</sup>	0.81	0.90	0.94	1.00
Employee lost-time incidents	0	1	8	10
DART <sup>(1)</sup>	0.41	0.60	0.45	0.66
<b>Customer Service</b>				
	Actual	PY	Forecast	PY
Retail Customer Experience Rating	8.99	8.94	8.50	9.24
<b>Reliability</b>				
	Actual	Budget	Forecast	Budget
Utility EFOR	2.4%	4.5%	N/A	4.5%
Utility EAF	93.8%	93.8%	N/A	84.2%
Combined SAIFI	0.04	0.06	N/A	0.92
Combined SAIDI (minutes)	3.49	5.46	N/A	86.38
Gas Emergency Response Time	33.8	34.5	N/A	34.5
<b>GWh Sales</b>				
	Actual	Budget	Forecast	Budget
Residential	1,176	1,134	10,387	10,387
Commercial	634	650	7,708	7,708
Industrial	701	688	8,471	8,471
Other	211	224	2,673	2,673
Retail	2,723	2,696	29,239	29,239
Municipals	35	39	399	399
Off-System Sales	14	62	286	286
Total	2,772	2,797	29,924	29,924
<b>Weather-Normalized Retail Sales Growth</b>				
	TTM			
Residential	6.05%			
Commercial	-6.94%			
Industrial	-6.88%			
Other	-7.79%			
Total	-2.49%			

	Current Month		Full Year	
	Actual	Budget	Forecast	Budget
<b>Margins (\$ millions)</b>				
Electric Margins	\$172	\$173	\$2,062	\$2,062
Gas Margins	\$32	\$32	\$235	\$235
<b>O&amp;M (\$ millions)</b>				
	Actual	Budget	Forecast	Budget
O&M – Management View <sup>(2)</sup>	\$59	\$62	\$845	\$845
O&M – GAAP View <sup>(3)</sup>	\$67	\$70	\$934	\$934
<b>Capital Expenditures (\$ millions)</b>				
	\$70	\$78	\$1,203	\$1,203
<b>Average Utility Capitalization (\$ millions)</b>				
	\$10,644	\$10,643	\$11,050	\$11,050
<b>Head Count</b>				
	Actual	Budget	Forecast	Budget
Full-time Employees	3,464	3,587	3,604	3,604

	YTD		Full Year	
	Actual	Budget	Forecast	Full Year Budget
<b>Financial Metrics<sup>(4)</sup></b>				
Utility ROE <sup>(5)</sup>	9.4%	9.0%	8.6%	8.6%
Effective Depreciation Rate <sup>(5)</sup>	3.5%	3.5%	3.7%	3.7%
Effective Interest Rate	3.9%	3.9%	3.9%	3.9%
Effective Tax Rate	19.0%	19.1%	16.2%	16.2%
<b>Moody's CFO pre-WC / Debt</b>				
LGE	22.4%	22.0%	22.2%	22.2%
KU	23.4%	23.3%	22.5%	22.5%
LKE Consolidated	16.4%	16.2%	16.4%	16.4%

Variance Explanations
There were no significant variances to budget.

Major Developments
Discovery is proceeding as planned in the Kentucky rate case with LG&E and KU recently filing over 1,900 responses during two rounds of data requests. A formal hearing has not been scheduled but is projected to be in late April. A final decision is expected by the end of June.
LG&E and KU have contracted with Solar Alliance Energy Inc. to engineer and construct phases three and four of the Solar Share facility in Simpsonville, Kentucky. The fifth phase is nearly 50 percent subscribed. Since July 2019, the facility has produced more than 1.5 million kilowatt-hours of renewable energy for participating customers. The site will eventually consist of eight 500-kilowatt sections.
On February 12, 2021, the Southeast Energy Exchange Market (SEEM) members, including LG&E and KU, filed with the Federal Energy Regulatory Commission (FERC) for the approval of an automated, intra-hour energy exchange that aims to lower costs to customers and optimize renewable energy resources across the southeast region. The new SEEM platform is an extension of the existing bilateral market in the region and will facilitate sub-hourly bilateral trading using available unreserved transmission. If approved by FERC by May 13, 2021 as requested, the market would go live in the first quarter of 2022. The founding members represent nearly 20 entities across portions of 11 states.

- (1) Full year forecast amount shown represents target.
- (2) Net of cost recovery mechanisms and variable costs of production.
- (3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses.
- (4) Actuals represents trailing twelve months.
- (5) Excludes goodwill and other purchase accounting adjustments.

Significant Future Events
Discovery for the Kentucky rate cases will continue through the first quarter of 2021.

Note: Schedules may not sum due to rounding.

**Income Statement: Actual vs. Budget (YTD) - LKE Consolidated**

**January 2021**

(\$ Millions)

	Actual vs. Budget - YTD			Comments	Actual vs. PY - YTD			Comments
	Actual	Budget	Variance		Actual	PY Actual	Variance	
<b>Gross Margin:</b>								
Electric Margin	\$ 172	\$ 173	\$ (0)		\$ 172	\$ 163	\$ 10	Primarily due to higher base energy due to mild weather in January of 2020.
Gas Margin	32	32	0		32	31	1	
<b>Total Gross Margin</b>	205	205	(0)		205	194	11	
O&M	59	62	3		59	58	(1)	
Depreciation & Amortization	38	39	1		38	37	(1)	
Taxes, Other than Income	6	7	0		6	6	(1)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(0)	(0)	0		(0)	(0)	0	
<b>EBIT</b>	101	97	4		101	93	8	
Interest Expense	21	22	1		21	22	1	
<b>Income from Ongoing Operations before income taxes</b>	80	76	4		80	72	8	
Income Tax Expense	15	14	(1)		15	14	(1)	
<b>Net Income (loss) from ongoing operations</b>	<b>65</b>	<b>62</b>	<b>3</b>		<b>65</b>	<b>57</b>	<b>8</b>	
Special Item - (Non Operating Income)	0	0	0		0	0	0	
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
<b>Net Income (loss)</b>	<b>\$ 65</b>	<b>\$ 62</b>	<b>\$ 3</b>		<b>\$ 65</b>	<b>\$ 57</b>	<b>\$ 8</b>	
KY Regulated Financing Costs	(2)	(2)	-		(2)	(3)	0	
<b>KY Regulated Net Income</b>	<b>62</b>	<b>\$ 59</b>	<b>\$ 3</b>		<b>62</b>	<b>\$ 54</b>	<b>\$ 8</b>	
Earnings Per Share - Ongoing	\$ 0.08	\$ 0.08	\$ 0.00		\$ 0.08	\$ 0.07	\$ 0.01	

Note: Schedules may not sum due to rounding.

**Income Statement: Actual vs. Budget (YTD) - LG&E**

**January 2021**

(\$ Millions)

	Actual vs. Budget - YTD			Comments	Actual vs. PY - YTD			Comments
	Actual	Budget	Variance		Actual	PY Actual	Variance	
<b>Gross Margin:</b>								
Electric Margin	\$ 62	\$ 61	\$ 1		\$ 62	\$ 60	\$ 2	
Gas Margin	32	32	0		32	31	1	
<b>Total Gross Margin</b>	<b>94</b>	<b>94</b>	<b>1</b>		<b>94</b>	<b>91</b>	<b>3</b>	
O&M	27	29	1		27	27	0	
Depreciation & Amortization	16	16	0		16	15	(0)	
Taxes, Other than Income	3	3	0		3	3	(0)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(0)	(0)	(0)		(0)	(1)	0	
<b>EBIT</b>	<b>48</b>	<b>45</b>	<b>3</b>		<b>48</b>	<b>45</b>	<b>2</b>	
Interest Expense	7	7	0		7	8	1	
<b>Income from Ongoing Operations before income taxes</b>	<b>41</b>	<b>38</b>	<b>3</b>		<b>41</b>	<b>38</b>	<b>3</b>	
Income Tax Expense	10	9	(1)		10	9	(1)	
<b>Net Income (loss) from ongoing operations</b>	<b>\$ 31</b>	<b>\$ 29</b>	<b>\$ 2</b>		<b>\$ 31</b>	<b>\$ 28</b>	<b>\$ 2</b>	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.



(\$ Millions)

	Actual vs. Budget - YTD			Actual vs. PY - YTD			
	Actual	Budget	Variance	Actual	PY Actual	Variance	Comments
<b>Gross Margin:</b>							
Electric Margin	\$ 110	\$ 111	\$ (1)	\$ 110	\$ 103	\$ 8	Primarily due to higher base energy due to mild weather in January of 2020.
Gas Margin	0	0	0	0	0	0	
<b>Total Gross Margin</b>	110	111	(1)	110	103	8	
O&M	30	31	1	30	28	(2)	
Depreciation & Amortization	22	23	0	22	22	(1)	
Taxes, Other than Income	3	3	0	3	3	(0)	
Equity in earnings	0	0	0	0	0	0	
Other income (expense)	(0)	(0)	(0)	(0)	(0)	(0)	
<b>EBIT</b>	55	54	1	55	50	5	
Interest Expense	9	9	0	9	9	0	
<b>Income from Ongoing Operations before income taxes</b>	46	45	1	46	41	5	
Income Tax Expense	11	11	(0)	11	10	(1)	
<b>Net Income (loss) from ongoing operations</b>	<b>\$ 35</b>	<b>\$ 34</b>	<b>\$ 1</b>	<b>\$ 35</b>	<b>\$ 31</b>	<b>\$ 4</b>	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

**Margins Actual vs. Budget**

**January 2021**

(\$ Millions)

**MARGINS (MTD)**

**LKE Electric Margins**

	MTD Current Year		MTD Budget		Change	
	January-21	January-21	January-21	January-21	\$	%
Base Service Charge	\$ 19	\$ 19	↑	\$ 0	2%	
Base Energy	95	93	↑	\$ 2	2%	
Demand Charge	46	47	↓	\$ (1)	-2%	
Retail Fuel (Net)	(0)	(0)	↓	\$ (0)	179%	
DSM	0	0	↑	\$ 0	35%	
ECR	15	14	↑	\$ 1	8%	
Transmission	(0)	0	↓	\$ (1)	-106%	
Purchase Power Demand	(3)	(2)	↓	\$ (1)	28%	
Off-System Sales	0	0	↓	\$ (0)	-91%	
Shared Solar Program	0	0	↑	\$ 0	174%	
Other Revenue	2	3	↓	\$ (1)	-30%	
Cost of Sales	(2)	(2)	↓	\$ (0)	1%	
Tax Cuts and Job Act (TCJA)	-	-	→	\$ -	0%	
Additional Revenue Budgeted	-	0	↓	\$ (0)	-100%	
<b>Total</b>	<b>\$ 172</b>	<b>\$ 173</b>	<b>↓</b>	<b>\$ (0)</b>	<b>0%</b>	

**LKE Gas Margins**

	MTD Current Year		MTD Budget		Change	
	January-21	January-21	January-21	January-21	\$	%
Base Service Charge	\$ 8	\$ 8	↑	\$ 0	0%	
Distribution Charge	21	23	↓	\$ (2)	-7%	
WNA	1	-	↑	\$ 1	0%	
DSM	0	0	→	\$ 0	41%	
GSC	0	-	↑	\$ 0	0%	
GLT	1	1	↑	\$ 0	48%	
Other Revenue	0	0	↓	\$ (0)	-70%	
Cost of Sales	-	-	→	\$ -	0%	
Tax Cuts and Job Act (TCJA)	-	-	→	\$ -	0%	
<b>Total</b>	<b>\$ 32</b>	<b>\$ 32</b>	<b>↑</b>	<b>\$ 0</b>	<b>1%</b>	

**MARGINS (YTD)**

**LKE Electric Margins**

	YTD Current Year		YTD Budget		Change	
	January-21	January-21	January-21	January-21	\$	%
Base Service Charge	\$ 19	\$ 19	↑	\$ 0	2%	
Base Energy	95	93	↑	\$ 2	2%	
Demand Charge	46	47	↓	\$ (1)	-2%	
Retail Fuel (Net)	(0)	(0)	↓	\$ (0)	179%	
DSM	0	0	↑	\$ 0	35%	
ECR	15	14	↑	\$ 1	8%	
Transmission	(0)	0	↓	\$ (1)	-106%	
Purchase Power Demand	(3)	(2)	↓	\$ (1)	28%	
Off-System Sales	0	0	↓	\$ (0)	-91%	
Shared Solar Program	0	0	↑	\$ 0	174%	
Other Revenue	2	3	↓	\$ (1)	-30%	
Cost of Sales	(2)	(2)	↓	\$ (0)	1%	
Tax Cuts and Job Act (TCJA)	-	-	→	\$ -	0%	
Additional Revenue Budgeted	-	0	↓	\$ (0)	-100%	
<b>Total</b>	<b>\$ 172</b>	<b>\$ 173</b>	<b>↓</b>	<b>\$ (0)</b>	<b>0%</b>	

**LKE Gas Margins**

	YTD Current Year		YTD Budget		Change	
	January-21	January-21	January-21	January-21	\$	%
Base Service Charge	\$ 8	\$ 8	↑	\$ 0	0%	
Distribution Charge	21	23	↓	\$ (2)	-7%	
WNA	1	-	↑	\$ 1	0%	
DSM	0	0	→	\$ 0	41%	
GSC	0	-	↑	\$ 0	0%	
GLT	1	1	↑	\$ 0	48%	
Other Revenue	0	0	↓	\$ (0)	-70%	
Cost of Sales	-	-	→	\$ -	0%	
Tax Cuts and Job Act (TCJA)	-	-	→	\$ -	0%	
<b>Total</b>	<b>\$ 32</b>	<b>\$ 32</b>	<b>↑</b>	<b>\$ 0</b>	<b>1%</b>	

**O&M** **January 2021**

(\$ Millions)

