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 1 - 807 KAR 5:001 Sections 14(1), 14(2), 14(3), 14(4)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

Section 14(1)

- *Full name, mailing address, and e-mail address of applicant.*
- *A reference to the particular provision of law requiring Commission approval.*

Section 14(2)

- *If applicant is a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state whether it is authorized to transact business in Kentucky.*

Section 14(3)

- *If applicant is a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state whether it is authorized to transact business in Kentucky.*

Section 14(4)

- *If applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, or a written statement that its partnership agreement and all amendments have been filed with the Commission in a prior proceeding and a reference to the case number of that proceeding.*

Response:

Section 14(1)
See Application Paragraph Nos. 1, 5 and 6.

Section 14(2)
See Application Paragraph No. 3 and the attached Certificates.

Section 14(3)
KU is not a limited liability company and, therefore, compliance with this filing requirement is not necessary.

Section 14(4)
KU is not a limited partnership and, therefore, compliance with this filing requirement is not necessary.

Commonwealth of Kentucky
Michael G. Adams, Secretary of State

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

Certificate of Existence

Authentication number: 238492
Visit https://web.sos.ky.gov/ftshow/certvalidate.aspx to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

KENTUCKY UTILITIES COMPANY

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is August 17, 1912 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 17th day of November, 2020, in the 229th year of the Commonwealth.

Michael G. Adams
Secretary of State
Commonwealth of Kentucky
238492/0028494

Commonwealth of Virginia

State Corporation Commission

CERTIFICATE OF GOOD STANDING

I Certify the Following from the Records of the Commission:

That KENTUCKY UTILITIES COMPANY is duly incorporated under the law of the Commonwealth of Virginia;

That the corporation was incorporated on November 26, 1991;

That the corporation's period of duration is perpetual; and

That the corporation is in existence and in good standing in the Commonwealth of Virginia as of the date set forth below.

Nothing more is hereby certified.

Signed and Sealed at Richmond on this Date:

November 17, 2020

Bernard J. Logan, Interim Clerk of the Commission

CERTIFICATE NUMBER : 2020111715158945

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 2 - 807 KAR 5:001 Section 16(1)(b)(1)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A statement of the reason the adjustment is required.

Response:

See Application.

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 3 - 807 KAR 5:001 Section 16(1)(b)(2)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that a certificate is not necessary.

Response:

The legal name of KU is Kentucky Utilities Company. It has never done business in Kentucky under an assumed name and has never filed a Certificate of Assumed Name as may be required by KRS 365.015. KU does business in Virginia under the name Old Dominion Power Company. Please see the attached certificate regarding the use by KU of the name Old Dominion Power Company in Virginia.

9 1 1 2 0 6 0 0 2 3 0 1

THEODORE V. MORRISON, JR.
CHAIRMAN

THOMAS P. HARWOOD, JR.
COMMISSIONER

PRESTON C. SHANNON
COMMISSIONER

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

WILLIAM J. BRIDGE
CLERK OF THE COMMISSION
P. O. BOX 1197
RICHMOND, VIRGINIA 23209-1197

December 6, 1991

Graham C. Daniels
Hunton & Williams
951 East Byrd St.
Richmond, VA 23219

RE: KENTUCKY UTILITIES COMPANY
ID: 0384331 - 5
DCN: 91-12-06-2301

This will acknowledge receipt of an attested copy of an assumed or fictitious name certificate for the captioned corporation conducting business under the assumed or fictitious name(s) of:

OLD DOMINION POWER COMPANY

The filing fee of $50.00 has been received.

Sincerely yours,

William J. Bridge

William J. Bridge
Clerk of the Commission

FICTACPT
CIS2060

HUNTON & WILLIAMS

ATLANTA, GEORGIA
BRUSSELS, BELGIUM
FAIRFAX, VIRGINIA
KNOXVILLE, TENNESSEE

RIVERFRONT PLAZA, EAST TOWER
951 EAST BYRD STREET
RICHMOND, VIRGINIA 23219-4074
TELEPHONE (804) 788-8200
FACSIMILE (804) 788-8218

NEW YORK, NEW YORK
NORFOLK, VIRGINIA
RALEIGH, NORTH CAROLINA
WASHINGTON, D. C.

FILE NO.: 22204.1
DIRECT DIAL: (804) 788-8755

December 5, 1991

BY HAND

State Corporation Commission
Jefferson Building - 1st Floor
Richmond, Virginia 23219

911206 2301

Attention: Corporate Operations Division

Filing of Fictitious Name Certificates for
Kentucky Utilities Company

Dear Madam or Sir:

Pursuant to the requirements of Virginia Code § 59.1-70, please find enclosed for filing, along with a check for $50.00, attested copies of fictitious name certificates the originals of which are on file in the Virginia counties of Wise, Scott, Dickenson, Lee and Russell.

The documents certify that Kentucky Utilities Company, a Virginia public service corporation, is trading under the name "Old Dominion Power Company."

If you have any questions or concerns regarding this filing, please do not hesitate to call.

Sincerely,

Graham C. Daniels

Enclosures
cc: George S. Brooks II, Esq.
Richard D. Gary, Esq.

CERTIFICATE OF FICTITIOUS NAME

This is to certify that Kentucky Utilities Company, a Virginia public service corporation, is the owner of the business to be conducted or transacted in the County of Scott, Virginia, trading under the name of:

Old Dominion Power Company

Kentucky Utilities Company
One Quality Street
Lexington, Kentucky 40507

By _____
President

STATE OF KENTUCKY:

COUNTY OF FAYETTE: To-wit:

I, George S. Brooks II, a Notary Public in and for the aforesaid state, do hereby certify that John T. Newton, whose name is signed to the above certificate this day appeared before me and acknowledged the same.

Given under my hand this 22nd day of November, 1991.

My Commission expires on the 19th day of January, 1993.

NOTARY PUBLIC STATE AT LARGE, KY.

_____
Notary Public

COMMONWEALTH OF VIRGINIA:

The foregoing Certificate of Assumed Name was presented in the Office of the Clerk of the Circuit Court of the County of Scott on the 2nd day of December, 1991, and admitted to record as the law directs, at 8:00 A.M.

_____
Clerk

A TRUE COPY TESTE:
CIRCUIT COURT CLERK'S OFFICE
SCOTT COUNTY, VIRGINIA
_____ CLERK

CERTIFICATE OF FICTITIOUS NAME

This is to certify that Kentucky Utilities Company, a Virginia public service corporation, is the owner of the business to be conducted or transacted in the County of Dickenson, Virginia, trading under the name of:

Old Dominion Power Company

Kentucky Utilities Company
One Quality Street
Lexington, Kentucky 40507

By _____
President

STATE OF KENTUCKY:

COUNTY OF FAYETTE: To-wit:

I, George S. Brooks II, a Notary Public in and for the aforesaid state, do hereby certify that John T. Newton, whose name is signed to the above certificate this day appeared before me and acknowledged the same.

Given under my hand this 22nd day of November, 1991.

My Commission expires on the 19th day of January, 1993.

_____
Notary Public

The foregoing Certificate of Assumed Name was presented in the Office of the Clerk of the Circuit Court of the County of Dickenson on the 26th day of December, 1991, and admitted to record as the law directs.

_____
Clerk

A COPY TESTE:

_____ DEPUTY CLERK

CERTIFICATE OF FICTITIOUS NAME

This is to certify that Kentucky Utilities Company, a Virginia public service corporation, is the owner of the business to be conducted or transacted in the County of Wise, Virginia, trading under the name of:

Old Dominion Power Company

Kentucky Utilities Company
One Quality Street
Lexington, Kentucky 40507

By _____
President

STATE OF KENTUCKY:

COUNTY OF FAYETTE: To-wit:

I, George S. Brooks II, a Notary Public in and for the aforesaid state, do hereby certify that John T. Newton, whose name is signed to the above certificate this day appeared before me and acknowledged the same.

Given under my hand this 22nd day of November, 1991.

My Commission expires on the 19th day of January, 1993.

_____
Notary Public

The foregoing Certificate of Assumed Name was presented in the Office of the Clerk of the Circuit Court of the County of Wise on the 26 day of November, 1991, and admitted to record as the law directs.

_____
Clerk

This is to certify that it is a true and correct reproduction or abstract of the official record filed with the Circuit Court for the City or County of Wise County/City of Norton, Virginia.
C. Mary Bakos, Clerk

Date issued 11-26-91

_____
Clerk or Deputy

(SEAL)

VOID IF ALTERED OR DOES NOT BEAR IMPRESSED SEAL OF COURT

VSTA 9/91

CERTIFICATE OF FICTITIOUS NAME

This is to certify that Kentucky Utilities Company, a Virginia public service corporation, is the owner of the business to be conducted or transacted in the County of Lee, Virginia, trading under the name of:

Old Dominion Power Company

Kentucky Utilities Company
One Quality Street
Lexington, Kentucky 40507

By _____
President

STATE OF KENTUCKY:

COUNTY OF FAYETTE: To-wit:

I, George S. Brooks II, a Notary Public in and for the aforesaid state, do hereby certify that John T. Newton, whose name is signed to the above certificate this day appeared before me and acknowledged the same.

Given under my hand this 22nd day of November, 1991.

My Commission expires on the 19th day of January, 1993.

NOTARY PUBLIC

_____
Notary Public

The foregoing Certificate of Assumed Name was presented in the Office of the Clerk of the Circuit Court of the County of Lee on the 26th day of December, 1991, and admitted to record as the law directs.