	Actual vs. Budget - YTD		
	Actual	Budget	Variance
<b>Chief Operating Officer</b>			
<b>Power Production</b>			
All Other	\$ 5.5	\$ 6.3	\$ 0.8
Maintenance	9.3	7.4	(1.9)
Outages	0.3	0.3	0.0
<b>Power Production</b>	<b>15.2</b>	<b>14.1</b>	<b>(1.1)</b>
<b>Customer Services</b>			
All Other	\$ 8.3	\$ 8.9	\$ 0.6
Bad Debt Expense	0.6	0.8	0.2
<b>Customer Services</b>	<b>8.9</b>	<b>9.8</b>	<b>0.9</b>
<b>Electric Distribution</b>			
All Other	\$ 3.5	\$ 3.7	\$ 0.2
Storm Restoration	0.2	0.2	0.0
Vegetation Mgmt	2.2	1.7	(0.4)
<b>Electric Distribution</b>	<b>5.9</b>	<b>5.7</b>	<b>(0.2)</b>
<b>Transmission</b>			
All Other	\$ 2.1	\$ 2.3	\$ 0.2
Storm Restoration	0.0	0.0	0.0
Vegetation Mgmt	0.9	1.0	0.1
<b>Transmission</b>	<b>3.1</b>	<b>3.4</b>	<b>0.3</b>
<b>Gas Distribution</b>			
All Other	\$ 2.9	\$ 3.1	\$ 0.2
Line Locating	1.0	1.0	0.1
Inline Inspections	0.0	-	(0.0)
<b>Gas Distribution</b>	<b>3.9</b>	<b>4.1</b>	<b>0.2</b>
<b>Energy Supply &amp; Analysis</b>	<b>1.3</b>	<b>1.4</b>	<b>\$ 0.1</b>
<b>Project Engineering</b>	<b>0.0</b>	<b>0.1</b>	<b>\$ 0.0</b>
<b>Safety &amp; Tech Training</b>	<b>0.5</b>	<b>0.6</b>	<b>\$ 0.1</b>
<b>Environmental</b>	<b>0.5</b>	<b>0.6</b>	<b>\$ 0.0</b>
<b>Chief Operating Officer</b>	<b>0.1</b>	<b>0.0</b>	<b>\$ (0.0)</b>
<b>Chief Operating Officer Total</b>	<b>\$ 39.3</b>	<b>\$ 39.8</b>	<b>\$ 0.4</b>
<b>Chief Financial Officer</b>			
<b>Treasurer</b>	<b>\$ 0.9</b>	<b>\$ 0.7</b>	<b>\$ (0.2)</b>
<b>Controller</b>	<b>\$ 0.6</b>	<b>\$ 0.5</b>	<b>\$ (0.1)</b>
<b>Information Technology</b>	<b>\$ 5.4</b>	<b>\$ 5.9</b>	<b>\$ 0.6</b>
<b>State Reg &amp; Rates</b>	<b>\$ 0.1</b>	<b>\$ 0.2</b>	<b>\$ 0.0</b>
<b>Audit Services</b>	<b>\$ 0.1</b>	<b>\$ 0.1</b>	<b>\$ 0.0</b>
<b>Supply Chain</b>	<b>\$ 0.3</b>	<b>\$ 0.3</b>	<b>\$ (0.0)</b>
<b>Other</b>	<b>\$ 0.1</b>	<b>\$ 0.2</b>	<b>\$ 0.1</b>
<b>Chief Financial Officer Total</b>	<b>\$ 7.5</b>	<b>\$ 7.8</b>	<b>\$ 0.3</b>
<b>Communication</b>	<b>\$ 0.6</b>	<b>\$ 0.8</b>	<b>\$ 0.2</b>
<b>Human Resources</b>	<b>\$ 0.6</b>	<b>\$ 0.6</b>	<b>\$ 0.0</b>
<b>General Counsel</b>	<b>\$ 0.8</b>	<b>\$ 0.9</b>	<b>\$ 0.1</b>
<b>Corporate Cost Center</b>	<b>\$ 8.4</b>	<b>\$ 9.7</b>	<b>\$ 1.3</b>
<b>Non-Utility</b>	<b>\$ 1.7</b>	<b>\$ 2.1</b>	<b>\$ 0.4</b>
<b>Grand Total</b>	<b>\$ 58.9</b>	<b>\$ 61.7</b>	<b>\$ 2.8</b>

**Financing Activities**
**January 2021**

(\$ Millions)

Balance Sheet	Actual vs. Budget - YTD		
	Actual	Budget	Variance
<b>PCB</b>			
Beg Bal	\$ 881.1	\$ 881.1	\$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	<b>\$ 881.1</b>	<b>\$ 881.1</b>	<b>\$ 0.0</b>
Interest Exp	<b>\$ 1.5</b>	<b>\$ 1.5</b>	<b>\$ (0.0)</b>
Rate	<b>2.09%</b>	<b>2.08%</b>	<b>-0.02%</b>
<b>FMB/Sr Nts/Loan with PPL</b>			
Beg Bal	\$ 5,235.0	\$ 5,235.0	\$ 0.0
End Bal	5,235.0	5,235.0	0.0
Ave Bal	<b>\$ 5,235.0</b>	<b>\$ 5,235.0</b>	<b>\$ -</b>
Interest Exp	<b>\$ 18.5</b>	<b>\$ 18.5</b>	<b>\$ 0.0</b>
Rate	<b>4.25%</b>	<b>4.25%</b>	<b>0.00%</b>
<b>Short-term Debt</b>			
Beg Bal	\$ 716.2	\$ 735.0	\$ 18.8
End Bal	689.6	716.5	26.9
Ave Bal <sup>(1)</sup>	<b>\$ 686.5</b>	<b>\$ 725.8</b>	<b>\$ 39.2</b>
Interest Exp	<b>\$ 0.4</b>	<b>\$ 0.9</b>	<b>\$ 0.4</b>
Rate	<b>0.74%</b>	<b>1.38%</b>	<b>0.64%</b>
<b>Unamortized Debt Expense Bonds</b>			
Beg Bal	\$ (42.3)	\$ (42.7)	\$ (0.4)
End Bal	(41.9)	(42.4)	(0.4)
Ave Bal	<b>\$ (42.1)</b>	<b>\$ (42.5)</b>	<b>\$ (0.4)</b>
<b>Total End Bal</b>	<b>\$ 6,763.7</b>	<b>\$ 6,790.2</b>	<b>\$ 26.4</b>
<b>Total Average Bal</b>	<b>\$ 6,760.5</b>	<b>\$ 6,799.3</b>	<b>\$ 38.8</b>
<b>Total Expense Excl I/C <sup>(2)</sup></b>	<b>\$ 21.2</b>	<b>\$ 21.7</b>	<b>\$ 0.5</b>
<b>Rate</b>	<b>3.73%</b>	<b>3.80%</b>	<b>0.07%</b>

<sup>(1)</sup> Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

<sup>(2)</sup> Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities (\$ Millions)	Committed Capacity	Borrowed <sup>(3)</sup>	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	\$ 825	\$ 249		\$ 576	
LG&E	500	255		245	\$ -
KU	400	186		214	\$ -
TOTAL	\$ 1,725	\$ 690	\$ -	\$ 1,035	\$ -

<sup>(3)</sup> LG&E borrowed amount represent commercial paper issuances and borrowings from the revolving credit facility. KU borrowed amount represent commercial paper issuances and borrowings from the revolving credit facility. LKE borrowed amount includes debt with PPL.

**Case No. 2020-00349 and 2020-00350**  
**Attachment to Filing Requirement**  
**Tab 45 - 807 KAR 5:001 Section 16(7)(o)**  
**Page 46 of 61**  
**Arbough**

**Balance Sheet - LKE Consolidated**

**January 2021**

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 19	\$ 13	\$ 17	\$ 6	
Accounts Receivable (Trade)	514	471	426	42	
Inventory	224	212	232	13	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	56	53	41	2	
Prepayments and other current assets	95	96	82	(1)	
<b>Total Current Assets</b>	<b>908</b>	<b>846</b>	<b>797</b>	<b>62</b>	
Property, Plant, and Equipment	13,497	13,543	13,104	(45)	
Intangible Assets	105	98	116	7	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	718	746	768	(27)	
Goodwill	997	997	997	0	
Other Long-term Assets	80	82	99	(1)	
<b>Total Assets</b>	<b>\$ 16,308</b>	<b>\$ 16,312</b>	<b>\$ 15,883</b>	<b>\$ (4)</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 276	\$ 283	\$ 242	\$ (8)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	64	63	63	0	
Derivative Liability	2	3	4	(1)	
Accrued Taxes	79	72	59	6	
Regulatory Liabilities Current	16	14	20	2	
Other Current Liabilities	270	241	276	29	Increase due to higher outstanding checks \$16M (property tax payments, emission fees and other smaller items), and higher last day ACH's/Wires \$16M (federal withholding, OVEC power purchase, cap ex, meter reading and other smaller items); offset by lower deposit in transit for funding prior month items (\$1M).
<b>Total Current Liabilities</b>	<b>706</b>	<b>677</b>	<b>665</b>	<b>29</b>	
Debt - Affiliated Company	1,449	1,485	811	(36)	
Debt <sup>(1)</sup>	5,315	5,305	5,738	10	
<b>Total Debt</b>	<b>6,764</b>	<b>6,790</b>	<b>6,549</b>	<b>(26)</b>	
Deferred Tax Liabilities	1,172	1,174	1,066	(3)	
Investment Tax Credit	121	121	124	0	
Accum Provision for Pension & Related Benefits	113	147	188	(34)	Primarily due to a net increase in the funded status of the plan which was driven by 2020 actual return on asset of ~18% versus budget assumption of .70%, partially offset by an increase in the plan benefit obligation driven by a 41bps decrease in the discount rate partially offset by changes in mortality assumptions.
Asset Retirement Obligation	129	120	142	9	
Regulatory Liabilities Non Current	1,955	1,954	1,974	1	
Derivative Liability	20	22	20	(2)	
Other Liabilities	148	144	155	3	
<b>Total Deferred Credits and Other Liabilities</b>	<b>3,657</b>	<b>3,682</b>	<b>3,669</b>	<b>(24)</b>	
<b>Equity</b>	<b>5,181</b>	<b>5,164</b>	<b>5,000</b>	<b>17</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 16,308</b>	<b>\$ 16,312</b>	<b>\$ 15,883</b>	<b>\$ (4)</b>	

<sup>(1)</sup> Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 9	\$ 5	\$ 7	\$ 4	
Accounts Receivable (Trade)	237	221	201	16	
Inventory	105	95	109	10	Primarily due to budget inadvertently excluded too much refined coal (third party) inventory of \$6.2M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	20	18	24	1	
Prepayments and other current assets	71	70	67	1	
<b>Total Current Assets</b>	<b>441</b>	<b>409</b>	<b>408</b>	<b>32</b>	
Property, Plant, and Equipment	6,041	6,073	5,833	(31)	
Intangible Assets	23	19	23	4	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	348	363	381	(15)	
Goodwill	0	0	0	0	
Other Long-term Assets	96	77	49	19	Primarily due to a net increase in the funded status of the plan which was driven by 2020 actual return on asset of ~18% versus budget assumption of .70%, partially offset by an increase in the plan benefit obligation driven by a 41bps decrease in the discount rate partially offset by changes in mortality assumptions.
<b>Total Assets</b>	<b>\$ 6,950</b>	<b>\$ 6,941</b>	<b>\$ 6,695</b>	<b>\$ 9</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 167	\$ 161	\$ 150	\$ 6	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	32	31	(0)	
Derivative Liability	2	3	4	(1)	
Accrued Taxes	43	41	41	2	
Regulatory Liabilities Current	1	5	2	(4)	
Other Current Liabilities	82	80	90	3	
<b>Total Current Liabilities</b>	<b>326</b>	<b>320</b>	<b>318</b>	<b>6</b>	
Debt - Affiliated Company	0	0	0	0	
Debt <sup>(1)</sup>	2,262	2,269	2,241	(8)	
<b>Total Debt</b>	<b>2,262</b>	<b>2,269</b>	<b>2,241</b>	<b>(8)</b>	
Deferred Tax Liabilities	716	717	697	(1)	
Investment Tax Credit	33	33	34	0	
Accum Provision for Pension & Related Benefits	0	0	(4)	0	
Asset Retirement Obligation	56	40	49	16	Primarily due to an awarded contract and change in settlement date (Canal Asbestos) and recent construction and settlement activity (Gas Mains/Center UGS wells).
Regulatory Liabilities Non Current	854	851	849	3	
Derivative Liability	20	22	20	(2)	
Other Liabilities	93	90	90	4	
<b>Total Deferred Credits and Other Liabilities</b>	<b>1,772</b>	<b>1,753</b>	<b>1,734</b>	<b>20</b>	
<b>Equity</b>	<b>2,590</b>	<b>2,599</b>	<b>2,402</b>	<b>(9)</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 6,950</b>	<b>\$ 6,941</b>	<b>\$ 6,695</b>	<b>\$ 9</b>	