1:28 pm

Charles Colton, Clerk
Clerk
By: Karen C. Jones DC.

A COPY TESTE
CHARLES CALTON, CLERK,
_____
Deputy Clerk

CERTIFICATE OF FICTITIOUS NAME

This is to certify that Kentucky Utilities Company, a Virginia public service corporation, is the owner of the business to be conducted or transacted in the County of Russell, Virginia, trading under the name of:

Old Dominion Power Company

Kentucky Utilities Company
One Quality Street
Lexington, Kentucky 40507

By _____
President

STATE OF KENTUCKY:

COUNTY OF FAYETTE: To-wit:

I, George S. Brooks II, a Notary Public in and for the aforesaid state, do hereby certify that John T. Newton, whose name is signed to the above certificate this day appeared before me and acknowledged the same.

Given under my hand this 22nd day of November, 1991.

My Commission expires on the 19th day of January, 1993.

_____
Notary Public

The foregoing Certificate of Assumed Name was presented in the Office of the Clerk of the Circuit Court of the County of Russell on the 26th day of November, 1991, and admitted to record as the law directs.

_____
Clerk

A COPY TESTE
Joseph [illegible], Clerk
_____

Commonwealth of Virginia

State Corporation Commission

I Certify the Following from the Records of the Commission:

The foregoing are true and correct copies of business entity documents on file in the Office of the Clerk of the Commission related to KENTUCKY UTILITIES COMPANY, a Virginia corporation.

Nothing more is hereby certified.

Signed and Sealed at Richmond on this Date:

November 17, 2020

Bernard J. Logan, Interim Clerk of the Commission

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 4 - 807 KAR 5:001 Section 16(1)(b)(3)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.

Response:

See attached.

Kentucky Utilities Company

One Quality Street
Lexington, Kentucky
www.lge-ku.com

Rates, Terms, and Conditions for Furnishing

ELECTRIC SERVICE

In all territory served as stated on Tariff Sheet No. 1.2 of this Book

PUBLIC SERVICE COMMISSION

OF KENTUCKY

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 1

General Index
Rates, Terms, and Conditions

Title		Sheet Number	
General Index		1	
Territory Served		1.2	
SECTION 1 - Standard Rate Schedules			
RS	Residential Service	5	
RTOD-Energy	Residential Time-of-Day Energy Service	6	
RTOD-Demand	Residential Time-of-Day Demand Service	7	
VFD	Volunteer Fire Department Service	9	
GS	General Service	10	
GTOD-Energy	General Time-of-Day Energy Service	11	N
GTOD-Demand	General Time-of-Day Demand Service	12	N
AES	All Electric School	13	T
PS	Power Service	15	
TODS	Time-of-Day Secondary Service	20	
TODP	Time-of-Day Primary Service	22	
RTS	Retail Transmission Service	25	
FLS	Fluctuating Load Service	30	
LS	Lighting Service	35	
RLS	Restricted Lighting Service	36	
LE	Lighting Energy Service	37	
TE	Traffic Energy Service	38	
PSA	Pole and Structure Attachment Charges	40	
EVSE	Electric Vehicle Supply Equipment	41	
EVC-L2	Electric Vehicle Charging Service – Level 2	42	T
EVC-FAST	Electric Vehicle Fast Charging Service	43	N
	Special Charges	45	
	Returned Payment Charge		
	Meter Test Charge		
	Disconnect/Reconnect Service Charge		
	Meter Pulse Charge		
	Unauthorized Connection Charge		T
	AMI Opt Out Charges		N
SECTION 2 – Riders to Standard Rate Schedules			
CSR-1	Curtailable Service Rider-1	50	
CSR-2	Curtailable Service Rider-2	51	
SQF	Small Capacity Cogeneration Qualifying Facilities	55	
LQF	Large Capacity Cogeneration Qualifying Facilities	56	
NMS-1	Net Metering Service-1	57	T
NMS-2	Net Metering Service-2	58	N
EF	Excess Facilities	60	
RC	Redundant Capacity	61	T

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After Janaury 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

General Index
Rates, Terms, and Conditions

Title		Sheet Number	
SECTION 2 – Riders to Standard Rate Schedules (continued)			
IL	Intermittent Load	65	T
TS	Temporary-to-Permanent and Seasonal Service	66	T
KWH	Kilowatt-Hours Consumed By Lighting Unit	67	T
GT	Green Tariff	69	
EDR	Economic Development Rider	71	
SSP	Solar Share Program Rider	72	
EVSE-R	Electric Vehicle Supply Equipment	75	
WT	Warranty Service for Customer-Owned Exterior Electric Facilities	76	N
SECTION 3 – Pilot Programs			
OSL	Outdoor Sports Lighting Service	81	
SECTION 4 – Adjustment Clauses			
FAC	Fuel Adjustment Clause	85	
DSM	Demand-Side Management Cost Recovery Mechanism	86	
ECR	Environmental Cost Recovery Surcharge	87	
OSS	Off-System Sales Adjustment Clause	88	
ERS	Economic Relief Surcredit	89	N
FF	Franchise Fee	90	
ST	School Tax	91	
HEA	Home Energy Assistance Program	92	
SECTION 5 – Terms and Conditions			
	Customer Bill of Rights	95	
	General	96	
	Customer Responsibilities	97	
	Company Responsibilities	98	
	Character of Service	99	
	Residential Rate Specific Terms and Conditions	100	
	Billing	101	
	Deposits	102	
	Budget Payment Plan	103	
	Bill Format	104	
	Discontinuance of Service	105	
	Line Extension Plan	106	
	Energy Curtailment and Restoration Procedures	107	
	Net Metering Service Interconnection Guidelines	108	N

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

General Index
Territory Served

KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Garrard	Lyon	Rowan
Bracken	Grant	Madison	Russell
Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopkins	Nicholas	Woodford
Daviess			

All references hereinafter to “territory served” shall be determined by the Counties listed above.

Standard Rate **RS**

Residential Service

APPLICABLE

In all territory served.

AVAILABILITY

Available for single-phase secondary delivery to single family residential service subject to the terms and conditions on Sheet No. 100 of this Tariff. Three-phase service under this rate schedule is restricted to those Customers being billed on this rate schedule as of July 1, 2004.

RATE

Basic Service Charge per day:	$0.61			I
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total	
	$0.06750	$0.03200	$0.09950	I/I/I

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Home Energy Assistance Program	Sheet No. 92	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

MINIMUM CHARGE

The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

T

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Standard Rate **RS**
Residential Service

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Residential Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice.

Residential Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

Standard Rate **RTOD-Energy**

Residential Time-of-Day Energy Service

APPLICABLE

In the territory served.

AVAILABILITY

Available as an option to Customers otherwise served under Rate RS.

1. Service under this rate schedule is limited to a maximum of five hundred (500) Customers taking service on Rates RTOD-Energy and RTOD-Demand combined that are eligible for Rate RS. Company will accept Customers on a first-come-first-served basis.
2. This service is also available to Customers on Rate GS (where the Rate GS service is used in conjunction with a Rate RS service to provide service to a detached garage and energy usage is no more than 300 kWh per month) who demonstrate power delivered to such detached garage is consumed, in part, for the powering of low emission vehicles licensed for operation on public streets or highways. Such vehicles include:
   a) battery electric vehicles or plug-in hybrid electric vehicles recharged through a charging outlet at Customer's premises,
   b) natural gas vehicles refueled through an electric-powered refueling appliance at Customer's premises.
3. A Customer electing to take service under this rate schedule who subsequently elects to take service under Rate RS may not be allowed to return to this optional rate for twelve (12) months from the date of exiting this rate schedule.

RATE

Basic Service Charge per day:	$0.61			I
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total	
Off-Peak Hours:	$0.03312	$0.03200	$0.06512	I/I/I
On-Peak Hours:	$0.18924	$0.03200	$0.22124	R/I/R

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

T

Standard Rate **RTOD-Energy**
Residential Time-of-Day Energy Service

ADJUSTMENT CLAUSES T

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: T T

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	T
Fuel Adjustment Clause	Sheet No. 85	T
Off-System Sales Adjustment Clause	Sheet No. 88	T
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	T
Home Energy Assistance Program	Sheet No. 92	T
Franchise Fee	Sheet No. 90	T
School Tax	Sheet No. 91	T

RATING PERIODS

The rating periods are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service territory, and shall be as follows:

Summer Months of April through October

	Off-Peak	On-Peak
Weekdays	5 PM - 1 PM	1 PM - 5 PM
Weekends	All Hours	

All Other Months of November continuously through March

	Off-Peak	On-Peak	
Weekdays	10 AM - 6 PM and 10 PM - 6 AM	6 AM - 10 AM and 6 PM – 10 PM	T
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday.

MINIMUM CHARGE

The Basic Service Charge shall be the Minimum Charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

T

Standard Rate **RTOD-Energy**
Residential Time-of-Day Energy Service

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

RTOD-Energy Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional residential rate will not be eligible for Company's Budget Payment Plan. Company shall install metering equipment capable of accommodating the Time-of-Use rate described herein.

Standard Rate **RTOD-Demand**

Residential Time-of-Day Demand Service

APPLICABLE

In the territory served.

AVAILABILITY

Available as an option to Customers otherwise served under Rate RS.

1. Service under this rate schedule is limited to a maximum of five-hundred (500) Customers taking service on Rates RTOD-Demand and RTOD-Energy combined that are eligible for Rate RS. Company will accept Customers on a first-come-first-served basis.
2. This service is also available as an option to Customers on Standard Rate GS (where the Rate GS service is used in conjunction with a Rate RS service to provide service to a detached garage and energy usage is no more than 300 kWh per month) who demonstrate power delivered to such detached garage is consumed, in part, for the powering of low emission vehicles licensed for operation on public streets or highways. Such vehicles include: T
   a. battery electric vehicles or plug-in hybrid electric vehicles recharged through a charging outlet at Customer's premises,
   b. natural gas vehicles refueled through an electric-powered refueling appliance at Customer's premises.
3. A Customer electing to take service under this rate schedule who subsequently elects to take service under Rate RS may not be allowed to return to this optional rate for twelve (12) months from the date of exiting this rate schedule.

RATE

Basic Service Charge per day:	$0.61			I
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total	
	$0.01276	$0.03200	$0.04476	I/I/I
Plus a Demand Charge per kW:				
Base Hours:	$4.01			I
Peak Hours:	$10.37			I

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

T

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Standard Rate **RTOD-Demand**
Residential Time-of-Day Demand Service

ADJUSTMENT CLAUSES T

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: T T

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	T
Fuel Adjustment Clause	Sheet No. 85	T
Off-System Sales Adjustment Clause	Sheet No. 88	T
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	T
Home Energy Assistance Program	Sheet No. 92	T
Franchise Fee	Sheet No. 90	T
School Tax	Sheet No. 91	T

RATING PERIODS

The rating periods are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service territory, and shall be as follows:

Summer Months of April through October

	Base	Peak
Weekdays	All Hours	1 PM - 5 PM
Weekends	All Hours	

All Other Months of November continuously through March

	Base	Peak	
Weekdays	All Hours	6 AM - 10 AM and 6 PM – 10 PM	T
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday.

MINIMUM CHARGE

The Basic Service Charge shall be the minimum charge.

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the month.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

T

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Standard Rate **RTOD-Demand**
Residential Time-of-Day Demand Service

LATE PAYMENT CHARGE T

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges. T T

RTOD-Demand Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. T T T T

TERMS AND CONDITIONS T

Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional residential rate will not be eligible for Company's Budget Payment Plan. Company shall install metering equipment capable of accommodating the Time-of-Use rate described herein. T T T T

Standard Rate **VFD**

Volunteer Fire Department Service

APPLICABLE

In all territory served.

AVAILABILITY

Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of Customer with Customer determining whether service will be provided under this schedule or any other schedule applicable to this load.

DEFINITION

To be eligible for this rate a volunteer fire department is defined as:

1) having at least 12 members and a chief;
2) having at least one firefighting apparatus; and
3) half the members must be volunteers.

RATE

Basic Service Charge per day:	$0.61			I
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total	
	$0.06750	$0.03200	$0.09950	I/I/I

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

MINIMUM CHARGE

The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

T

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Standard Rate **VFD**
Volunteer Fire Department Service

LATE PAYMENT CHARGE T

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges. T T

Beginning January 1, 2021, Volunteer Fire Department Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

TERMS AND CONDITIONS T

Service will be furnished under Company's Terms and Conditions applicable hereto. T

Standard Rate **GS**
General Service

APPLICABLE
In all territory served.

AVAILABILITY
To general lighting and small power loads for secondary service.

Service under this schedule will be limited to Customers whose twelve (12) month-average monthly maximum loads do not exceed 50 kW. D

GRANDFATHERING N
Any Customer that (a) took service under this rate schedule on January 1, 2021, and (b) took service under P.S.C. 13, Fourth Revision of Original Sheet No. 10 on February 6, 2009, is considered "grandfathered" and may continue to take service under this rate schedule until the Customer ceases to be grandfathered. N N N N N

A grandfathered Customer that elects to take service under another rate schedule after January 1, 2021, ceases to be grandfathered. If such Customer later desires to take service under this rate schedule, Customer may do so only if Customer meets the Availability requirements. N N N N

A grandfathered Customer that meets the Availability requirements of this rate schedule on January 1, 2021, based on Customer's usage for the 12 months ending January 31, 2020, ceases to be grandfathered and may continue to take service under this rate schedule only if Customer meets the Availability requirements. N N N N

RATE

Basic Service Charge per day:	$1.35 single-phase service			I
	$2.15 three-phase service			I
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total	
	$0.09216	$0.03253	$0.12469	I/I/I

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

T

Standard Rate **GS**
General Service

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	T
Fuel Adjustment Clause	Sheet No. 85	T
Off-System Sales Adjustment Clause	Sheet No. 88	T
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	T
Franchise Fee	Sheet No. 90	T
School Tax	Sheet No. 91	T

DETERMINATION OF LOAD

Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation is more satisfactory. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.

DETERMINATION OF MAXIMUM LOAD

If Company determines based on Customer's usage history that Customer may be exceeding the maximum load permitted under Rate GS, Company may, at its discretion, equip Customer with a meter capable of measuring demand to determine Customer's continuing eligibility for Rate GS. If Customer is equipped with a demand-measuring meter, Customer's load will be measured and will be the average kW demand delivered to Customer during the 15-minute period of maximum use during the month.

MINIMUM CHARGE

The Basic Service Charge shall be the Minimum Charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, General Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: November 25, 2020

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Standard Rate **GTOD-Energy** N

General Time-of-Day Energy Service

APPLICABLE

In all territory served.

AVAILABILITY

Available to GS Customers participating in the Demand-Side Management ("DSM") program titled Non-Residential Advanced Metering Systems Incentive on Sheet No. 86.6.

A Customer electing to take service under this rate schedule who subsequently elects to take service under the standard rate GS will not be allowed to return to this rate for 12 months from the date of exiting this rate schedule.

RATE

Basic Service Charge per day:	$1.35 single-phase service $2.15 three-phase service		
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total
Off-Peak Hours	$0.04841	$0.03253	$0.08094
On-Peak Hours	$0.26776	$0.03253	$0.30029

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kW demand delivered to Customer during the 15-minute period of maximum use during the appropriate rating period each month.

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Lexington, Kentucky

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Standard Rate **GTOD-Energy** N
General Time-of-Day Energy Service

RATING PERIODS

The rating periods applicable are established in Eastern Standard Time year-round by season for weekdays and weekends, throughout Company's service territory, and shall be as follows:

Summer Months of April through October

	Off-Peak	On-Peak
Weekdays	5 PM – 1 PM	1 PM – 5 PM
Weekends	All Hours	

All other months of November continuously through March

	Off-Peak	On-Peak
Weekdays	10 AM – 6 PM and 10 PM – 6 AM	6 AM – 10 AM and 6 PM – 10 PM
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday.

MINIMUM CHARGE

The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, General Time-of-Day Energy Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: November 25, 2020

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State Regulation and Rates
Lexington, Kentucky

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Standard Rate **GTOD-Demand** N

General Time-of-Day Demand Service

APPLICABLE

In all territory served.

AVAILABILITY

Available to GS Customers participating in the Demand-Side Management ("DSM") program titled Non-Residential Advanced Metering Systems Incentive on Sheet No. 86.6.

A Customer electing to take service under this rate schedule who subsequently elects to take service under the standard rate GS will not be allowed to return to this rate for 12 months from the date of exiting this rate schedule.

RATE

Basic Service Charge per day:	$1.35 single-phase service $2.15 three-phase service		
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total
	$0.03663	$0.03253	$0.06916
Plus a Demand Charge per kW:			
Base Hours:	$ 5.47		
Peak Hours:	$ 14.16		

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91

Standard Rate **GTOD-Demand** N
General Time-of-Day Demand Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kW demand delivered to Customer during the 15-minute period of maximum use during the appropriate rating period each month.

RATING PERIODS

The rating periods applicable are established in Eastern Standard Time year-round by season for weekdays and weekends, throughout Company's service territory, and shall be as follows:

Summer Months of April through October

	Base	Peak
Weekdays	All Hours	1 PM - 5 PM
Weekends	All Hours	

All Other Months of November continuously through March

	Base	Peak
Weekdays	All Hours	6 AM - 10 AM and 6 PM – 10 PM
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday.

MINIMUM CHARGE

The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, General Time-of-Day Demand Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto. Customer must allow regular access to metering equipment for meter reading purposes.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Standard Rate **AES**

All Electric School

APPLICABLE

In all territory served.

AVAILABILITY

Service under this rate is available for secondary and primary service to:

1. a complex of school buildings on a central campus;
2. an individual school building; or
3. an addition to an existing school building.

School buildings, as referred to herein, shall be defined as buildings used as classrooms, laboratories, gymnasiums, libraries, cafeterias, school related offices or for other bona fide school purposes by duly constituted school authorities of Kentucky. Served electrically by Kentucky Utilities Company, such energy requirements include, but are not limited to, lighting, heating, cooling, and water heating. School buildings not receiving every energy requirement electrically shall be separately metered from the above defined service and served under the applicable rate. Other fuels may be used as incidental to and for instructional laboratory and other miscellaneous purposes without affecting the availability of this rate.

At those locations where the school owns its distribution system and makes the service connections to the various buildings and/or load centers, Company shall be given the option of providing service by use of the existing Customer-owned distribution system, or of constructing its own facilities in accordance with Company's Overhead Construction Standards. In any event, Company's investment in the facilities it provides may be limited to an amount not exceeding twice the estimated annual revenue from Customer's service. Should Company's investment in the facilities required to provide service to Customer exceed twice the revenue anticipated from the service to Customer and at Customer's option, Customer may make a contribution for the difference in the investment required in facilities necessary to provide service and twice the anticipated revenue, so as to receive service under this schedule.