<sup>(1)</sup> Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

**Balance Sheet - KU**

**January 2021**

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 10	\$ 5	\$ 9	\$ 5	
Accounts Receivable (Trade)	275	251	225	25	Primarily due to a higher than budgeted beginning balance because the budget starting point was actuals through August 2020.
Inventory	120	117	124	3	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	36	35	16	1	
Prepayments and other current assets	42	43	34	(1)	
<b>Total Current Assets</b>	<b>483</b>	<b>450</b>	<b>408</b>	<b>32</b>	
Property, Plant, and Equipment	7,440	7,454	7,257	(14)	
Intangible Assets	39	36	41	4	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	369	392	386	(23)	
Goodwill	0	0	0	0	
Other Long-term Assets	123	100	100	23	Primarily due to a net increase in the funded status of the plan which was driven by 2020 actual return on asset of ~18% versus budget assumption of .70%, partially offset by an increase in the plan benefit obligation driven by a 41bps decrease in the discount rate partially offset by changes in mortality assumptions.
<b>Total Assets</b>	<b>\$ 8,455</b>	<b>\$ 8,433</b>	<b>\$ 8,193</b>	<b>\$ 22</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 145	\$ 153	\$ 131	\$ (7)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	32	32	32	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	27	31	23	(4)	
Regulatory Liabilities Current	15	9	18	6	
Other Current Liabilities	127	106	128	22	Increase due to increased ARO project projected spend in the next year, higher outstanding checks \$12M (property taxes, emission fees and other smaller items), and higher last day ACH's/Wires \$4M (cap ex, federal withholding and other smaller items); offset by lower deposit in transit for funding prior month items (\$1M).
<b>Total Current Liabilities</b>	<b>348</b>	<b>330</b>	<b>331</b>	<b>17</b>	
Debt - Affiliated Company	0	0	0	0	
Debt <sup>(1)</sup>	2,803	2,786	2,773	17	
<b>Total Debt</b>	<b>2,803</b>	<b>2,786</b>	<b>2,773</b>	<b>17</b>	
Deferred Tax Liabilities	835	838	792	(3)	
Investment Tax Credit	88	88	90	0	
Accum Provision for Pension & Related Benefits	0	0	(1)	0	
Asset Retirement Obligation	73	80	94	(7)	
Regulatory Liabilities Non Current	1,050	1,053	1,069	(2)	
Derivative Liability	0	0	0	0	
Other Liabilities	48	44	47	4	
<b>Total Deferred Credits and Other Liabilities</b>	<b>2,094</b>	<b>2,103</b>	<b>2,090</b>	<b>(9)</b>	
<b>Equity</b>	<b>3,209</b>	<b>3,214</b>	<b>2,998</b>	<b>(4)</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 8,455</b>	<b>\$ 8,433</b>	<b>\$ 8,193</b>	<b>\$ 22</b>	

<sup>(1)</sup> Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.



**PPL companies**

# **Performance Report**

**February 2021**



**Content****Page**

Executive Summary	3
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LG&E	5
Income Statement: Actual vs. Budget (YTD) - KU	6
Margins Actual vs. Budget	7
O&M	8
Financing Activities	9
Balance Sheet - LKE Consolidated	10
Balance Sheet - LG&E	11
Balance Sheet - KU	12

	Current Month		YTD		Full Year	
	Actual	PY	Actual	PY	Forecast	PY
<b>Safety</b>						
TCIR - Employees <sup>(1)</sup>	0.71	0.73	0.76	0.82	0.94	1.00
Employee lost-time incidents	0	1	0	2	8	10
DART <sup>(1)</sup>	0.36	0.73	0.38	0.66	0.45	0.66
<b>Customer Service</b>						
Retail Customer Experience Rating	9.05	9.06	9.02	9.00	8.50	9.24
<b>Reliability</b>						
Utility EFOR	0.2%	4.5%	1.3%	4.5%	N/A	4.5%
Utility EAF	95.0%	90.5%	94.3%	92.2%	N/A	84.2%
Combined SAIFI	0.07	0.05	0.11	0.10	N/A	0.92
Combined SAIDI (minutes)	9.50	4.55	12.99	10.01	N/A	86.38
Gas Emergency Response Time	32.7	34.5	33.3	34.5	N/A	34.5
<b>GWh Sales</b>						
Residential	1,082	969	2,257	2,103	10,387	10,387
Commercial	622	595	1,257	1,245	7,708	7,708
Industrial	680	646	1,382	1,334	8,471	8,471
Other	211	208	422	432	2,673	2,673
Retail	2,595	2,418	5,318	5,114	29,239	29,239
Municipals	33	31	68	70	399	399
Off-System Sales	159	50	173	112	286	286
Total	2,786	2,499	5,559	5,296	29,924	29,924
<b>Weather-Normalized Retail Sales Growth</b>			<b>TTM</b>			
Residential			5.53%			
Commercial			-7.72%			
Industrial			-6.96%			
Other			-8.43%			
Total			-2.95%			

**Variance Explanations**

Higher MTD margins due primarily to \$9 million of higher sales volumes, of which \$7 million was related to weather and \$2 million was related to COVID-19, primarily due to higher residential usage, partially offset by \$2 million of lower demand revenues related to COVID-19.

Higher YTD margins due primarily to \$10 million of higher sales volumes, of which \$3 million was related to weather and \$7 million was related to COVID-19, primarily due to higher residential usage, partially offset by \$2 million of lower demand revenues related to COVID-19 and \$1 million of lower late payment and reconnect fees from COVID-19.

(1) Full year forecast amount shown represents target.

(2) Net of cost recovery mechanisms and variable costs of production.

(3) Includes Management O&M, variable cost of production and mechanism operation and maintenance expenses.

(4) Actuals represents trailing twelve months.

(5) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

	Current Month		YTD		Full Year	
	Actual	Budget	Actual	Budget	Forecast	Budget
<b>Margins (\$ millions)</b>						
Electric Margins	\$167	\$159	\$340	\$332	\$2,062	\$2,062
Gas Margins	\$27	\$26	\$60	\$59	\$235	\$235
<b>O&amp;M (\$ millions)</b>						
O&M – Management View <sup>(2)</sup>	\$65	\$64	\$124	\$126	\$845	\$845
O&M – GAAP View <sup>(3)</sup>	\$74	\$72	\$141	\$142	\$934	\$934
<b>Capital Expenditures (\$ millions)</b>	\$58	\$81	\$128	\$159	\$1,203	\$1,203
<b>Average Utility Capitalization (\$ millions)</b>	\$10,680	\$10,677	\$10,680	\$10,677	\$11,050	\$11,050
<b>Head Count</b>						
Full-time Employees	3,450	3,588	3,450	3,588	3,604	3,604

	YTD		Full Year	
	Actual	Budget	Full Year Forecast	Full Year Budget
<b>Financial Metrics<sup>(4)</sup></b>				
Utility ROE <sup>(5)</sup>	9.4%	8.9%	8.6%	8.6%
Effective Depreciation Rate <sup>(5)</sup>	3.5%	3.5%	3.7%	3.7%
Effective Interest Rate	3.9%	3.9%	3.9%	3.9%
Effective Tax Rate	18.8%	19.0%	16.2%	16.2%
Moody's CFO pre-WC / Debt				
LGE	22.6%	22.2%	22.2%	22.2%
KU	23.7%	23.7%	22.5%	22.5%
LKE Consolidated	16.6%	16.3%	16.4%	16.4%

**Major Developments**

Intervenor testimony was received in the rate case on March 5. The Attorney General and Kentucky Industrial Utility Customers filed joint testimony supporting reductions to our request totaling \$254 million, including an authorized return on equity of 9%. The Company's rebuttal testimony is to be filed by April 12, and settlement discussions are tentatively scheduled to begin April 15. A formal evidentiary hearing is expected to occur the last week in April.

The service territories experienced two significant winter weather events in February. The first event brought ice accumulations which ranged from 0.25" around Louisville and up to 0.50" in central Kentucky. Approximately 43,000 customers were affected with six broken poles and about 670 wires down. The second event impacted over 21,000 customers and included about 230 wires down and five broken poles. Restoration efforts for both events were performed safely, without incident and with internal resources (no mutual assistance). However, costs incurred represented more than the entire annual storm restoration budget for transmission and half the annual storm restoration budget for electric distribution.

KU was awarded \$1.8 million in coronavirus relief funds in Virginia to assist customers with outstanding arrearages during the pandemic. The Virginia CARES funding was allocated to eligible participating customers in February.

LG&E and KU's new customer mobile app is available for download on Apple and Android mobile devices. The rollout is taking a phased approach including a soft launch to employees and retirees and targeted customer communications beginning in April.

The Kentucky Senate confirmed the appointment of Kent Chandler as Vice Chair to the Kentucky Public Service Commission. Chandler was appointed by Governor Andy Beshear on July 6, 2020 and his term will expire June 30, 2024.

**Significant Future Events**

LG&E and KU rates will become effective July 1, 2021, pending approval of the rate case by the KPSC.

**Income Statement: Actual vs. Budget (YTD) - LKE Consolidated**

**February 2021**

(\$ Millions)

	Actual vs. Budget - YTD			Comments	Actual vs. PY - YTD			Comments
	Actual	Budget	Variance		Actual	PY Actual	Variance	
<b>Gross Margin:</b>								
Electric Margin	\$ 340	\$ 332	\$ 8	Higher margins due primarily to \$10 million of higher sales volumes, of which \$3 million was related to weather and \$7 million was related to COVID-19, primarily due to higher residential usage, partially offset by \$2 million of lower demand revenues related to COVID-19 and \$1 million of lower late payment and reconnect fees from COVID-19.	\$ 340	\$ 320	\$ 20	Primarily due to higher base energy from weather.
Gas Margin	60	59	1		60	59	1	
<b>Total Gross Margin</b>	<b>400</b>	<b>391</b>	<b>9</b>		<b>400</b>	<b>379</b>	<b>20</b>	
O&M	124	126	2		124	118	(7)	Increase primarily due to storm restoration and timing of on-going maintenance, slightly offset by favorable vegetation management.
Depreciation & Amortization	77	78	1		77	75	(2)	
Taxes, Other than Income	13	13	1		13	11	(1)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(1)	(1)	0		(1)	(1)	0	
EBIT	185	173	12		185	175	10	
Interest Expense	42	43	1		42	43	1	
<b>Income from Ongoing Operations before income taxes</b>	<b>143</b>	<b>130</b>	<b>13</b>	<b>143</b>	<b>131</b>	<b>12</b>		
Income Tax Expense	26	24	(3)	26	26	(0)		
<b>Net Income (loss) from ongoing operations</b>	<b>117</b>	<b>106</b>	<b>10</b>	<b>117</b>	<b>105</b>	<b>11</b>		
Special Item - (Non Operating Income)	0	0	0	0	0	0		
Discontinued Operations	(0)	0	(0)	(0)	(0)	0		
<b>Net Income (loss)</b>	<b>\$ 117</b>	<b>\$ 106</b>	<b>\$ 10</b>	<b>\$ 117</b>	<b>\$ 105</b>	<b>\$ 11</b>		
KY Regulated Financing Costs	(5)	(5)	0	(5)	(3)	(2)		
<b>KY Regulated Net Income</b>	<b>112</b>	<b>\$ 101</b>	<b>\$ 10</b>	<b>112</b>	<b>\$ 102</b>	<b>\$ 9</b>		
Earnings Per Share - Ongoing	\$ 0.14	\$ 0.13	\$ 0.01	\$ 0.14	\$ 0.07	\$ 0.07		

Note: Schedules may not sum due to rounding.

**Income Statement: Actual vs. Budget (YTD) - LG&E**

**February 2021**

(\$ Millions)

	Actual vs. Budget - YTD			Comments	Actual vs. PY - YTD			Comments
	Actual	Budget	Variance		Actual	PY Actual	Variance	
<b>Gross Margin:</b>								
Electric Margin	\$ 124	\$ 119	\$ 5	Higher margins due primarily to \$5 million of higher sales volumes, of which \$1 million was related to weather and \$4 million was related to COVID-19, primarily due to higher residential usage, partially offset by \$1 million of lower demand revenues related to COVID-19.	\$ 124	\$ 118	\$ 5	Primarily due to higher base energy from weather.
Gas Margin	60	59	1		60	59	1	
<b>Total Gross Margin</b>	<b>183</b>	<b>177</b>	<b>6</b>		<b>183</b>	<b>177</b>	<b>6</b>	
O&M	55	58	3		55	54	(1)	
Depreciation & Amortization	32	33	1		32	31	(1)	
Taxes, Other than Income	7	7	0		7	6	(1)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(1)	(1)	(0)		(1)	(1)	0	
EBIT	89	80	10		89	86	3	
Interest Expense	14	14	0		14	15	1	
<b>Income from Ongoing Operations before income taxes</b>	<b>75</b>	<b>65</b>	<b>10</b>	<b>75</b>	<b>71</b>	<b>4</b>		
Income Tax Expense	19	16	(2)	19	18	(1)		
<b>Net Income (loss) from ongoing operations</b>	<b>\$ 57</b>	<b>\$ 49</b>	<b>\$ 7</b>	<b>\$ 57</b>	<b>\$ 53</b>	<b>\$ 3</b>		

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

**Income Statement: Actual vs. Budget (YTD) - KU**

**February 2021**

(\$ Millions)

	Actual vs. Budget - YTD			Comments	Actual vs. PY - YTD			Comments
	Actual	Budget	Variance		Actual	PY Actual	Variance	
<b>Gross Margin:</b>								
Electric Margin	\$ 216	\$ 213	\$ 3		\$ 216	\$ 202	\$ 14	Primarily due to higher base energy from weather.
Gas Margin	0	0	0		0	0	0	
<b>Total Gross Margin</b>	<b>216</b>	<b>213</b>	<b>3</b>		<b>216</b>	<b>202</b>	<b>14</b>	
<b>O&amp;M</b>	<b>63</b>	<b>62</b>	<b>(1)</b>		<b>63</b>	<b>58</b>	<b>(5)</b>	Increase primarily due to storm restoration and timing of on-going maintenance.
Depreciation & Amortization	45	45	1		45	43	(1)	
Taxes, Other than Income	6	6	0		6	6	(1)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(0)	(0)	(0)		(0)	(0)	(0)	
<b>EBIT</b>	<b>102</b>	<b>99</b>	<b>3</b>		<b>102</b>	<b>95</b>	<b>7</b>	
Interest Expense	18	18	0		18	19	1	
<b>Income from Ongoing Operations before income taxes</b>	<b>84</b>	<b>81</b>	<b>3</b>		<b>84</b>	<b>77</b>	<b>7</b>	
Income Tax Expense	21	20	(1)		21	19	(2)	
<b>Net Income (loss) from ongoing operations</b>	<b>\$ 63</b>	<b>\$ 61</b>	<b>\$ 2</b>		<b>\$ 63</b>	<b>\$ 58</b>	<b>\$ 5</b>	

Note: Schedules may not sum due to rounding and exclude purchase accounting adjustments and corresponding goodwill.