This rate schedule is not available to privately operated kindergartens or daycare centers and is restricted to those Customers who were qualified for and being served on Rate AES as of July 1, 2011. Because this rate schedule is closed to new Customers, if Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule.

T

Standard Rate **AES**
All Electric School

RATE

Basic Service Charge per day:
$ 2.80 single-phase service
$ 4.60 three-phase service

Plus an Energy Charge per kWh:

Infrastructure	Variable	Total
$0.06856	$0.03223	$0.10079

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

MINIMUM CHARGE

The Basic Service Charge shall be the Minimum Charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, All-Electric School Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

Standard Rate **PS**

Power Service

APPLICABLE

In all territory served.

AVAILABILITY

Available for secondary or primary service and limited to Customers whose twelve (12) month-average monthly minimum secondary loads exceed 50 kW and whose twelve (12) month-average monthly maximum loads do not exceed 250 kW. D

GRANDFATHERING N

Any Customer that (a) took service under this rate schedule on January 1, 2021, and (b) took service under P.S.C. 13, Fourth Revision of Original Sheet No. 20, Large Power Service, or Fourth Revision of Original Sheet No. 30, Mine Power Service, on February 6, 2009, is considered "grandfathered" and may continue to take service under this rate schedule until the Customer ceases to be grandfathered.

A grandfathered Customer that elects to take service under another rate schedule after January 1, 2021, ceases to be grandfathered. If such Customer later desires to take service under this rate schedule, Customer may do so only if Customer meets the Availability requirements.

A grandfathered Customer that meets the Availability requirements of this rate schedule on January 1, 2021, based on Customer's usage for the 12 months ending January 31, 2020, ceases to be grandfathered and may continue to take service under this rate schedule only if Customer meets the Availability requirements.

RATE	Secondary	Primary	
Basic Service Charge per day:	$2.96	$7.89	
Plus an Energy Charge per kWh:	$0.03248	$0.03214	R/I
Plus a Demand Charge per kW:			
Summer Rate:			
(Five Billing Periods of May through September)	$26.57	$26.52	I/I
Winter Rate:			
(All other months)	$23.80	$23.80	I/I

Where the monthly billing demand is the greater of:

a. the maximum measured load in the current billing period but not less than 50 kW for secondary service or 25 kW for primary service, or
b. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, or
c. if applicable, a minimum of 60% of the contract capacity based on the maximum expected load on the system or on facilities specified by Customer.

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On and After January 1, 2021

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State Regulation and Rates
Lexington, Kentucky

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Standard Rate **PS**
Power Service

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

.....	Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
.....	Fuel Adjustment Clause	Sheet No. 85	
	Off-System Sales Adjustment Clause	Sheet No. 88	
	Economic Relief Surcredit	Sheet No. 89	N
	Environmental Cost Recovery Surcharge	Sheet No. 87	
	Franchise Fee	Sheet No. 90	
	School Tax	Sheet No. 91	

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the month.

Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times ninety (90) percent of the applicable kW charge.

In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when the power factor is less than ninety (90) percent in accordance with the following formula: (based on power factor measured at the time of maximum load).

$$\text{Adjusted Maximum kW Load for Billing Purposes} = \frac{\text{Maximum kW Load Measured X 90\%}}{\text{Power Factor (in percent)}}$$

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Power Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

TERM OF CONTRACT

Contracts under this rate may be required for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other. T

T

Standard Rate **PS**
Power Service

TERMS AND CONDITIONS T
Service will be furnished under Company's Terms and Conditions applicable hereto. T

Standard Rate **TODS**

Time-of-Day Secondary Service

APPLICABLE

In all territory served.

AVAILABILITY

Available for secondary service to Customers whose twelve (12) month-average monthly minimum loads exceed 250 kVA, and whose twelve (12) month-average monthly maximum loads do not exceed 5,000 kVA.

RATE

Basic Service Charge per day:	$7.32	I
Plus an Energy Charge per kWh:	$0.03210	I
Plus a Maximum Load Charge per kVA:		
Peak Demand Period:	$8.25	R
Intermediate Demand Period:	$6.64	R
Base Demand Period:	$3.25	I

Where:

the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:

1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:

1. the maximum measured load in the current billing period but not less than 250 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

Standard Rate **TODS**

Time-of-Day Secondary Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kVA demand delivered to Customer during the 15-minute period of maximum use during the appropriate rating period each month.

RATING PERIODS

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Intermediate	Peak
Weekdays	All Hours	10 A.M. –10 P.M.	1 P.M. – 7 P.M.
Weekends	All Hours		

All other months of October continuously through April

	Base	Intermediate	Peak
Weekdays	All Hours	6 A.M. – 10 P.M.	6 A.M. – 12 Noon
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Time-of-Day Secondary Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

Standard Rate **TODS**

Time-of-Day Secondary Service

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

Standard Rate **TODP**

Time-of-Day Primary Service

APPLICABLE

In all territory served.

AVAILABILITY

Available for primary service to Customers whose twelve (12) month-average monthly minimum demands exceed 250 kVA, and whose new or additional load receives any required approval of Company's transmission operator.

RATE

Basic Service Charge per day:	$10.84	
Plus an Energy Charge per kWh:	$0.03128	I
Plus a Maximum Load Charge per kVA:		
Peak Demand Period:	$8.36	R
Intermediate Demand Period:	$6.71	R
Base Demand Period:	$2.79	I

Where:

the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:

1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:

1. the maximum measured load in the current billing period but not less than 250 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum expected load on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

Standard Rate **TODP**
Time-of-Day Primary Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kVA demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

Customers who own and operate onsite generation of one (1) MW or larger that is not for emergency backup will be provided a 60-minute exemption from measuring load for billing purposes following a Company-system fault, but not a Company energy spike, a fault on a Customer's system, or other causes or events that result in the Customer's generation coming offline. The 60-minute exemption will begin after Company's SCADA system indicates service has been restored.

RATING PERIODS

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Intermediate	Peak
Weekdays	All Hours	10 A.M. – 10 P.M.	1 P.M. – 7 P.M.
Weekends	All Hours		

All other months of October continuously through April

	Base	Intermediate	Peak
Weekdays	All Hours	6 A.M. – 10 P.M.	6 A.M. – 12 Noon
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Time-of-Day Primary Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

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Standard Rate **TODP**

Time-of-Day Primary Service

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service. T T T T T T

TERMS AND CONDITIONS T

Service will be furnished under Company's Terms and Conditions applicable hereto. T

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Standard Rate **RTS**

Retail Transmission Service

APPLICABLE

In all territory served.

AVAILABILITY

Available for transmission service to any Customer: (1) who has a twelve (12) month-average monthly minimum demand exceeding 250 kVA; and (2) whose new or additional load receives any required approval of Company's transmission operator.

RATE

Basic Service Charge per day:	$49.28	
Plus an Energy Charge per kWh:	$0.03066	I
Plus a Maximum Load Charge per kVA:		
Peak Demand Period:	$8.04	R
Intermediate Demand Period:	$6.46	R
Base Demand Period:	$2.16	I

Where:

the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:

1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:

1. the maximum measured load in the current billing period but not less than 250 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum expected load on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

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Standard Rate **RTS**
Retail Transmission Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kVA demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

Customers who own and operate onsite generation of one (1) MW or larger that is not for emergency backup will be provided a 60-minute exemption from measuring load for billing purposes following a Company-system fault, but not a Company energy spike, a fault on a Customer's system, or other causes or events that result in the Customer's generation coming offline. The 60-minute exemption will begin after Company's SCADA system indicates service has been restored.

RATING PERIODS

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Intermediate	Peak
Weekdays	All Hours	10 A.M. – 10 P.M.	1 P.M. – 7 P.M.
Weekends	All Hours		

All other months of October continuously through April

	Base	Intermediate	Peak
Weekdays	All Hours	6 A.M. – 10 P.M.	6 A.M. – 12 Noon
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Retail Transmission Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

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Standard Rate **RTS**
Retail Transmission Service

TERM OF CONTRACT T

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service. T

TERMS AND CONDITIONS T

Service will be furnished under Company's Terms and Conditions applicable hereto. T

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Standard Rate **FLS**

Fluctuating Load Service

APPLICABLE

In all territory served.

AVAILABILITY

Available for primary or transmission service to Customers up to an aggregate of two hundred (200) MVA for all Customers taking service under this schedule and under the Fluctuating Load Service Rate FLS schedule of Louisville Gas and Electric Company. This schedule is restricted to individual Customers whose monthly demand is twenty (20) MVA or greater. A Customer is defined as a fluctuating load if that Customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month.

Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all Customers whose load is defined as fluctuating and not served on another rate schedule as of July 1, 2004.

BASE RATE

	Primary	Transmission	
Basic Service Charge per day:	$10.84	$49.28	
Plus an Energy Charge per kWh:	$0.03128	$0.03051	I/I
Plus a Maximum Load Charge per kVA:			
Peak Demand Period:	$7.51	$4.35	R/R
Intermediate Demand Period:	$5.94	$3.17	R/R
Base Demand Period:	$2.93	$1.49	I/I

Where:

the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:

1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:

1. the maximum measured load in the current billing period but not less than 20,000 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum expected load on the system or on facilities specified by Customer.

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Standard Rate **FLS**
Fluctuating Load Service

ADJUSTMENT CLAUSES

The amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

N

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kVA demand delivered to the Customer during the 5-minute period of maximum use during the appropriate rating period each month.