**Margins Actual vs. Budget**

**February 2021**

(\$ Millions)

**MARGINS (MTD)**

**LKE Electric Margins**

	MTD Current Year		MTD Budget		Change	
	February-21	February-21	February-21	February-21	\$	%
Base Service Charge	\$ 17	\$ 17	↑	\$ 0	1%	
Base Energy	\$ 90	\$ 81	↑	\$ 9	11%	
Demand Charge	\$ 45	\$ 47	↓	\$ (2)	-3%	
Retail Fuel (Net)	\$ (0)	\$ (0)	↓	\$ (0)	41%	
DSM	\$ 1	\$ 0	↑	\$ 0	152%	
ECR	\$ 14	\$ 14	↓	\$ (1)	-5%	
Transmission	\$ 0	\$ 0	↑	\$ 0	22%	
Purchase Power Demand	\$ (2)	\$ (2)	↑	\$ 0	-16%	
Off-System Sales	\$ 2	\$ 0	↑	\$ 1	1362%	
Shared Solar Program	\$ 0	\$ 0	→	\$ (0)	-8%	
Other Revenue	\$ 3	\$ 3	↓	\$ (0)	-7%	
Cost of Sales	\$ (2)	\$ (2)	↓	\$ (0)	12%	
Tax Cuts and Job Act (TCJA)	\$ -	\$ -	→	\$ -	0%	
Additional Revenue Budgeted	\$ -	\$ 0	↓	\$ (0)	-100%	
	\$ 167	\$ 159	↑	\$ 8	5%	

**LKE Gas Margins**

	MTD Current Year		MTD Budget		Change	
	February-21	February-21	February-21	February-21	\$	%
Base Service Charge	\$ 7	\$ 7	↓	\$ (0)	0%	
Distribution Charge	22	18	↑	\$ 4	19%	
WNA	(3)	-	↓	\$ (3)	0%	
DSM	0	0	→	\$ 0	41%	
GSC	(0)	-	↓	\$ (0)	0%	
GLT	1	1	↑	\$ 0	52%	
Other Revenue	0	0	↑	\$ 0	11%	
Cost of Sales	-	-	→	\$ -	0%	
Tax Cuts and Job Act (TCJA)	-	-	→	\$ -	0%	
	\$ 27	\$ 26	↑	\$ 1	3%	

**MARGINS (YTD)**

**LKE Electric Margins**

	YTD Current Year		YTD Budget		Change	
	February-21	February-21	February-21	February-21	\$	%
	\$ 37	\$ 36	↑	\$ 1	2%	
	184	174	↑	\$ 10	6%	
	92	94	↓	\$ (2)	-2%	
	(1)	(0)	↓	\$ (0)	110%	
	1	1	↑	\$ 1	93%	
	29	29	↑	\$ 0	1%	
	(0)	1	↓	\$ (1)	-117%	
	(5)	(5)	↓	\$ (0)	6%	
	2	0	↑	\$ 1	518%	
	0	0	↑	\$ 0	83%	
	5	6	↓	\$ (1)	-16%	
	(4)	(4)	↓	\$ (0)	6%	
	-	-	→	\$ -	0%	
	-	1	↓	\$ (1)	-100%	
	\$ 340	\$ 332	↑	\$ 8	2%	

**LKE Gas Margins**

	YTD Current Year		YTD Budget		Change	
	February-21	February-21	February-21	February-21	\$	%
	\$ 16	\$ 16	↑	\$ 0	0%	
	43	41	↑	\$ 2	5%	
	(1)	-	↓	\$ (1)	0%	
	0	0	→	\$ 0	41%	
	(0)	-	↓	\$ (0)	0%	
	3	2	↑	\$ 1	50%	
	0	0	↓	\$ (0)	-26%	
	-	-	→	\$ -	0%	
	-	-	→	\$ -	0%	
	\$ 60	\$ 59	↑	\$ 1	2%	

**O&M** **February 2021**

(\$ Millions)

	Actual vs. Budget - YTD		
	Actual	Budget	Variance
<b>Chief Operating Officer</b>			
<b>Power Production</b>			
All Other	\$ 11.7	\$ 12.7	\$ 1.0
Maintenance	18.6	15.4	(3.2)
Outages	1.0	1.0	(0.0)
<b>Power Production</b>	<b>31.3</b>	<b>29.0</b>	<b>(2.2)</b>
<b>Customer Services</b>			
All Other	\$ 16.4	\$ 17.5	\$ 1.1
Bad Debt Expense	0.7	1.4	0.7
<b>Customer Services</b>	<b>17.1</b>	<b>19.0</b>	<b>1.8</b>
<b>Electric Distribution</b>			
All Other	\$ 6.7	\$ 7.4	\$ 0.7
Storm Restoration	3.9	0.6	(3.3)
Vegetation Mgmt	3.4	3.5	0.1
<b>Electric Distribution</b>	<b>14.1</b>	<b>11.5</b>	<b>(2.5)</b>
<b>Transmission</b>			
All Other	\$ 4.1	\$ 4.3	\$ 0.2
Storm Restoration	1.4	0.1	(1.3)
Vegetation Mgmt	1.7	2.0	0.3
<b>Transmission</b>	<b>7.2</b>	<b>6.4</b>	<b>(0.8)</b>
<b>Gas Distribution</b>			
All Other	\$ 6.0	\$ 6.2	\$ 0.2
Line Locating	1.9	2.1	0.1
Inline Inspections	0.0	1.0	1.0
<b>Gas Distribution</b>	<b>7.9</b>	<b>9.2</b>	<b>1.3</b>
<b>Energy Supply &amp; Analysis</b>	<b>2.2</b>	<b>2.5</b>	<b>\$ 0.3</b>
<b>Project Engineering</b>	<b>0.1</b>	<b>0.1</b>	<b>\$ 0.1</b>
<b>Safety &amp; Tech Training</b>	<b>1.1</b>	<b>1.2</b>	<b>\$ 0.2</b>
<b>Environmental</b>	<b>1.1</b>	<b>1.1</b>	<b>\$ 0.0</b>
<b>Chief Operating Officer</b>	<b>0.1</b>	<b>0.1</b>	<b>\$ (0.0)</b>
<b>Chief Operating Officer Total</b>	<b>\$ 82.1</b>	<b>\$ 80.2</b>	<b>\$ (1.9)</b>
<b>Chief Financial Officer</b>			
<b>Treasurer</b>	<b>\$ 1.4</b>	<b>\$ 1.5</b>	<b>\$ 0.1</b>
<b>Controller</b>	<b>\$ 1.2</b>	<b>\$ 1.2</b>	<b>\$ 0.0</b>
<b>Information Technology</b>	<b>\$ 10.5</b>	<b>\$ 11.7</b>	<b>\$ 1.2</b>
<b>State Reg &amp; Rates</b>	<b>\$ 0.3</b>	<b>\$ 0.3</b>	<b>\$ 0.1</b>
<b>Audit Services</b>	<b>\$ 0.3</b>	<b>\$ 0.3</b>	<b>\$ 0.0</b>
<b>Supply Chain</b>	<b>\$ 0.6</b>	<b>\$ 0.6</b>	<b>\$ 0.0</b>
<b>Other</b>	<b>\$ 0.3</b>	<b>\$ 0.3</b>	<b>\$ 0.1</b>
<b>Chief Financial Officer Total</b>	<b>\$ 14.5</b>	<b>\$ 15.9</b>	<b>\$ 1.5</b>
<b>Communication</b>	<b>\$ 1.4</b>	<b>\$ 1.9</b>	<b>\$ 0.6</b>
<b>Human Resources</b>	<b>\$ 1.1</b>	<b>\$ 1.3</b>	<b>\$ 0.1</b>
<b>General Counsel</b>	<b>\$ 2.0</b>	<b>\$ 2.1</b>	<b>\$ 0.1</b>
<b>Corporate Cost Center</b>	<b>\$ 17.3</b>	<b>\$ 18.2</b>	<b>\$ 0.9</b>
<b>Non-Utility</b>	<b>\$ 5.7</b>	<b>\$ 6.1</b>	<b>\$ 0.4</b>
<b>Grand Total</b>	<b>\$ 124.0</b>	<b>\$ 125.7</b>	<b>\$ 1.7</b>

**Financing Activities**
**February 2021**

(\$ Millions)

Balance Sheet	Actual vs. Budget - YTD		
	Actual	Budget	Variance
<b>PCB</b>			
Beg Bal	\$ 881.1	\$ 881.1	\$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	<b>\$ 881.1</b>	<b>\$ 881.1</b>	<b>\$ 0.0</b>
Interest Exp	<b>\$ 3.1</b>	<b>\$ 3.0</b>	<b>\$ (0.0)</b>
Rate	<b>2.08%</b>	<b>2.08%</b>	<b>-0.01%</b>
<b>FMB/Sr Nts/Loan with PPL</b>			
Beg Bal	\$ 5,235.0	\$ 5,235.0	\$ 0.0
End Bal	5,235.0	5,235.0	0.0
Ave Bal	<b>\$ 5,235.0</b>	<b>\$ 5,235.0</b>	<b>\$ -</b>
Interest Exp	<b>\$ 37.1</b>	<b>\$ 37.1</b>	<b>\$ 0.0</b>
Rate	<b>4.25%</b>	<b>4.25%</b>	<b>0.00%</b>
<b>Short-term Debt</b>			
Beg Bal	\$ 716.2	\$ 735.0	\$ 18.8
End Bal	646.7	656.9	10.2
Ave Bal <sup>(1)</sup>	<b>\$ 665.9</b>	<b>\$ 702.8</b>	<b>\$ 36.9</b>
Interest Exp	<b>\$ 0.8</b>	<b>\$ 1.7</b>	<b>\$ 0.9</b>
Rate	<b>0.73%</b>	<b>1.46%</b>	<b>0.73%</b>
<b>Unamortized Debt Expense Bonds</b>			
Beg Bal	\$ (42.3)	\$ (42.7)	\$ (0.4)
End Bal	(41.6)	(42.1)	(0.4)
Ave Bal	<b>\$ (42.0)</b>	<b>\$ (42.4)</b>	<b>\$ (0.4)</b>
<b>Total End Bal</b>	<b>\$ 6,721.2</b>	<b>\$ 6,730.9</b>	<b>\$ 9.8</b>
<b>Total Average Bal</b>	<b>\$ 6,740.0</b>	<b>\$ 6,776.5</b>	<b>\$ 36.5</b>
<b>Total Expense Excl I/C <sup>(2)</sup></b>	<b>\$ 42.2</b>	<b>\$ 43.2</b>	<b>\$ 1.1</b>
<b>Rate</b>	<b>3.73%</b>	<b>3.80%</b>	<b>0.07%</b>

<sup>(1)</sup> Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

<sup>(2)</sup> Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities (\$ Millions)	Committed Capacity	Borrowed <sup>(3)</sup>	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	\$ 825	\$ 246		\$ 579	
LG&E	500	243		257	\$ -
KU	400	158		242	\$ -
TOTAL	\$ 1,725	\$ 647	\$ -	\$ 1,078	\$ -

<sup>(3)</sup> LG&E borrowed amount represent commercial paper issuances and borrowings from the revolving credit facility. KU borrowed amount represent commercial paper issuances and borrowings from the revolving credit facility. LKE borrowed amount includes debt with PPL.

**Case No. 2020-00349 and 2020-00350**  
**Attachment to Filing Requirement**  
**Tab 45 - 807 KAR 5:001 Section 16(7)(o)**  
**Page 58 of 61**  
**Arbough**



**Balance Sheet - LKE Consolidated**

**February 2021**

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 27	\$ 13	\$ 16	\$ 13	Primarily due to timing of cash receipts at the utilities.
Accounts Receivable (Trade)	521	447	434	73	Primarily due to higher than budgeted revenue in the first two months of 2021 and a higher than budgeted beginning balance.
Inventory	202	198	223	4	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	64	53	42	11	Primarily due to higher than budgeted GSC caused by higher GSC expense when compared to the GSC revenue.
Prepayments and other current assets	93	93	82	0	
<b>Total Current Assets</b>	<b>906</b>	<b>804</b>	<b>796</b>	<b>102</b>	
Property, Plant, and Equipment	13,504	13,571	13,124	(67)	
Intangible Assets	104	96	115	8	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	716	743	771	(27)	
Goodwill	997	997	997	0	
Other Long-term Assets	82	82	99	(1)	
<b>Total Assets</b>	<b>\$ 16,309</b>	<b>\$ 16,294</b>	<b>\$ 15,902</b>	<b>\$ 14</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 275	\$ 282	\$ 260	\$ (7)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	65	63	63	1	
Derivative Liability	2	3	4	(1)	
Accrued Taxes	74	59	58	15	Primarily due to timing of income tax accruals versus payments.
Regulatory Liabilities Current	20	13	17	8	
Other Current Liabilities	267	260	294	7	
<b>Total Current Liabilities</b>	<b>702</b>	<b>679</b>	<b>696</b>	<b>23</b>	
Debt - Affiliated Company	1,446	1,486	813	(40)	
Debt <sup>(1)</sup>	5,275	5,245	5,679	30	
<b>Total Debt</b>	<b>6,721</b>	<b>6,731</b>	<b>6,493</b>	<b>(10)</b>	
Deferred Tax Liabilities	1,167	1,171	1,063	(4)	
Investment Tax Credit	121	121	123	0	
Accum Provision for Pension & Related Benefits	114	145	189	(31)	Primarily due to a net increase in the funded status of the plan which was driven by 2020 actual return on asset of ~18% versus budget assumption of .70%, partially offset by an increase in the plan benefit obligation driven by a 41bps decrease in the discount rate partially offset by changes in mortality assumptions.
Asset Retirement Obligation	126	119	138	8	
Regulatory Liabilities Non Current	1,958	1,955	1,975	4	
Derivative Liability	18	22	22	(4)	
Other Liabilities	148	144	155	4	
<b>Total Deferred Credits and Other Liabilities</b>	<b>3,653</b>	<b>3,675</b>	<b>3,665</b>	<b>(22)</b>	
<b>Equity</b>	<b>5,233</b>	<b>5,209</b>	<b>5,048</b>	<b>23</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 16,309</b>	<b>\$ 16,294</b>	<b>\$ 15,902</b>	<b>\$ 14</b>	

<sup>(1)</sup> Includes all ST and LT debt. See Financing Activities page for details.  
 Note: Schedules may not sum due to rounding.

**Balance Sheet - LG&E**

**February 2021**

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 12	\$ 5	\$ 6	\$ 7	
Accounts Receivable (Trade)	241	207	205	34	Primarily due to higher than budgeted revenue in the first two months of 2021 and a higher than budgeted beginning balance.
Inventory	94	83	98	11	Primarily due to budget inadvertently excluded too much refined coal (third party) inventory of \$6.2M.
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	27	18	24	10	Primarily due to higher than budgeted GSC caused by higher GSC expense when compared to the GSC revenue.
Prepayments and other current assets	63	67	72	(4)	
<b>Total Current Assets</b>	<b>438</b>	<b>380</b>	<b>405</b>	<b>58</b>	
Property, Plant, and Equipment	6,044	6,089	5,842	(45)	
Intangible Assets	22	19	23	3	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	345	361	384	(16)	
Goodwill	0	0	0	0	
Other Long-term Assets	96	78	49	18	Primarily due to a net increase in the funded status of the plan which was driven by 2020 actual return on asset of ~18% versus budget assumption of .70%, partially offset by an increase in the plan benefit obligation driven by a 41bps decrease in the discount rate partially offset by changes in mortality assumptions.
<b>Total Assets</b>	<b>\$ 6,947</b>	<b>\$ 6,928</b>	<b>\$ 6,702</b>	<b>\$ 19</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 161	\$ 156	\$ 159	\$ 5	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	32	31	(0)	
Derivative Liability	2	3	4	(1)	
Accrued Taxes	32	28	31	4	
Regulatory Liabilities Current	5	4	1	0	
Other Current Liabilities	81	86	97	(6)	
<b>Total Current Liabilities</b>	<b>311</b>	<b>309</b>	<b>324</b>	<b>2</b>	
Debt - Affiliated Company	0	0	0	0	
Debt <sup>(1)</sup>	2,250	2,246	2,216	3	
<b>Total Debt</b>	<b>2,250</b>	<b>2,246</b>	<b>2,216</b>	<b>3</b>	
Deferred Tax Liabilities	716	717	697	(1)	
Investment Tax Credit	33	33	34	0	
Accum Provision for Pension & Related Benefits	1	0	(3)	1	
Asset Retirement Obligation	54	40	47	14	Primarily due to an awarded contract and change in settlement date (Canal Asbestos) and recent construction and settlement activity (Gas Mains/Center UGS wells).
Regulatory Liabilities Non Current	855	851	849	4	
Derivative Liability	18	22	22	(4)	
Other Liabilities	93	90	90	4	
<b>Total Deferred Credits and Other Liabilities</b>	<b>1,770</b>	<b>1,753</b>	<b>1,736</b>	<b>17</b>	
<b>Equity</b>	<b>2,616</b>	<b>2,620</b>	<b>2,427</b>	<b>(4)</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 6,947</b>	<b>\$ 6,928</b>	<b>\$ 6,702</b>	<b>\$ 19</b>	

<sup>(1)</sup> Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

**Balance Sheet - KU**

**February 2021**

(\$ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 14	\$ 5	\$ 10	\$ 9	Primarily due to higher than budgeted revenue in the first two months of 2021 and a higher than budgeted beginning balance.
Accounts Receivable (Trade)	278	240	227	38	
Inventory	108	115	125	(7)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	37	35	18	1	
Prepayments and other current assets	43	41	33	1	
<b>Total Current Assets</b>	<b>479</b>	<b>437</b>	<b>413</b>	<b>43</b>	
Property, Plant, and Equipment	7,443	7,466	7,268	(22)	Primarily due to a net increase in the funded status of the plan which was driven by 2020 actual return on asset of ~18% versus budget assumption of .70%, partially offset by an increase in the plan benefit obligation driven by a 41bps decrease in the discount rate partially offset by changes in mortality assumptions.
Intangible Assets	39	35	40	4	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	370	392	386	(22)	
Goodwill	0	0	0	0	
Other Long-term Assets	124	102	101	22	
<b>Total Assets</b>	<b>\$ 8,456</b>	<b>\$ 8,430</b>	<b>\$ 8,208</b>	<b>\$ 25</b>	
<b>Liabilities and Equity:</b>					
<b>Current Liabilities:</b>					
Accounts Payable (Trade)	\$ 135	\$ 151	\$ 140	\$ (16)	Primarily due to timing of accounts payable expected to occur in the budget versus actuals.
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	33	32	32	2	
Derivative Liability	0	0	0	0	
Accrued Taxes	37	33	33	5	
Regulatory Liabilities Current	16	9	16	7	
Other Current Liabilities	125	115	133	10	
<b>Total Current Liabilities</b>	<b>346</b>	<b>339</b>	<b>355</b>	<b>7</b>	
Debt - Affiliated Company	0	0	0	0	
Debt <sup>(1)</sup>	2,776	2,749	2,740	27	
<b>Total Debt</b>	<b>2,776</b>	<b>2,749</b>	<b>2,740</b>	<b>27</b>	
Deferred Tax Liabilities	835	838	792	(3)	
Investment Tax Credit	88	88	90	0	
Accum Provision for Pension & Related Benefits	0	0	(1)	0	
Asset Retirement Obligation	72	78	91	(7)	
Regulatory Liabilities Non Current	1,053	1,053	1,071	(1)	
Derivative Liability	0	0	0	0	
Other Liabilities	48	44	46	4	
<b>Total Deferred Credits and Other Liabilities</b>	<b>2,096</b>	<b>2,102</b>	<b>2,088</b>	<b>(6)</b>	
<b>Equity</b>	<b>3,238</b>	<b>3,241</b>	<b>3,025</b>	<b>(3)</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 8,456</b>	<b>\$ 8,430</b>	<b>\$ 8,208</b>	<b>\$ 25</b>	

<sup>(1)</sup> Includes all ST and LT debt.

Note: Schedules may not sum due to rounding and excludes purchase accounting adjustments.

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 54 - 807 KAR 5:001 Section 16(8)(a)**  
**Sponsoring Witness: Christopher M. Garrett**

**Description of Filing Requirement:**

*A jurisdictional financial summary for both the base period and the forecasted period that details how the utility derived the amount of the requested revenue increase.*

**Response:**

See attached.

**Base Period Update Response:**

See attachment being provided in Excel format.

The attachment is being provided in a separate file in Excel format.

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 55 - 807 KAR 5:001 Section 16(8)(b)**  
**Sponsoring Witness: Christopher M. Garrett**

**Description of Filing Requirement:**

*A jurisdictional rate base summary for both the base period and the forecasted period with supporting schedules, which include detailed analyses of each component of the rate base.*

**Response:**

See attached.

**Base Period Update Response:**

See attachment being provided in Excel format.

The attachment is being provided in a separate file in Excel format.

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 56 - 807 KAR 5:001 Section 16(8)(c)**  
**Sponsoring Witness: Christopher M. Garrett**

**Description of Filing Requirement:**

*A jurisdictional operating income summary for both the base period and the forecasted period with supporting schedules, which provide breakdowns by major account group and by individual account.*

**Response:**

See attached.

**Base Period Update Response:**

See attachment being provided in Excel format.



The attachment is being provided in a separate file in Excel format.

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 57 - 807 KAR 5:001 Section 16(8)(d)**  
**Sponsoring Witness: Christopher M. Garrett**

**Description of Filing Requirement:**

*A summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.*

**Response:**

See attached.

**Base Period Update Response:**

See attachment being provided in Excel format.

The attachment is being provided in a separate file in Excel format.

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 58 - 807 KAR 5:001 Section 16(8)(e)**  
**Sponsoring Witness: Christopher M. Garrett**

**Description of Filing Requirement:**

*A jurisdictional federal and state income tax summary for both the base period and the forecasted period with all supporting schedules of the various components of jurisdictional income taxes.*

**Response:**

See attached.

**Base Period Update Response:**

See attachment being provided in Excel format.

The attachment is being provided in a separate file in Excel format.

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 59 - 807 KAR 5:001 Section 16(8)(f)**  
**Sponsoring Witness: Christopher M. Garrett**

**Description of Filing Requirement:**

*Summary schedules for both the base period and the forecasted period (the utility may also provide a summary segregating those items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures at country clubs; charitable contributions; marketing, sales, and advertising expenditures; professional service expenses; civic and political activity expenses; expenditures for employee parties and outings; employee gift expenses; and rate case expenses.*

**Response:**

See attached.

**Base Period Update Response:**

See attached for the updated base period to reflect 12 months of actuals.

Kentucky Utilities Company

Case No. 2020-00349

Filing Requirement Section 16(8)(f)

Base Period: Twelve Months Ended February 28, 2021

Forecasted Test Period: Twelve Months Ended June 30, 2022

KU FR\_16(8)(f) Schedule F

Schedule	Description
F-1	Organization Membership Dues, Initiation Fees and Expenditures at Country Clubs
F-2	Charitable Contributions
F-3	Expenditures for Employee Parties and Outings, Employee Gift Expenses
F-4	Marketing and Sales Expenditures
F-5	Advertising Expenditures
F-6	Professional Service Expenses
F-7	Rate Case Expenses
F-8	Civic and Political Activity Expenses

**Case No. 2020-00349**  
**Attachment to Filing Requirement**  
**Tab 59 - 807 KAR 5:001 Sec. 16(8)(f)**  
**Page 2 of 9**  
**Garrett**

Kentucky Utilities Company  
Case No. 2020-00349  
Organization Membership Dues, Initiation Fees and Expenditures at Country Clubs  
Base Period: Twelve Months Ended February 28, 2021  
Forecasted Test Period: Twelve Months Ended June 30, 2022

KU FR\_16(8)(f)

Schedule F-1

Account No.	Organization/Membership	Dues	Jurisdiction %	Total Jurisdiction
<b>Base Period - Recoverable</b>				
930	AMERICAN COAL ASH ASSOCIATION	8,250	94.120%	7,765
930	BAKER BOTTS LLP	45,356	94.120%	42,689
930	CHARTWELL INC	25,273	94.120%	23,787
930	E SOURCE COMPANIES LLC	20,405	94.120%	19,205
930	EDISON ELECTRIC INSTITUTE	526,243	94.120%	495,301
921/930	ELECTRIC POWER RESEARCH INSTITUTE	1,975,302	94.120%	1,859,158
921	KY SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS	5,757	94.120%	5,418
930	NORTH AMERICAN TRANSMISSION FORUM INC	55,633	94.120%	52,362
930	PJM INTERCONNECTION LLC	5,453	94.120%	5,132
930	PRACTISING LAW INSTITUTE	5,681	94.120%	5,347
930	SOUTHEASTERN ELECTRIC EXCHANGE	8,533	94.120%	8,031
930	SOUTHERN COMPANY SERVICES	5,146	94.120%	4,843
930	STEPTOE AND JOHNSON PLLC	45,965	94.120%	43,262
930	UNIVERSITY OF MISSOURI-FRI/PUD	5,400	94.120%	5,082
930	UTILITIES TECHNOLOGY COUNCIL	10,195	94.120%	9,596
930	UTILITY AIR REGULATION GROUP (UARG)	(116,953)	94.120%	(110,076)
930	UTILITY WATER ACT GROUP	149,333	94.120%	140,552
930	WATERWAYS COUNCIL INC	6,506	94.120%	6,123
506/921/930	Various Vendors < \$5,000	77,141	94.120%	72,605
<b>Total Base Period - Recoverable</b>		<b>2,864,618</b>		<b>2,696,185</b>
<b>Base Period - Not Recoverable</b>				
426	COMMERCE LEXINGTON INC	6,940	0.000%	-
426	EDISON ELECTRIC INSTITUTE	75,169	0.000%	-
426	JESSAMINE CHAMBER OF COMMERCE	2,000	0.000%	-
426	KENTUCKY CHAMBER	28,855	0.000%	-
426	WATERWAYS COUNCIL INC	5,542	0.000%	-
426	Various Vendors < \$2,000	19,017	0.000%	-
<b>Total Base Period - Non-Recoverable</b>		<b>137,523</b>		<b>-</b>
<b>Forecasted Test Period - Recoverable</b>				
930	CLASS OF 85 REGULATORY RESPONSE GROUP	26,100	94.097%	24,559
930	CLIMATE LEGAL RESOURCE GROUP	20,300	94.097%	19,102
930	COAL COMBUSTION RESIDUALS	40,600	94.097%	38,203
930	CROSS CUTTING ISSUES	20,300	94.097%	19,102
930	EDISON ELECTRIC INSTITUTE	496,801	94.097%	467,475
930	ELECTRIC POWER RESEARCH INSTITUTE	1,302,579	94.097%	1,225,690
930	MIDWEST OZONE GROUP	43,500	94.097%	40,932
930	NEW SOURCE REVIEW	20,300	94.097%	19,102
930	UTILITY SOLID WASTE ACTIVITIES GROUP (USWAG)	42,000	94.097%	39,521
930	UTILITY WATER ACT GROUP (UWAG)	76,560	94.097%	72,041
Various	Other Non-Specific KU Dues	325,089	94.097%	305,900
<b>Total Forecasted Test Period - Recoverable</b>		<b>2,414,129</b>		<b>2,271,627</b>
Note> Portion of Forecasted Test Period Recoverable Dues are not completed in specific vendor detail and are shown as "Other Non-Specific KU Dues".				
<b>Forecasted Test Period - Not Recoverable</b>				
426	EDISON ELECTRIC INSTITUTE	76,431	0.000%	-
426	KENTUCKY CHAMBER	29,120	0.000%	-
426	Other Non-Specific KU Dues	30,113	0.000%	-
<b>Total Forecasted Test Period - Non-Recoverable</b>		<b>135,664</b>		<b>-</b>
Note> Portion of Forecasted Test Period Non-Recoverable Dues are not completed in specific vendor detail and are shown as "Other Non-Specific KU Dues".				