RATING PERIODS

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Intermediate	Peak
Weekdays	All Hours	10 A.M. – 10 P.M.	1 P.M. – 7 P.M.
Weekends	All Hours		

All other months of October continuously through April

	Base	Intermediate	Peak
Weekdays	All Hours	6 A.M. – 10 P.M.	6 A.M. – 12 Noon
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

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Standard Rate **FLS**
Fluctuating Load Service

LATE PAYMENT CHARGE (Continued) N

Beginning January 1, 2021, Fluctuating Load Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

TERM OF CONTRACT

Unless terminated by mutual agreement, the initial term of contract for service shall be for a fixed term of five (5) years with successive one (1) year term renewal until canceled by either party giving at least one (1) year written notice to the other prior to the end of the initial term or the then current annual renewal period, as applicable.

PROTECTION OF SERVICE

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other undesirable electrical characteristics produced by Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if Customer's use of Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to Customer in accordance with 807 KAR 5:006, Section 15(1)(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at Customer's expense.

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Standard Rate **FLS**
Fluctuating Load Service

SYSTEM CONTINGENCIES AND INDUSTRY SYSTEM PERFORMANCE CRITERIA T

Company reserves the right to interrupt up to 95% of Customer's load to facilitate Company compliance with system contingencies and with electric industry performance criteria. Customer shall permit Company to install electronic equipment and associated real-time metering to permit Company interruption of Customer's load. Such equipment will immediately notify Customer five (5) minutes before an electronically initiated interruption that will begin immediately thereafter and last no longer than ten (10) minutes nor shall the interruptions exceed twenty (20) per month. Such interruptions will not be accumulated nor credited against annual hours, if any, under either Rider CSR-1 or CSR-2. Company's right to interrupt under this provision is restricted to responses to unplanned outage or de-rates of LG&E and KU Energy LLC System ("LKE System") owned or purchased generation or when Automatic Reserve Sharing is invoked. LKE System, as used herein, shall consist of KU and LG&E. At Customer's request, Company shall provide documentation of the need for interruption under this provision within sixty (60) days of the end of the applicable billing period. T T T T T T T T T

LIABILITY

In no event shall Company have any liability to Customer or any other party affected by the electrical service to Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to Customer or any other party. In the event that Customer's use of Company's service causes damage to Company's property or injuries to persons, Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

Standard Rate **LS**

Lighting Service

APPLICABLE

In all territory served.

AVAILABILITY

Available under the conditions set out hereinafter for lighting applications such as, but not limited to, the illumination of streets, driveways, yards, lots, and other outdoor areas where secondary voltage of 120/240 is available.

Service will be provided under written contract, signed by Customer prior to service commencing, when additional facilities are required, when the installation includes new underground-fed lights, when the installation includes three (3) or more overhead-fed lights, or when Customer requests conversion to LED. N N N

OVERHEAD SERVICE

Based on Customer's lighting choice, Company will furnish, own, install, and maintain the lighting unit. A basic overhead service includes lamp, fixture, photoelectric control, mast arm, and, if needed, up to 150 feet of conductor per fixture on existing wood poles (fixture only).

RATE

Rate Code	Type of Fixture	Lumen Range	kW Per Light	Monthly Charge Fixture Only	
Light Emitting Diode (LED)					
390	Cobra Head	6,000-8,200	0.071	$ 9.58	R
391	Cobra Head	13,000-16,500	0.122	$11.55	R
392	Cobra Head	22,000-29,000	0.194	$14.86	R
393	Open Bottom	4,500-6,000	0.048	$ 7.84	R
KC1	Cobra Head	2,500-4,000	0.022	$ 8.25	R
KF1	Directional (Flood)	4,500-6,000	0.030	$10.80	R
KF2	Directional (Flood)	14,000-17,500	0.096	$12.70	R
KF3	Directional (Flood)	22,000-28,000	0.175	$15.06	R
KF4	Directional (Flood)	35,000-50,000	0.297	$21.83	R
Wood Pole					N
PK5				$8.61	N

Standard Rate **LS**
Lighting Service

UNDERGROUND SERVICE

Based on Customer's lighting choice, Company will furnish, own, install, and maintain poles, fixtures, and any necessary circuitry up to 200 feet. All poles and fixtures furnished by Company will be standard stocked materials. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for underground installation.

RATE

Rate Code	Type of Fixture	Lumen Range	kW Per Light	Fixture Charge	
Light Emitting Diode (LED)					
KC2	Cobra Head	2,500-4,000	0.022	$ 4.03	I
396	Cobra Head	6,000-8,200	0.071	$ 5.35	I
397	Cobra Head	13,000-16,500	0.122	$ 7.33	I
398	Cobra Head	22,000-29,000	0.194	$10.64	I
399	Colonial, 4-Sided	4,000-7,000	0.044	$ 7.14	R
KA1	Acorn	4,000-7,000	0.040	$ 8.69	R
KN1	Contemporary	4,000-7,000	0.057	$ 6.81	R
KN2	Contemporary	8,000-11,000	0.087	$ 8.16	I
KN3	Contemporary	13,500-16,500	0.143	$10.05	I
KN4	Contemporary	21,000-28,000	0.220	$14.59	I
KN5	Contemporary	45,000-50,000	0.380	$20.29	R
KF5	Directional (Flood)	4,500-6,000	0.030	$ 8.18	I
KF6	Directional (Flood)	14,000-17,500	0.096	$10.09	I
KF7	Directional (Flood)	22,000-28,000	0.175	$12.44	I
KF8	Directional (Flood)	35,000-50,000	0.297	$19.22	I
KV1	Victorian	4,000-7,000	0.079	$21.70	N

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Standard Rate **LS**
Lighting Service

Colonial and Acorn "Post Top" lights must include one of two pole options, a Decorative Smooth pole charge or a Historic Fluted pole charge. Underground fed Cobra and Contemporary LEDs must include a Cobra pole charge or Contemporary pole charge, respectively. The Underground fed Directional (Flood) LEDs must include a Cobra or Contemporary pole charge. The Victorian "Post Top" light must include a Histroic Fluted pole charge.

Pole Charges

Rate Code	Pole Type	Monthly Pole Charge
PK1	Cobra	$12.77
PK2	Contemporary	$11.81
PK3	Post Top – Decorative Smooth	$ 8.77
PK4	Post Top – Historic Fluted	$14.67

CONVERSION FEE

Customer will be required to pay either a one-time conversion fee or a monthly conversion fee for 60 months if Customer requests to change current functioning non-LED fixture to an LED fixture. This conversion fee represents the remaining book value of the current working non-LED fixture.

One-Time Conversion Fee:	$197.16
Monthly Conversion Fee:	$5.01 per month for 60 months

Standard Rate **LS**
Lighting Service

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. Billing for this service to be made a part of bill rendered for other electric service.

DETERMINATION OF ENERGY CONSUMPTION

The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

TERM OF CONTRACT

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required, when the installation includes new underground-fed lights, when the installation includes three (3) or more overhead-fed lights, or when Customer requests conversion to LED. Cancellation by Customer prior to the initial five (5) year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term. N N

TERMS AND CONDITIONS

1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.

2. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults. Company shall initiate service corrections within two (2) business days after such notification by Customer.

3. Customer shall be responsible for the cost of fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts. Company may decline to provide or continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

4. Company shall have the right to make other attachments and to further extend the conductors, when necessary, for the further extension of its electric service.

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Standard Rate **LS**
Lighting Service

TERMS AND CONDITIONS (continued)

5. If any permit is required from any municipal or other governmental authority with respect to installation and use of any of the lighting units provided hereunder, Company will seek such permits, but the ultimate responsibility for obtaining the permit belongs with Customer. T T T

6. If Customer requests the removal of an existing Restricted Lighting Service (RLS) lighting system, Customer may be required to pay Conversion Fee if Customer requests installation of LED replacement within five (5) years of the removal. T T T

7. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

8. Should Customer request underground service, Customer shall make a non-refundable cash contribution prior to the time of installation, or, at the option of Company, make a work contribution to Company for the difference in the installed cost of the system requested and the cost of the overhead lighting system.

   Where the location of existing poles is not suitable or where there are no existing poles for mounting of lights, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

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Standard Rate **RLS**

Restricted Lighting Service

APPLICABLE

In all territory served.

AVAILABILITY

Availability is restricted to those lighting fixtures/poles in service as of January 1, 2021. Spot replacements will not be available for High Pressure Sodium, Metal Halide, Mercury Vapor and Incandescent rate codes. T/D T/D T/D

In the event restricted fixtures/poles fail, Customer will be given the choice of having Company remove the failed fixture/pole or having Company replace the failed fixture/pole with a comparable LED fixture/pole. T T T

Units marked with an asterisk (*) are not available for use in residential neighborhoods except by municipal authorities.

OVERHEAD SERVICE

Based on Customer's lighting choice, Company has furnished, installed, and maintained the lighting unit complete with lamp, fixture, photoelectric control, mast arm, and, if needed, up to 150 feet of conductor per fixture on existing wood poles (fixture only).

RATE				Monthly Charge		
Rate Code	Type of Fixture	Approximate Lumens	kW Per Light	Fixture Only	Fixture and Pole	
High Pressure Sodium						
461/471	Cobra Head	4,000	0.060	$ 9.58	$ 13.10	I/I
462/472	Cobra Head	5,800	0.083	10.71	14.59	I/I
463/473	Cobra Head	9,500	0.117	11.06	15.16	I/I
464/474	Cobra Head	22,000*	0.242	17.15	21.55	I/I
465/475	Cobra Head	50,000*	0.471	27.03	29.97	I/I
409	Cobra Head	50,000	0.471	14.84		I
426	Open Bottom	5,800	0.083	9.32		I
428	Open Bottom	9,500	0.117	9.50		I
487	Directional (Flood)	9,500	0.117	10.90		I
488	Directional (Flood)	22,000*	0.242	16.47		I
489	Directional (Flood)	50,000*	0.471	23.16		I

Standard Rate **RLS**
Restricted Lighting Service

OVERHEAD SERVICE (continued)

RATE Rate Code	Type of Fixture	Approximate Lumens	kW Per Light	Monthly Charge Fixture Only	Monthly Charge Fixture and Pole	
Metal Halide						
450/454	Directional (Flood)	12,000*	0.150	$17.40	$22.44	I/I
455	Directional (Flood)	32,000*	0.350		29.31	I
452/459	Directional (Flood)	107,800*	1.080	50.12	55.15	I/I
451	Directional (Flood)	32,000*	0.350	24.28		I
Mercury Vapor						
446/456	Cobra Head	7,000	0.207	$11.81	$14.11	I/I
447/457	Cobra Head	10,000	0.294	13.93	15.87	I/I
448/458	Cobra Head	20,000	0.453	15.14	17.76	I/I
404	Open Bottom	7,000	0.207	12.56		I
Incandescent						
421	Tear Drop	1,000	0.102	$ 4.03		I
422	Tear Drop	2,500	0.201	5.22		I
424	Tear Drop	4,000	0.327	7.96		I
425	Tear Drop	6,000	0.447	10.36		I

Where the location of existing poles was not suitable, or where there were no existing poles for mounting of lights, and Customer requested service under these conditions, Company may have furnished the requested facilities at an additional charge determined under the Excess Facilities Rider.

UNDERGROUND SERVICE

Based on Customer's lighting choice, Company has furnished, installed, and maintained the lighting unit complete with lamp, fixture, photoelectric control, mast arm, and, if needed, up to 200 feet of conductor per fixture on appropriate poles.

RATE Rate Code	Type of Fixture	Approximate Lumens	kW Per Light	Pole Type	Monthly Charge	
Metal Halide						
460	Directional (Flood)	12,000	0.150	Decorative Smooth	$33.36	I
469	Directional (Flood)	32,000	0.350	Decorative Smooth	39.29	I
470	Directional (Flood)	107,800*	1.080	Decorative Smooth	64.88	I

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Standard Rate **RLS**
Restricted Lighting Service

UNDERGROUND SERVICE (continued)
RATE

Rate Code	Type of Fixture	Approximate Lumens	kW Per Light	Pole Type	Monthly Charge	
Metal Halide (continued)						
490	Contemporary	12,000*	0.150	Fixture Only	$18.80	I
491	Contemporary	32,000*	0.350	Fixture Only	$26.26	I
493	Contemporary	107,800*	1.080	Fixture Only	$53.96	I
494	Contemporary	12,000*	0.150	Decorative Smooth	$33.57	I
495	Contemporary	32,000*	0.350	Contemporary	$41.26	I
496	Contemporary	107,800*	1.080	Decorative Smooth	$68.71	I
High Pressure Sodium						
440	Acorn	4,000	0.060	Decorative Smooth	$17.33	I
410	Acorn	4,000	0.060	Historic Fluted	$24.69	I
401	Acorn	5,800	0.083	Decorative Smooth	$18.45	I
411	Acorn	5,800	0.083	Historic Fluted	$26.21	I
420	Acorn	9,500	0.117	Decorative Smooth	$18.78	I
430	Acorn	9,500	0.117	Historic Fluted	$26.67	I
466	Colonial	4,000	0.060	Decorative Smooth	$12.06	I
412	Coach	5,800	0.083	Decorative Smooth	$36.30	I
413	Coach	9,500	0.117	Decorative Smooth	$36.49	I
467	Colonial	5,800	0.083	Decorative Smooth	$13.61	I
468	Colonial	9,500	0.117	Decorative Smooth	$13.80	I
492	Contemporary	5,800	0.083	Fixture Only	$18.39	I
476	Contemporary	5,800	0.083	Contemporary	$20.76	I
497	Contemporary	9,500	0.117	Fixture Only	$18.09	I
477	Contemporary	9,500	0.117	Contemporary	$25.44	I
498	Contemporary	22,000*	0.242	Fixture Only	$21.14	I
478	Contemporary	22,000*	0.242	Contemporary	$32.77	I
499	Contemporary	50,000*	0.471	Fixture Only	$25.49	I
479	Contemporary	50,000*	0.471	Contemporary	$40.25	I
300	Dark Sky	4,000	0.060	Decorative Smooth	$26.56	I
301	Dark Sky	9,500	0.117	Decorative Smooth	$27.64	I
414	Victorian	5,800	0.083	Fixture Only	$36.31	N/I
415	Victorian	9,500	0.117	Fixture Only	$36.48	N/I

Standard Rate **RLS**
Restricted Lighting Service

DUE DATE OF BILL

Payment is due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. Billing for this service to be made a part of the bill rendered for other electric service.

DETERMINATION OF ENERGY CONSUMPTION

The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

N

TERM OF CONTRACT

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial five (5) year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term.

TERMS AND CONDITIONS

1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.

2. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults. Company shall initiate service corrections within two (2) business days after such notification by Customer.

3. Customer shall be responsible for the cost of fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts. Company may decline to provide or continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

4. Company shall have the right to make other attachments and to further extend the conductors, when necessary, for the further extension of its electric service.

5. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Standard Rate **LE**

Lighting Energy Service

APPLICABLE

In all territory served.

AVAILABILITY

Available to municipalities, county governments, divisions or agencies of the state or Federal governments, civic associations, and other public or quasi-public agencies for service to public street and highway lighting systems, where the municipality or other agency owns and maintains all street lighting equipment and other facilities on its side of the point of delivery of the energy supplied hereunder.

RATE

$0.07178 per kWh I

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

CONDITIONS OF DELIVERY

1. Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.

2. The location of the point of delivery of the energy supplied hereunder and the voltage at which such delivery is effected shall be mutually agreed upon by Company and the Customer in consideration of the type and size of Customer's street lighting system and the voltage which Company has available for delivery.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Standard Rate **TE**

Traffic Energy Service

APPLICABLE

In all territory served.

AVAILABILITY

Available to municipalities, county governments, divisions of the state or Federal governments or any other governmental agency for service on a 24-hour all-day every-day basis, where the governmental agency owns and maintains all equipment on its side of the point of delivery of the energy supplied hereunder. In the application of this rate each point of delivery will be considered as a separate Customer.

This service is limited to devices including, but not limited to, signals, cameras, or other traffic lights, electronic communication devices, emergency sirens, and gunshot triangulation devices. T

RATE

Basic Service Charge per day:	$0.13 per delivery point
Plus an Energy Charge per kWh:	$0.08848 I

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89 N
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

MINIMUM CHARGE

The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

CONDITIONS OF SERVICE

1. Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption, taking into account the size and characteristics of the load, or on meter readings obtained from a similar installation.

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On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Standard Rate **TE**

Traffic Energy Service

CONDITIONS OF SERVICE (continued)

2. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and Customer. D D

3. Loads not operated on an all-day every-day basis will be served under the appropriate rate.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

Standard Rate **PSA**

Pole and Structure Attachment Charges

APPLICABLE

In all territory served.

AVAILABILITY

Available to the facilities of Governmental units, Educational Institutions, Cable Television System Operators and Telecommunications Carriers as provided below except: (1) facilities of local exchange carriers ("ILECs") with joint use agreements with Company; (2) facilities subject to a fiber exchange agreement; and (3) Macro Cell Facilities. Nothing in this tariff expands the right to attach to Company's structures beyond the rights otherwise conveyed by law.

APPLICABILITY OF SCHEDULE TO CURRENT LICENSE AGREEMENTS

Any Telecommunications Carrier that executed a license agreement permitting attachments to Company's Structures prior to July 1, 2017 shall be subject to the rates, terms, and conditions of this Pole and Structure Attachment Charges Schedule ("this Schedule") upon expiration or termination of its license agreement. Any Governmental Unit or Educational Institution that executed a license agreement permitting attachments to Company's Structures prior to May 1, 2019 shall be subject to the rates, terms and conditions of this Schedule upon expiration or termination of its license agreement, unless such license agreement provides otherwise.

DEFINITIONS

"Affiliate" means, with respect to an entity, any entity controlling, controlled by, or under common control with such entity.

"Approved Contractor" means a contractor approved by Company for a particular purpose.

"Attachment" means the Cable or Wireless Facilities and all associated appliances including without limitation any overlashed cable, guying, small splice panels and vertical overhead to underground risers but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or otherwise conflicts with Company's electric design and construction standards.

"Attachment Customer" means a Customer that attaches its facilities to one or more of Company's Structures and has executed a Contract for Attachment to Company Structures with Company.

"Contract for Attachment to Company Structures" or "Contract" means the written agreement provided by Company and executed between Attachment Customer and Company incorporating the terms and conditions of this Schedule.

Standard Rate **PSA**

Pole and Structure Attachment Charges

"Business Day" means a calendar day unless it is a Saturday, a Sunday or a legal holiday.

"Cable" means the fiber optic or coaxial cable, or any other type of cable, as well as any messenger wire or support strand.