Kentucky Utilities Company

Case No. 2020-00349

Charitable Contributions

Base Period: Twelve Months Ended February 28, 2021

Forecasted Test Period: Twelve Months Ended June 30, 2022

KU FR\_16(8)(f)

Schedule F-2

Account No.	Charitable Organization	Total Utility	Jurisdiction %	Total Jurisdiction
<b>Base Period - Not Recoverable</b>				
426.1	TEAM KENTUCKY FUND	100,000	0.000%	-
426.1	LEXINGTON STRIDES AHEAD FOUNDATION	45,000	0.000%	-
426.1	COMMERCE LEXINGTON INC	34,750	0.000%	-
426.1	DOWNTOWN LEXINGTON CORPORATION	15,000	0.000%	-
426.1	KENTUCKY ASSOCIATION OF MANUFACTURERS	15,000	0.000%	-
426.1	Vendor <\$10,000	49,581	0.000%	-
	<b>Total Base Period</b>	<b>259,331</b>		<b>-</b>
<b>Forecasted Test Period - Not Recoverable</b>				
426.1	LEXINGTON STRIDES AHEAD FOUNDATION	45,000	0.000%	-
426.1	DOWNTOWN LEXINGTON CORPORATION	15,000	0.000%	-
426.1	KENTUCKY CHAMBER OF COMMERCE	13,000	0.000%	-
426.1	SCHOOL SUPPLY DRIVE	11,250	0.000%	-
426.1	PLANT FOR THE PLANET	10,000	0.000%	-
426.1	COMMERCE LEXINGTON	10,000	0.000%	-
426.1	VARIOUS FORECASTED TEST PERIOD CHARITABLE CONTRIBUTIONS	158,250	0.000%	-
	<b>Total Forecasted Period</b>	<b>262,500</b>		<b>-</b>

Note> Starting in 2019 Contributions to 501(c)(3) organizations are paid through the LGE and KU Foundation

KU FR\_16(8)(f)

Schedule F-3

Account No.	Description	Total Utility	Jurisdiction %	Total Jurisdiction
<b>Base Period - Not Recoverable</b>				
426.5	Employee Recognition	314,931	0.000%	-
	<b>Total Employee Recognition</b>	<u>314,931</u>		<u>-</u>
	<b>Total Base Period</b>	<u><u>314,931</u></u>	<u><u>0.000%</u></u>	<u><u>-</u></u>
<b>Forecasted Test Period - Not Recoverable</b>				
426.5	Employee Recognition	546,501	0.000%	-
	<b>Total Employee Recognition</b>	<u>546,501</u>		<u>-</u>
	<b>Total Forecast Period</b>	<u><u>546,501</u></u>	<u><u>0.000%</u></u>	<u><u>-</u></u>

Kentucky Utilities Company  
Case No. 2020-00349  
Marketing and Sales Expenditures  
Base Period: Twelve Months Ended February 28, 2021  
Forecasted Test Period: Twelve Months Ended June 30, 2022

KU FR\_16(8)(f)

Schedule F-4

Account No.	Description of Expenses	Base Period		Forecasted Test Period			
		Total Utility	Jurisdiction %	Total Utility	Jurisdiction %	Total Jurisdiction	
<b>Customer Service &amp; Informational</b>							
907	Supervision	494,940	98.715%	488,578	373,399	98.820%	368,993
908	Customer Assistance	455,237	100.000%	455,237	1,252,447	100.000%	1,252,447
910	Miscellaneous Customer Service & Informational	2,079,192	99.019%	2,058,793	1,833,884	99.185%	1,818,935
<b>Totals</b>		<b>3,029,369</b>		<b>3,002,608</b>	<b>3,459,730</b>		<b>3,440,374</b>

NOTE> Account 908, Customer Assistance, excludes amounts from Demand Side Management Programs (DSM), which are not recovered through base rates.

<b>Sales Expense</b>							
911	Supervision	-	98.715%	-	-	98.820%	-
912	Demonstration & Selling	71,866	95.003%	68,275	128,000	95.003%	121,604
916	Miscellaneous Sales Expense	-	95.003%	-	-	95.003%	-
<b>Totals</b>		<b>71,866</b>		<b>68,275</b>	<b>128,000</b>		<b>121,604</b>

Kentucky Utilities Company  
Case No. 2020-00349  
Advertising Expenditures  
Base Period: Twelve Months Ended February 28, 2021  
Forecasted Test Period: Twelve Months Ended June 30, 2022

KU FR\_16(8)(f)

Schedule F-5

		Base Period			Forecasted Test Period		
Account No.	Description of Expenses	Total Utility	Jurisdiction %	Total Jurisdiction	Total Utility	Jurisdiction %	Total Jurisdiction
<b>Recoverable Expenses</b>							
909	Informational or Safety Advertising	1,369,713	95.003%	1,301,268	1,788,025	95.003%	1,698,677
	<b>Totals</b>	1,369,713		1,301,268	1,788,025		1,698,677
<b>Not Recoverable Expenses</b>							
913	Sales or Promotional Advertising	1,035,876	95.003%	984,113	1,095,256	95.003%	1,040,532
930.1	Institutional or Other Advertising	-	95.240%	-	2,965	95.187%	2,822
	<b>Totals</b>	1,035,876		984,113	1,098,221		1,043,354

Note> Account 913 and 930.1 are Non-Recoverable expenses and are removed from base rates through proforma adjustments.

Kentucky Utilities Company  
Case No. 2020-00349  
Professional Service Expenses  
Base Period: Twelve Months Ended February 28, 2021  
Forecasted Test Period: Twelve Months Ended June 30, 2022

KU FR\_16(8)(f)

Schedule F-6

Professional Services Description of Expenses	Base Period			Forecasted Test Period		
	Total Utility	Jurisdiction %	Total Jurisdiction	Total Utility	Jurisdiction %	Total Jurisdiction
Computer Hardware And Software Maintenance	6,838,812	94.120%	6,436,704	7,852,910	94.097%	7,389,367
Contracted Labor And Materials	3,506,260	94.120%	3,300,099	6,852,070	94.097%	6,447,605
Legal Fees	5,322,767	94.120%	5,009,799	4,234,100	94.097%	3,984,169
Consulting Fees	1,286,223	94.120%	1,210,596	1,063,382	94.097%	1,000,612
Accounting and Audit Fees	830,114	94.120%	781,305	1,005,212	94.097%	945,876
Other	1,171,233	94.120%	1,102,367	1,663,389	94.097%	1,565,203
<b>Totals</b>	<b>18,955,409</b>		<b>17,840,870</b>	<b>22,671,063</b>		<b>21,332,832</b>

Kentucky Utilities Company  
Case No. 2020-00349  
Rate Case Expenses  
Base Period: Twelve Months Ended February 28, 2021  
Forecasted Test Period: Twelve Months Ended June 30, 2022

KU FR\_16(8)(f)

Schedule F-7

Account No.	Description of Expense	Total Utility
<b>Total Estimated Kentucky Rate Case Expenses</b>		
182	Legal	\$ 872,210
182	Consultants	205,681
182	Newspaper Advertising	473,631
<b>Total Estimated Kentucky Rate Case Expenses</b>		<b>\$ 1,551,522</b>

Note > Rate Case Expenses will occur during the Base Period and prior to the Forecast Period.

Account No.	Description of Expenses	Base Period		Forecasted Test Period			
		Total Utility	Jurisdiction %	Total Jurisdiction	Total Utility	Jurisdiction %	Total Jurisdiction
<b>Regulatory Commission Expenses</b>							
928	FERC Annual Charge	383,040	94.183%	360,757	442,476	94.183%	416,735
928	Rate Case Amortization	1,547,426	100.000%	1,547,426	419,721	100.000%	419,721
928	Virginia Rate Case	19,541	0.000%	-	30,000	0.000%	-
928	Miscellaneous	140,436	100.000%	140,436	14,850	100.000%	14,850
<b>Totals</b>		<b>2,090,443</b>		<b>2,048,619</b>	<b>907,047</b>		<b>851,307</b>

Kentucky Utilities Company  
Case No. 2020-00349  
Civic and Political Activity Expenses  
Base Period: Twelve Months Ended February 28, 2021  
Forecasted Test Period: Twelve Months Ended June 30, 2022

KU FR\_16(8)(f)

Schedule F-8

		Base Period			Forecasted Test Period		
Account No.	Item	Total Utility	Jurisdiction %	Total Jurisdiction	Total Utility	Jurisdiction %	Total Jurisdiction
<b>Not Recoverable Expenses</b>							
426.4	Civic/Political	779,186	0.000%	-	821,581	0.000%	-
<b>Totals</b>		779,186		-	821,581		-

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 60 - 807 KAR 5:001 Section 16(8)(g)**  
**Sponsoring Witnesses: Daniel K. Arbough / Gregory J. Meiman**

**Description of Filing Requirement:**

*Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.*

**Response:**

See attached for non-confidential information responsive to this request. All confidential information responsive to this request is being provided under seal pursuant to a Petition for Confidential Protection. Note that the attached payroll analysis includes an allocation of LG&E and KU Services (LKS) labor dollars.

On an annual basis the Company relies on benchmark information in calibrating the level of its primary components of compensation and benefits arrangements.

With regard to compensation, various third-party benchmarking and salary planning surveys from the energy services and general industries are utilized. The 50th percentile is used to establish the market midpoint of the annual salary ranges. Compensation is then managed within the low (70% of midpoint) and high (130% of midpoint) based on various factors including education, experience, performance, time in job and tenure. Compensation is considered competitive or "at market" if it is within +/- 10% of the market midpoint. A separate study from Willis Towers Watson is attached, which validates the Company's current compensation is at market. Please also see Mr. Meiman's testimony.

With regard to retirement and welfare benefits, the Company strives to keep the levels of those benefits consistent with market. The Company does so by setting benefit levels in the aggregate so that the entire package of benefits is aligned with market. A separate study from Mercer is attached, which validates the Company's current retirement and welfare benefit levels are at market. Please also see Mr. Meiman's testimony.

**Base Period Update Response:**

See attached for the updated base period to reflect 12 months of actuals for non-confidential information responsive to this request. All confidential information responsive to this request is being provided under seal pursuant to the Petition for Confidential Protection submitted on November 25, 2020. Note that the attached payroll analysis includes an allocation of LG&E and KU Services ("LKS") labor dollars and employees.



**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Payroll Costs**  
**Base Period: Twelve Months Ended February 28, 2021**  
**Forecasted Test Period: Twelve Months Ended June 30, 2022**

---

Payroll Costs	Base Period	Adjustments	Forecasted Test Period
Wages and Salaries:			
Straight & OT/Premium	\$ 156,848,821	\$ 10,148,605	\$ 166,997,426
Off-duty Costs	25,949,836	929,436	26,879,272
Employee Benefits	58,735,274	7,577,567	66,312,841
Payroll Taxes	14,174,643	1,771,091	15,945,734
Total Payroll Costs	\$ 255,708,574	\$ 20,426,699	\$ 276,135,273

**Note 1:** The information contained in this filing requirement includes all amounts charged to Kentucky Utilities by Kentucky Utilities, LG&E and KU Services, and Louisville Gas & Electric.

## Kentucky Utilities Company

Case No. 2020-00349

## Payroll Analysis

Base Period: Twelve Months Ended February 28, 2021

Forecasted Test Period: Twelve Months Ended June 30, 2022

Line No.	Description	Base Period	% Change	Forecasted Period
1				
2	<b>Man Hours</b>			
3	Salary/Straight Time Hours	3,327,244	7.22%	3,567,311
4	OverTime Hours	260,106	-3.27%	251,603
5	Total Man Hours	3,587,350	6.46%	3,818,914
6				
7	Ratio of OT Hours to ST Hours	7.82%		7.05%
8				
9	<b>Straight, OT/Premium Dollars</b>			
10	Salary/Straight Time Dollars	139,613,362	8.37%	151,299,852
11	OverTime Dollars	17,235,459	-8.92%	15,697,574
12	Total Labor Dollars	156,848,821	6.47%	166,997,426
13				
14	Ratio of OT Dollars to ST Dollars	12.35%		10.38%
15				
16	O&M Labor Dollars	103,910,656	10.49%	114,806,678
17				
18	Ratio of O&M Labor Dollars			
19	to Total Labor Dollars	66.25%		68.75%
20				
27	<b>Off-duty Dollars</b>			
28	Total Off-Duty Dollars	25,949,836	3.58%	26,879,272
29	Off-Duty Dollars O&M	17,079,529	8.14%	18,469,801
30				
31	Ratio of Off-Duty O&M			
32	to Total Off-Duty	65.82%		68.71%
33				
34				
35	<b>Employee Benefits</b>			
36	Total Employee Benefits	58,735,274	12.90%	66,312,841
37	Employee Benefits O&M	39,327,265	17.55%	46,229,535
38				
39	Ratio of Employee Benefits O&M			
40	to Total Employee Benefits	66.96%		69.71%
41				
42	<b>Payroll Taxes</b>			
43	Total Payroll Taxes	14,174,643	12.49%	15,945,734
44	Payroll Taxes O&M	9,587,290	14.34%	10,962,197
45				
46	Ratio of Payroll Taxes O&M			
47	to Total Payroll Taxes	67.64%		68.75%
48				
49	<b>Employee Levels</b>			
50	Average Employee Levels	899	2.45%	921
51	Period-End Employee Levels	899	2.11%	918

**Note 1:** The information contained in this filing requirement includes all amounts charged to Kentucky Utilities by Kentucky Utilities, LG&E and KU Services, and Louisville Gas & Electric.