"Cable Television System Operator" means a Person who operates a system that transmits television signals, for distribution to subscribers of its services for a fee, by means of wires or cables connecting its distribution facilities with its subscriber's television receiver or other equipment connecting to the subscriber's television receiver, and not by transmission of television signals through the air, and subscription to the system's service is available to the public.

"Communication Space" means the area below the Communication Worker Safety Zone to the limit of allowable NESC clearance, department of transportation or other governmental requirements, and Company's internal construction standards on poles.

"Communication Worker Safety Zone" means the space between the facilities located in the Supply Space and facilities located in the Communications Space on poles.

"Contractor" means any Person employed or engaged by Attachment Customer to perform work or render services upon or in the immediate vicinity of Company's Structures or associated facilities other than Attachment Customer and Attachment Customer's employees.

"Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) by Standard and Poor's Rating Group or its successor ("S&P"), or Moody's Investor Services, Inc. or its successor ("Moody's"), or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as its "corporate credit rating" assigned by S&P, or the "long-term issuer rating" assigned by Moody's.

"Distribution Pole" means a utility pole supporting electric supply facilities, all of which operate at less than 69 kV, but does not include a non-wood street light pole or a wood street light pole that is not located in a public right-of-way.

"Duct" means a pipe, tube, conduit, manhole, or other structure made for supporting and protecting electric and/or communications wires or cables and in which wires, cables and conduits may be placed for support or protection but excluding (1) any pipe now or previously used for the transmission or distribution of natural gas, (2) any duct system supporting electric supply lines operated at 69kV or greater, and (3) any vault.

"Educational Institution" means a public or private, non-profit university, college or community college.

Standard Rate **PSA**

Pole and Structure Attachment Charges

"Governmental Unit" means an agency or department of the Federal Government, a department, agency, or other unit of the Commonwealth of Kentucky, a county or city, special district, or other political subdivision of the Commonwealth of Kentucky.

"High Volume Application" means an application or applications for Wireline Attachments to more than 300 poles or for Wireless Attachments to more than 30 poles or to place Cable or conduit through more than 10 manholes submitted to Company within a thirty (30) day period. T T

"Letter(s) of Credit means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch in a form acceptable to the Company. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

"Macro Cell Facility" means a wireless communications system site that is typically high-power and high-sited, and capable of covering a large physical area, as distinguished from a distributed antenna system (DAS), small cell, or WiFi attachment, by way of example. Macro Cell Facilities are typically, but not exclusively, co-located on Transmission Poles and communications monopoles and towers.

"Make-Ready Survey" means a survey, in the form prescribed by Company from time to time, prepared by Company or an Approved Contractor describing in reasonable detail the make-ready engineering requirements, and such other information as Company may require, for the installation of an Attachment or group of Attachments on a Structure or group of Structures.

"NEC" means the National Electrical Code.

"NESC" means the National Electrical Safety Code.

"Performance Assurance" means collateral in the form of cash, surety bond, Letter(s) of Credit, or other security acceptable to the Company.

"Person" is defined by KRS 278.010(2).

"Service Drop" means a Cable, attached to a pole with a J-hook or other similar hardware that connects the trunk line to an end user's premises.

"Structure" means any Company pole, conduit, duct, or other facility normally used by Company to support or protect its electric conductors but shall not include (1) any Transmission Pole with electric supply lines operated at 138kV or above; (2) any Transmission Pole with electric supply lines operated at less than 138kV other than Transmission Poles to which Company has also attached electric supply lines operated at less than 69kV; (3) any street light pole that is not a wood pole located in a public right-of-way; or (4) any pole that Company has leased to a third party.

Standard Rate **PSA**

Pole and Structure Attachment Charges

"Supply Space" means the space above the Communications Worker Safety Zone used for the installation of electric supply lines.

"Telecommunications carrier" means a Person who operates a system that (1) transmits by wire or wireless means, between or among points specified by the user, information of the user's choosing without change in the form or content of the information as sent or received, and (2) provides such transmission services for a fee directly to or for the public, or to such classes of users as to be effectively available directly to or for the public.

"Transmission Pole" means any utility pole or tower supporting electric supply facilities designed to operate at 69 kV or greater.

"Wireless Facility" means, without limitation, antennas, risers, transmitters, receivers, and all other associated equipment used in connection with Attachment Customer's provision of wireless communications services and the transmission and reception of radiofrequency signals, but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or that conflicts with Company's electric design and construction standards.

ATTACHMENT CHARGES

$ 7.25 per year for each wireline pole attachment.
$ 0.81 per year for each linear foot of duct.
$36.25 per year for each Wireless Facility located on the top of a Company pole.

The attachment charge for any other Wireless Facility shall be agreed upon by Attachment Customer and Company and set forth in a special contract to be filed with the Commission.

BILLING

All attachment charges for use of Structures will be billed semi-annually based upon the type and number of Attachment Customer's Attachments reflected in Company's records on December 1 and June 1. A bill issued under this Schedule shall be due upon its issuance. Any bill not paid in full within sixty (60) days of its issuance shall be assessed a late payment charge of three (3) percent on the bill's current charges. If Attachment Customer fails to pay all charges and fees billed within six (6) months of the bill's issuance, Company may remove any or all of Attachment Customer's Attachments. In lieu of or in addition to removal of Attachments, Company may exercise any other remedies available under law to address Attachment Customer's failure to make timely payment of any charges assessed under this Schedule.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Standard Rate **PSA**

Pole and Structure Attachment Charges

TERM OF SERVICE

An executed Contract shall be for a term of 10 (ten) years and shall thereafter automatically renew for successive one (1) year periods unless Company or Attachment Customer provides the other with written notice of termination at least sixty (60) days prior to the renewal date.

TERMS AND CONDITIONS OF ATTACHMENT

Attachments to Company's Structures that do not interfere with Company's electric service requirements and the Attachments of existing Customers and joint users shall be permitted in accordance with the terms and conditions of this Schedule. The Terms and Conditions set forth in Section 5 of the Company's Electric Service Tariff shall also be applicable to the extent they are not in conflict with or inconsistent with this Schedule's provisions.

1. CONTRACT FOR ATTACHMENT TO COMPANY STRUCTURES

No Attachments shall be made to Company's Structures until Attachment Customer has executed a Contract for Attachment to Company Structures. The Contract shall incorporate the terms and conditions set forth in this Schedule.

2. NO PROPERTY RIGHTS

No use, however extended, of Company Structures shall create or vest in Attachment Customer any right, title or interest in the Structures. A Contract confers only a non-exclusive right to affix and install Attachments to and on Company's Structures. Company is not required to maintain any Structure for a period longer than demanded by its electric service requirements.

3. USE OF COMPANY'S FACILITIES BY OTHERS

Nothing in this Schedule shall affect the rights or privileges previously conferred by Company to others. The rights granted under this Schedule and the Contract shall at all times be subject to such previously conferred privileges and shall not affect the rights or privileges that may be conferred by Company in the future to others.

4. TRANSFER OF RIGHTS

Except as provided in this Schedule, Attachment Customer's rights under the Contract are non-delegable, non-transferable and non-assignable. Any delegation, transfer or assignment of any interest created by the Contract or this Schedule without Company's prior written consent is voidable at Company's option. Company shall not unreasonably withhold its consent to Attachment Customer's delegation, transfer or assignment of rights under the Contract upon notice of the delegation, transfer or assignment and if adequate evidence is provided of transferee's compliance with Term 23 (Insurance) and Term 24 (Performance Assurance).

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Attachment Customer shall not permit a third party to overlash or utilize any Attachment without Company's prior written consent. Company may condition its consent upon such third party's compliance with all provisions of the Contract, this Schedule, and such other terms as Company may reasonably require.

5. COMPANY'S ABANDONMENT OF STRUCTURE

Company shall provide an Attachment Customer with a minimum of 180 days' notice before abandoning a Structure to which Attachment Customer has made an Attachment unless state or local law, easement provisions, or contractual obligations to a third party requires the Structure to be abandoned in a shorter period, in which case Company shall provide as much notice as is reasonably practicable.

6. FRANCHISES AND EASEMENTS

Attachment Customer shall secure at its own expense any right-of-way, easement, license, franchise or permit from any Person that may be required for the construction or maintenance of Attachments by or for Attachment Customer. If requested by Company, Attachment Customer shall submit to Company satisfactory evidence of such right-of-way, easement, license, franchise or permit. Company's approval of Attachments shall not constitute any representation or warranty regarding Attachment Customer's right to occupy or use any public or private right-of-way.

Upon an Attachment Customer's written request, Company may provide to Attachment Customer such non-private information as Company may have regarding the name of the record landowners from which Company obtained easements for Structures. Such information is provided without representation or warranty as to its accuracy or completeness. Company has no obligation to correct or supplement any information so provided. If Company provides assistance to Attachment Customer in obtaining easements or other property rights, Attachment Customer shall reimburse Company's cost of providing such assistance within thirty (30) days of its receipt of an invoice from Company.

Attachment Customer shall indemnify and save harmless Company from all claims, including the expenses incurred by Company to defend itself against such claims, resulting from or arising out of the failure of Attachment Customer to secure any right of way, easement, license, franchise or permit.