**Note 2:** Headcount information shown on this schedule reflects only those employees of Kentucky Utilities where as labor dollars and man hours also include charges from LG&E and KU Services and Louisville Gas & Electric.

CONFIDENTIAL INFORMATION REDACTED

## Kentucky Utilities Company

Case No: 2020-00349

Officer Compensation

Updated Base Period: Mar 1, 2020 - Feb 28, 2021 <sup>1</sup>

Job Title	Salary	Other Compensation <sup>2</sup>
Chief Financial Officer		
Chief Information Officer		
Chief Operating Officer		
Controller		
Gen Counsel/Compl/ Corp Sec		
President and CEO		
Treasurer		
VP Communications&Corp Respon		
VP Corporate Resp&Comm Affairs		
VP Customer Services		
VP Electric Distribution		
VP Energy Supply and Analysis		
VP External Affairs		
VP Gas Operations		
VP Human Resources		
VP Power Production <sup>3</sup>		
VP Project Engineering		
VP State Regulation and Rates		
VP Transmission		
Average of All Officers	\$303,037	\$302,840

<sup>1</sup> Amounts pro-rated to reflect retirements as noted.

<sup>2</sup> Other Compensation includes cash based short-term incentives and stock based long-term incentives at target. None of the incentive pay is included in the cost of service.

<sup>3</sup> Former VP Power Production retired 6/1/2020.

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 61 - 807 KAR 5:001 Section 16(8)(h)**  
**Sponsoring Witness: Christopher M. Garrett**

**Description of Filing Requirement:**

*A computation of the gross revenue conversion factor for the forecasted period.*

**Response:**

See attached.

**Base Period Update Response:**

No update is required for this section.

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 62 - 807 KAR 5:001 Section 16(8)(i)**  
**Sponsoring Witness: Daniel K. Arbough**

**Description of Filing Requirement:**

*Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for the five (5) most recent calendar years from the application filing date, the base period, the forecasted period, and two (2) calendar years beyond the forecast period.*

**Response:**

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2020.

**Base Period Update Response:**

See attached for the updated base period to reflect 12 months of actuals.

Kentucky Utilities Company  
Case No. 2020-00349  
Comparative Income Statement  
Base Period: Twelve Months Ended February 28, 2021  
Forecasted Test Period: Twelve Months Ended April 30, 2022

Schedule I-3

	Most Recent Five Calendar Years					Base Period	Test Year	Forecasted		
	2016	2017	2018	2019	2020	2/28/2021	6/30/2022	2022	2023	2024
<b>Total Company</b>										
<b>INCOME STATEMENT</b>										
<b>Operating Revenues</b>										
Electric Operating Revenues	\$ 1,749,336,099	\$ 1,744,333,079	\$ 1,759,605,385	\$ 1,739,801,102	\$ 1,690,963,437	\$ 1,718,647,770	\$ 1,747,033,170	\$ 1,751,379,825	\$ 1,762,871,449	\$ 1,776,106,142
Rate Refunds	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>1,749,336,099</b>	<b>1,744,333,079</b>	<b>1,759,605,385</b>	<b>1,739,801,102</b>	<b>1,690,963,437</b>	<b>1,718,647,770</b>	<b>1,747,033,170</b>	<b>1,751,379,825</b>	<b>1,762,871,449</b>	<b>1,776,106,142</b>
<b>Operating Expenses</b>										
Fuel for Electric Generation	495,593,567	472,707,321	496,642,584	421,223,464	386,328,286	397,356,919	405,064,448	401,735,901	409,495,131	398,688,751
Power Purchased	39,174,611	45,705,642	44,517,728	43,262,874	36,280,962	35,551,448	51,756,701	51,181,718	46,929,761	59,356,108
Other Operation Expenses	288,619,475	290,559,284	285,156,788	285,131,432	288,487,015	288,276,802	317,114,499	316,539,695	322,341,018	324,277,036
Maintenance	124,991,908	124,242,239	143,871,371	142,961,244	132,162,703	138,680,660	161,906,120	161,580,986	163,624,429	165,367,844
Depreciation & Amortization Expense	234,105,094	254,103,548	273,237,492	305,819,862	333,552,538	336,436,552	415,869,665	421,807,882	427,737,186	437,125,523
Regulatory Debits	151,221	924,553	5,173,651	9,336,712	12,032,711	12,449,740	15,097,734	15,660,033	16,910,131	18,306,820
Current Income Taxes	162,280,172	161,763,816	80,013,228	82,613,935	65,102,862	66,948,079	22,878,471	26,293,184	26,361,421	25,560,011
Property and Other Taxes	39,970,768	41,520,581	43,930,185	45,459,729	46,543,263	47,415,864	53,284,218	54,804,042	57,255,575	58,889,004
Investment Tax Credit	4,601,305	10,450	-	432,019	214,954	214,954	-	-	-	-
Loss(Gain) from Disposition of Allowances	(92)	(52,419)	(62,535)	(111,111)	(30)	13,834	-	-	-	-
<b>Total Operating Expenses</b>	<b>1,389,488,029</b>	<b>1,391,485,015</b>	<b>1,372,480,492</b>	<b>1,336,130,160</b>	<b>1,300,705,264</b>	<b>1,323,344,854</b>	<b>1,442,971,856</b>	<b>1,449,603,441</b>	<b>1,470,654,652</b>	<b>1,487,571,097</b>
<b>Net Operating Income</b>	<b>359,848,070</b>	<b>352,848,064</b>	<b>387,124,893</b>	<b>403,670,942</b>	<b>390,258,173</b>	<b>395,302,916</b>	<b>304,061,314</b>	<b>301,776,384</b>	<b>292,216,797</b>	<b>288,535,044</b>
Other Income less deductions	1,235,542	882,876	(796,193)	(1,175,995)	2,475,499	2,188,668	2,327,869	2,901,689	4,861,494	7,005,386
<b>Income before Interest Charges</b>	<b>361,083,612</b>	<b>353,730,940</b>	<b>386,328,700</b>	<b>402,494,947</b>	<b>392,733,672</b>	<b>397,491,584</b>	<b>306,389,183</b>	<b>304,678,072</b>	<b>297,078,291</b>	<b>295,540,431</b>
Interest Charges	95,675,402	96,622,184	99,698,949	109,459,450	112,649,365	112,142,035	117,620,801	117,536,451	116,846,055	116,427,251
<b>Net Income</b>	<b>\$ 265,408,210</b>	<b>\$ 257,108,756</b>	<b>\$ 286,629,751</b>	<b>\$ 293,035,497</b>	<b>\$ 280,084,307</b>	<b>\$ 285,349,549</b>	<b>\$ 188,768,381</b>	<b>\$ 187,141,621</b>	<b>\$ 180,232,236</b>	<b>\$ 179,113,180</b>

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Comparative Income Statement**  
**Base Period: Twelve Months Ended February 28, 2021**  
**Forecasted Test Period: Twelve Months Ended April 30, 2022**

Schedule I-2

Total Company Revenue Statistics	Most Recent Five Calendar Years					Base Period	Test Year	Forecasted		
	2016	2017	2018	2019	2020	2/28/2021	6/30/2022	2022	2023	2024
Ultimate Consumer										
<b>Revenue by Customer class:</b>										
Residential	\$ 633,811,482	\$ 622,194,583	\$ 651,539,015	\$ 657,183,974	\$ 671,608,261	\$ 693,506,999	\$ 681,840,252	\$ 681,112,967	\$ 682,433,773	\$ 688,595,522
Commercial	391,730,927	400,741,031	406,728,380	443,870,883	427,335,400	428,385,200	445,420,512	448,099,897	450,841,368	453,590,027
Industrial	415,695,729	416,443,589	387,574,473	384,263,591	366,379,537	367,771,763	391,032,442	395,224,311	400,750,237	404,841,400
Public Street and Highway Lighting	12,980,249	13,144,391	12,470,660	11,866,826	9,762,686	9,526,767	13,155,302	13,143,486	13,177,182	13,247,285
Other Sales to Public Authorities	131,374,630	131,177,842	130,264,650	138,341,525	133,083,912	132,835,104	138,862,829	139,723,823	140,758,709	141,664,926
Rate Refunds	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,585,593,017</b>	<b>\$ 1,583,701,436</b>	<b>\$ 1,588,577,178</b>	<b>\$ 1,635,526,799</b>	<b>\$ 1,608,169,796</b>	<b>\$ 1,632,025,833</b>	<b>\$ 1,670,311,337</b>	<b>\$ 1,677,304,485</b>	<b>\$ 1,687,961,269</b>	<b>\$ 1,701,939,159</b>
<b>Number of Customers by class:</b>										
Residential	451,827	455,091	456,893	459,116	464,294	464,574	464,509	465,451	467,441	469,530
Commercial	84,580	84,959	85,957	86,314	87,030	87,169	84,090	84,378	84,677	84,990
Industrial	2,819	2,664	1,902	1,826	1,784	1,776	1,518	1,524	1,534	1,542
Public Street and Highway Lighting	1,482	1,475	1,461	1,191	1,270	1,247	413	413	413	413
Other Sales to Public Authorities	8,595	8,880	8,946	9,549	9,577	9,621	9,906	9,931	9,959	9,989
<b>Total</b>	<b>549,303</b>	<b>553,069</b>	<b>555,159</b>	<b>557,996</b>	<b>563,955</b>	<b>564,387</b>	<b>560,436</b>	<b>561,698</b>	<b>564,024</b>	<b>566,463</b>
<b>Average Revenue per class:</b>										
Residential	\$ 1,403	\$ 1,367	\$ 1,426	\$ 1,431	\$ 1,447	\$ 1,493	\$ 1,468	\$ 1,463	\$ 1,460	\$ 1,467
Commercial	\$ 4,631	\$ 4,717	\$ 4,732	\$ 5,143	\$ 4,910	\$ 4,914	\$ 5,297	\$ 5,311	\$ 5,324	\$ 5,337
Industrial	\$ 147,462	\$ 156,323	\$ 203,772	\$ 210,440	\$ 205,370	\$ 207,079	\$ 257,597	\$ 259,277	\$ 261,329	\$ 262,532
Public Street and Highway Lighting	\$ 8,759	\$ 8,911	\$ 8,536	\$ 9,964	\$ 7,687	\$ 7,640	\$ 31,853	\$ 31,816	\$ 31,897	\$ 32,066
Other Sales to Public Authorities	\$ 15,285	\$ 14,772	\$ 14,561	\$ 14,488	\$ 13,896	\$ 13,807	\$ 14,018	\$ 14,069	\$ 14,133	\$ 14,183

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Comparative Income Statement**  
**Base Period: Twelve Months Ended February 28, 2021**  
**Forecasted Test Period: Twelve Months Ended April 30, 2022**

Schedule I-3

Total Company Sales Statistics	Most Recent Five Calendar Years					Base Period	Test Year	Forecasted		
	2016	2017	2018	2019	2020	2/28/2021	6/30/2022	2022	2023	2024
Ultimate Consumer										
<b>Sales (Kwh) by Customer class:</b>										
Residential	6,416,652,459	6,039,478,457	6,695,891,061	6,423,481,381	6,307,233,171	6,543,964,120	6,299,560,749	6,270,467,353	6,230,435,360	6,234,214,047
Commercial	4,041,728,129	3,963,535,199	4,202,227,784	4,282,214,253	3,893,011,462	3,898,228,980	4,051,626,790	4,068,376,575	4,067,603,299	4,057,806,915
Industrial	6,733,922,217	6,601,695,828	6,543,167,587	6,204,539,878	5,744,367,905	5,718,270,149	6,080,308,301	6,120,524,548	6,133,178,277	6,122,320,663
Public Street and Highway Lighting	45,166,270	45,330,449	43,465,792	37,236,534	28,979,938	28,069,381	50,946,871	50,843,894	50,775,255	50,775,254
Other Sales to Public Authorities	1,643,895,141	1,578,698,575	1,639,942,963	1,611,260,055	1,492,125,642	1,486,650,930	1,565,438,877	1,572,506,727	1,572,762,992	1,568,356,782
<b>Total</b>	18,881,364,216	18,228,738,508	19,124,695,187	18,558,732,101	17,465,718,118	17,675,183,560	18,047,881,588	18,082,719,097	18,054,755,182	18,033,473,661
<b>Number of Customers by class:</b>										
Residential	451,827	455,091	456,893	459,116	464,294	464,574	464,509	465,451	467,441	469,530
Commercial	84,580	84,959	85,957	86,314	87,030	87,169	84,090	84,378	84,677	84,990
Industrial	2,819	2,664	1,902	1,826	1,784	1,776	1,518	1,524	1,534	1,542
Public Street and Highway Lighting	1,482	1,475	1,461	1,191	1,270	1,247	413	413	413	413
Other Sales to Public Authorities	8,595	8,880	8,946	9,549	9,577	9,621	9,906	9,931	9,959	9,989
<b>Total</b>	549,303	553,069	555,159	557,996	563,955	564,387	560,436	561,698	564,024	566,463
<b>Average Volume (Kwh) per class:</b>										
Residential	14,202	13,271	14,655	13,991	13,585	14,086	13,562	13,472	13,329	13,278
Commercial	47,786	46,652	48,888	49,612	44,732	44,720	48,182	48,216	48,037	47,745
Industrial	2,388,763	2,478,114	3,440,151	3,397,886	3,219,937	3,219,747	4,005,521	4,015,218	3,999,435	3,970,209
Public Street and Highway Lighting	30,477	30,733	29,751	31,265	22,819	22,510	123,328	123,076	122,908	122,905
Other Sales to Public Authorities	191,262	177,781	183,316	168,736	155,803	154,521	158,027	158,336	157,916	157,013



**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 63 - 807 KAR 5:001 Section 16(8)(j)**  
**Sponsoring Witness: Daniel K. Arbough**

**Description of Filing Requirement:**

*A cost of capital summary for both the base period and forecasted period with supporting schedules providing details on each component of the capital structure.*

**Response:**

See attached.

**Base Period Update Response:**

See attachment being provided in Excel format.

The attachment is being provided in a separate file in Excel format.

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 64 - 807 KAR 5:001 Section 16(8)(k)**  
**Sponsoring Witness: Daniel K. Arbough**

**Description of Filing Requirement:**

*Comparative financial data and earnings measures for the ten (10) most recent calendar years, the base period, and the forecast period.*

**Response:**

See attached. Note that the attached does not reflect any impact from rate case activity beyond 2020.

**Base Period Update Response:**

See attached for the updated base period to reflect 12 months of actuals.

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Comparative financial data**  
**Base Period: Twelve Months Ended February 28, 2021**  
**Forecasted Test Period: Twelve Months Ended April 30, 2022**

Line No.	Description	Forecasted Period											
		(a)	Base Period	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1	<b>Utility Plant in Service (\$000)</b>												
2	<b>Electric Plant</b>												
3	Electric Distribution	\$ 2,351,113	\$ 2,166,771	\$ 2,135,248	\$ 2,045,567	\$ 1,898,261	\$ 1,803,849	\$ 1,746,541	\$ 1,662,187	\$ 1,607,084	\$ 1,534,956	\$ 1,475,676	\$ 1,406,474
4	Electric General	278,670	238,750	236,939	226,979	210,040	186,443	182,877	177,719	174,933	152,501	143,158	137,494
5	Hydro Production Plant	52,449	43,955	43,955	43,866	43,950	42,379	39,799	39,469	38,949	38,944	33,953	28,640
6	Electric Intangible Plant	113,374	91,672	91,998	86,398	118,943	118,689	98,266	92,355	81,831	70,120	60,375	58,649
7	Electric Other Production	1,134,414	1,084,473	1,081,798	1,046,340	1,034,405	1,026,416	997,075	969,359	950,836	948,183	940,195	926,993
8	Electric Steam Production	5,692,623	5,488,014	5,483,005	5,262,164	5,213,806	5,172,803	5,142,959	5,065,548	4,564,415	3,896,763	3,797,974	3,627,077
9	Electric Transmission	1,502,671	1,289,831	1,289,234	1,139,118	1,038,306	924,692	874,918	807,381	768,438	728,201	690,259	656,885
10	<b>Total Electric Plant - Gross</b>	<b>11,125,313</b>	<b>10,403,466</b>	<b>10,362,177</b>	<b>9,850,432</b>	<b>9,557,711</b>	<b>9,275,271</b>	<b>9,085,007</b>	<b>8,814,348</b>	<b>7,787,006</b>	<b>6,969,668</b>	<b>6,741,590</b>	<b>6,442,212</b>
11	Less: Accumulated Depreciation and Amortization	4,080,270	3,666,258	3,621,418	3,464,340	3,389,429	3,238,142	3,051,198	2,849,852	2,798,969	2,647,411	2,519,600	2,395,038
12	<b>Electric Plant in Service-Net</b>	<b>\$ 7,045,044</b>	<b>\$ 6,737,208</b>	<b>\$ 6,740,759</b>	<b>\$ 6,386,092</b>	<b>\$ 6,168,282</b>	<b>\$ 6,037,129</b>	<b>\$ 6,033,809</b>	<b>\$ 5,964,496</b>	<b>\$ 4,988,037</b>	<b>\$ 4,322,257</b>	<b>\$ 4,221,990</b>	<b>\$ 4,047,174</b>
13	<b>Plant Purchased or Sold</b>	-	(169)	(170)	-	-	-	-	-	-	-	-	484
14	<b>Plant Held for Future Use</b>	1,781	1,012	1,012	1,937	1,913	1,913	748	634	634	325	-	793
15	<b>Construction Work In Progress</b>	278,071	333,922	321,166	495,780	502,916	321,168	180,793	267,027	880,068	1,138,613	490,182	339,711
16	<b>Property Under Operating Lease (net Accumulated Depreciation)</b>	12,651	26,838	27,343	28,272	-	-	-	-	-	-	-	-
17	<b>Net Utility Plant</b>	<b>\$ 7,337,547</b>	<b>\$ 7,098,811</b>	<b>\$ 7,090,110</b>	<b>\$ 6,912,081</b>	<b>\$ 6,673,111</b>	<b>\$ 6,360,210</b>	<b>\$ 6,215,350</b>	<b>\$ 6,232,157</b>	<b>\$ 5,868,739</b>	<b>\$ 5,461,195</b>	<b>\$ 4,712,172</b>	<b>\$ 4,388,162</b>
18	<b>Capital Structure: (\$000)</b>												
19	(\$'s Based on Period-End Accounts)												
20	Short-Term Debt	\$ 155,227	\$ 157,823	\$ 203,386	\$ 149,935	\$ 235,080	\$ 44,958	\$ 15,999	\$ 47,997	\$ 235,592	\$ 149,967	\$ 69,992	\$ -
21	Long-Term Debt	2,807,267	2,608,057	2,607,602	2,612,319	2,308,701	2,315,328	2,313,016	2,311,299	2,062,562	2,060,555	1,810,590	1,807,216
22	Common Equity	3,359,445	3,237,986	3,174,746	2,967,162	2,835,127	2,749,497	2,716,575	2,679,353	2,599,430	2,437,296	2,176,783	2,128,238
23	<b>Total</b>	<b>\$ 6,321,939</b>	<b>\$ 6,003,866</b>	<b>\$ 5,985,734</b>	<b>\$ 5,729,416</b>	<b>\$ 5,378,908</b>	<b>\$ 5,109,783</b>	<b>\$ 5,045,590</b>	<b>\$ 5,038,649</b>	<b>\$ 4,897,584</b>	<b>\$ 4,647,818</b>	<b>\$ 4,057,365</b>	<b>\$ 3,935,454</b>
24	<b>Condensed Income Statement Data: (\$000)</b>												
25	Operating Revenues	\$ 1,747,033	\$ 1,718,648	\$ 1,690,963	\$ 1,739,801	\$ 1,759,605	\$ 1,744,333	\$ 1,749,336	\$ 1,729,060	\$ 1,737,200	\$ 1,634,794	\$ 1,523,826	\$ 1,547,517
26	Operating Expenses (Excluding Income Taxes)	1,366,809	1,208,766	1,188,845	1,207,624	1,248,537	1,188,190	1,182,636	1,237,026	1,269,588	1,172,452	1,177,306	1,167,734
27	Federal and State Income Taxes	43,795	45,757	43,913	40,988	29,731	7,784	38,719	(18,299)	(87,627)	64,135	(20,749)	(2,486)
28	Deferred Federal and State Income Taxes	(20,916)	21,191	21,191	41,626	50,282	153,980	123,562	161,327	225,311	69,875	115,044	111,563
29	Property and Other Taxes	53,284	47,416	46,543	45,460	43,930	41,521	39,971	38,300	35,625	32,726	31,090	28,116
30	Investment Tax Credit	-	215	213	432	-	10	4,601	-	-	-	-	-
31	<b>Net Operating Income</b>	<b>304,061</b>	<b>395,303</b>	<b>390,258</b>	<b>403,671</b>	<b>387,125</b>	<b>352,848</b>	<b>359,847</b>	<b>310,706</b>	<b>294,303</b>	<b>295,606</b>	<b>221,135</b>	<b>242,590</b>
32	AFUDC - Equity	541	107	121	459	763	289	381	1,976	1,388	485	50	43
33	Amortization of Investment Tax Credit	1,935	1,861	1,859	1,978	2,234	1,927	1,846	1,846	1,871	1,871	2,800	2,686
34	Other Income (Deductions), Net	(148)	221	496	(3,613)	(3,793)	(1,333)	(991)	826	(619)	359	(9,181)	1,750
35	Income before Interest Charges	306,389	397,492	392,734	402,495	386,329	353,731	361,083	315,354	296,943	298,321	214,804	247,069
36	Interest Charges	117,621	112,142	112,649	109,459	99,699	96,622	95,675	82,037	77,493	70,305	68,803	70,334
37	<b>Net Income Available for Common Equity</b>	<b>\$ 188,768</b>	<b>\$ 285,350</b>	<b>\$ 280,084</b>	<b>\$ 293,036</b>	<b>\$ 286,630</b>	<b>\$ 257,109</b>	<b>\$ 265,408</b>	<b>\$ 233,317</b>	<b>\$ 219,450</b>	<b>\$ 228,016</b>	<b>\$ 146,001</b>	<b>\$ 176,735</b>
38	<b>Cash Flow (in millions)</b>												
39	Net operating cash flows	549	538	555	555	581	634	606	608	566	495	500	444
40	Net investing cash flows	(549)	(495)	(508)	(610)	(561)	(428)	(349)	(512)	(603)	(853)	(480)	(279)
41	<b>Net Free Cash Flow before dividends</b>	<b>\$ -</b>	<b>\$ 47</b>	<b>\$ 47</b>	<b>\$ (55)</b>	<b>\$ 20</b>	<b>\$ 206</b>	<b>\$ 257</b>	<b>\$ 96</b>	<b>\$ (37)</b>	<b>\$ (358)</b>	<b>\$ 20</b>	<b>\$ 165</b>

Kentucky Utilities Company  
Case No. 2020-00349  
Comparative financial data  
Base Period: Twelve Months Ended February 28, 2021  
Forecasted Test Period: Twelve Months Ended April 30, 2022

Line No.	Description	Forecasted Period (a)	Base Period	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
42	<b>Cost of Capital:</b>												
43	Embedded Cost of Debt (Short and Long Term)	3.97%	3.87%	3.82%	3.99%	4.06%	4.14%	4.08%	3.96%	3.36%	3.52%	3.57%	3.68%
44	<b>Fixed Charge Coverages:</b>												
45	Ratio of Earnings to Fixed Charges	2.8	4.4	3.9	4.3	4.5	5.2	5.3	5.3	5.4	5.9	4.2	4.8
46	<b>Stock and Bond Ratings:</b>												
47	Moody's Senior Secured	N/A	A1	A1	A1	A1	A1	A1	A1	A1	A2	A2	A2
48	S&P Senior Secured	N/A	A	A	A	A	A	A	A	A-	A-	A-	A-
49	Fitch Senior Secured	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	A+	A+	A+	A+
50	Moody's Commercial Paper	N/A	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2	P-2
51	S&P Commercial Paper	N/A	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2	A-2
52	Fitch Commercial Paper	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	F2	F2	F2	F2
53	<b>Common Stock Related Data:</b>												
54	Dividend Payout Ratio (Declared Basis)	0.65	0.70	0.71	0.78	0.86	0.88	0.87	0.66	0.67	0.54	0.68	0.70
55	<b>Rate of Return Measures:</b>												
56	Return on Common Equity (13 Month Average)	5.69%	9.14%	9.08%	9.96%	10.20%	9.43%	9.82%	8.81%	8.69%	9.88%	6.78%	8.39%

(a) Data for forecast does not reflect any impact from the rate case activity.

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 65 - 807 KAR 5:001 Section 16(8)(I)**  
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*A narrative description and explanation of all proposed tariff changes.*

**Response:**

Please refer to the testimony of Robert M. Conroy and also refer to the Proposed Tariff Sheets under KAR 5:001 Section 16(1)(b)(3)[Tab No. 4] and the Side By Side Comparisons under KAR 5:001 Section 16(1)(b)(4)[Tab No. 5].

**Base Period Update Response:**

No update is required for this section.

**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 66 - 807 KAR 5:001 Section 16(8)(m)**  
**Sponsoring Witness: William Steven Seelye**

**Description of Filing Requirement:**

*A revenue summary for both the base period and forecasted period with supporting schedules, which provide detailed billing analyses for all customer classes.*

**Response:**

See attached.

**Base Period Update Response:**

See attachment being provided in Excel format.

The attachment is being provided in a separate file in Excel format.



**Kentucky Utilities Company**  
**Case No. 2020-00349**  
**Forecasted Test Period Filing Requirements**  
**(Forecasted Test Period 12ME 6/30/22; Base Period 12ME 2/28/21)**

**Filing Requirement**  
**Tab 67 - 807 KAR 5:001 Section 16(8)(n)**  
**Sponsoring Witness: Robert M. Conroy**

**Description of Filing Requirement:**

*A typical bill comparison under present and proposed rates for all customer classes.*

**Response:**

See attached.

**Base Period Update Response:**

No update is required for this section.