7. ATTACHMENT APPLICATIONS AND PERMITS

a. Unless waived by Company, Attachment Customer shall make written application, in the form and manner prescribed by Company for permission to install Attachments on or in any Structure. Each application shall include: (1) in the case of poles, the owner, number and location of all Structures for which license to attach is sought and the amount of space required thereon; (2) in the case of Ducts, the number of linear feet of Duct space and the specific location of each such Duct to be utilized, the amount of requested space, the nature of any changes or inner Duct or Ducts proposed to be installed and any other construction that might be required by the proposed Attachments; (3) the physical attributes of all proposed Attachments; (4) the proposed start date for installation of the Attachments; (5) any issues then known to Attachment Customer regarding space, engineering, access or other matters that might require resolution before installation of Attachments; and (6) proposed make ready drawings. Company may request additional information be included with the application at its reasonable discretion. Company may perform a pole loading study or request Attachment Customer to submit such study based upon a visual inspection or other information held by Company. If Company conducts a visual inspection of the pole to ascertain the need for a pole loading analysis, Company may assess the cost of such inspection to the Attachment Customer. If Company determines a pole loading study is required, no application shall be considered completed until submission of such study. Attachment Customer may perform the pole loading study or request Company to perform the study with cost to be borne by Attachment Customer. Nothing contained herein shall preclude Attachment Customer from submitting a pole loading study with its application without Company performing a visual inspection or otherwise requesting such study to expedite Company's review.

b. Attachment Customer shall be responsible for all costs associated with the application, a Make Ready Survey, engineering analysis, and Company's review of the application. Attachment Customer shall reimburse Company upon presentation of an invoice for such costs. If Attachment Customer does not request Attachments to a Transmission Pole or Duct, Company shall complete a Make Ready Survey within sixty (60) days of its receipt of Attachment Customer's completed application. If Attachment Customer's application requests Attachments to a Transmission Pole or Duct, Attachment Customer and Company shall mutually agree to a time period for completion of a Make-Ready Survey.

c. Upon completion of the Make Ready Survey, Company shall notify Attachment Customer in writing whether its application for use of Company's Structures has been granted, of any necessary changes to the proposed construction drawings, and the conditions, if any, imposed on the installation or use of Attachments. Company reserves the right to deny access to any Structure based upon lack of capacity, safety, reliability or engineering standards. Company may deny access to Transmission Poles in its discretion for any reason; provided that such denials shall be determined in a non-discriminatory manner. The following types of Transmission Poles are not available for Attachments under this Schedule: (1) Transmission Poles that do not support electric supply lines operated at less than 69kV and (2) Transmission Poles that support electric supply lines operated at 138kV or above. D T

d. Within fifteen (15) days of notifying Attachment Customer of the approval of its application, Company shall provide Attachment Customer a written statement of the costs of any necessary Company make-ready work, including but not limited to rearrangement of electric supply facilities and pole change out. Attachment Customer shall indicate its approval of this statement by submitting payment of the statement amount within fifteen (15) days of receipt. If facilities of a third party are required to be rearranged or transferred, Attachment Customer shall coordinate with the third party for such rearrangement or transfer and shall pay the costs related thereto. If Attachment Customer's application requests attachments to a Transmission Pole or Duct, Attachment Customer and Company shall mutually agree to a time period for preparation of a written statement of the costs of any necessary Company make-ready work.

e. If an existing Structure is replaced or a new Structure is erected solely to provide adequate capacity for Attachment Customer's proposed Attachments, Attachment Customer shall pay a sum equal to the actual material and labor cost of the new Structure, as well as any replaced appurtenances, plus the cost of removal of the existing Structure minus its salvage value, within thirty (30) days of receipt of an invoice. The new Structure shall be Company's property regardless of any Attachment Customer payments toward its cost. Attachment Customer shall acquire no right, title or interest in or to such Structure.

f. If Company is unable to perform the Make Ready Survey and engineering analysis within the time period established under Section 7b, Company shall advise Attachment Customer and promptly meet with Attachment Customer to develop a mutually agreeable plan of performance.

g. If Company fails to perform the make-ready work within sixty (60) days of receipt of Attachment Customer's payment of the make-ready costs, Attachment Customer may perform such work at its expense using an Approved Contractor, except that Attachment Customer may not perform such work with respect to Transmission Poles or Ducts.. The Approved Contractor shall provide notice to Company at least one week prior to performing any make-ready. During the performance of any make-ready by Approved Contractors, an inspector designated by Company shall accompany the Approved Contractor(s). The inspector, in his or her sole discretion, may direct that work be performed in a manner other than as approved in an application, based on the then-existing circumstances in the field. Company shall refund any unexpended make-ready fees within 30 days of notice that Attachment Customer has performed the work.

h. If Attachment Customer submits to Company within a thirty (30) day period an application or applications for Wireline Attachments to more than 300 poles, for Wireless Attachments to more than thirty (30) poles, or to place Cable or conduit through more than ten (10) manholes, such application or applications shall be considered a High Volume Application. The provisions set forth in Sections 7b through 7g that relate to time period and cost-reimbursement of Company's performance of application review, engineering analysis, and a Make Ready Survey, and the performance of make-ready work, shall not apply to High Volume Applications. Company and Attachment Customer submitting a High Volume Application shall develop a mutually agreeable plan of performance and cost reimbursement for Company's performance of application review, engineering analysis, and a Make Ready Survey, and the performance of make ready work, shall set this plan to writing and shall file it with the Commission as a special contract. T T

i. No written application to Company to affix and attach a Service Drop to Company's poles is required but Attachment Customer shall provide notice to Company within sixty (60) days of attachment of such Service Drop. This notice shall include the Service Drop location address (or a description of the location if the address is not available), the date of the attachment, the pole number of the pole to which the Service Drop is affixed or attached, and a statement as to whether the Service Drop constitutes a new Attachment to Company's pole for billing purposes. Any Service Drop affixed to a pole more than six (6) inches above or below a through-bolt shall be considered a separate Attachment for billing purposes. On drop or lift poles only, all Service Drops affixed within one foot of usable space shall be considered a single Attachment for billing purposes. Company may conduct an inspection of any Service Drop Attachments, and Attachment Customer shall reimburse Company within 30 days of presentation of an invoice for such inspections. The provisions of this Pole Structure Attachment Schedule shall not apply to an ILEC service drop if the ILEC has a joint use agreement with the Company and the service drop is located in the area covered by the joint use agreement.

8. CONSTRUCTION AND MAINTENANCE REQUIREMENTS AND SPECIFICATIONS

a. Attachment Customer shall not construct or install any Attachments until : (1) Company has approved in writing the design, construction, and installation practices for Attachment Customer's Attachments; (2) all Company make-ready work, if any, has been completed (and, if such make-ready work has been performed by an Approved Contractor pursuant to Section 7g above, inspected by Company); and (3) any necessary third party rearrangements or transfers have been completed. Any Attachment that fails to comply with this provision shall be deemed an Unauthorized Attachment for purposes of Section 19 of this Schedule

b. All Attachments shall be constructed and installed in a manner reasonably satisfactory to Company and so as not to interfere with Company's present or future use of its Structures. Attachments in Ducts shall not include any splice enclosures or excess cable. Attachment Customer shall maintain, operate and construct all Attachments in such manner as to ensure Company's full and free access to all Company facilities. All Attachments shall conform to Company's electric design and construction standards and applicable requirements of the NESC, NEC, and all other applicable codes and laws. In the event of a conflict, the more stringent standard shall apply.

c. Attachment Customer shall identify each of its Attachments with a tag, approved in advance by Company, that includes Attachment Customer's name, 24-hour contact telephone number, and such other information as Company may require. All Cable placed by Attachment Customer within a Company-owned or controlled Duct shall be enclosed within Attachment Customer furnished inner-duct and shall be clearly marked and identified as belonging to Attachment Customer at all access points. Service drops do not need to be tagged. Attachment Customer shall tag an Attachment at the time of construction. Any untagged Attachment existing as of the date of execution of the Contract or the effective date of this Schedule, whichever is earlier, shall be tagged by Attachment Customer when Attachment Customer or its agents perform work on the Attachment. If the Company is required to relocate or remove an Attachment or otherwise contact the owner of an Attachment to effect repairs and the Attachment is untagged and cannot be readily identified, any expense incurred by Company to identify the Attachment owner shall be borne by the Attachment Customer. Further, the Company shall be considered to have provided notice to the owner of an untagged Attachment required under Section 16 of this Schedule upon inspecting the Attachment and determining that it is untagged.

d. In the design, installation and maintenance of its Attachments, Attachment Customer shall comply with all Company standards and all federal, state and local government laws, rules, regulations, ordinances, or other lawful directives applicable to the work of constructing and installing the Attachments. All work shall be performed in accordance with the applicable standards of the NESC and the NEC, including amendments thereto adopted. Attachment Customer shall take all necessary precautions, by the installation of protective equipment or other means, to protect all Persons and property of all kinds against injury or damage caused by or occurring by reason of the construction, installation or existence of Attachments.

e. Attachment Customer shall immediately report to Company (1) any damage caused to property of Company or others when installing or maintaining Attachments, (2) any Attachment Customer's failure to meet the requirements set forth in this Schedule for assuring the safety of Persons and property and compliance with laws and regulations of public authorities and standard-setting bodies, and (3) any unsafe condition relating to Company's Structures identified by Attachment Customer.

f. Attachment Customer shall complete installation of its Attachments within sixty (60) days of the later of approval of the application for such Attachments or, if make-ready work is required under such approval, completion of make-ready work, and shall notify Company in writing upon its completion. If Attachment Customer fails to complete the installation within this time period, Company may revoke its permit for the Attachment. Prior to revoking the permit for the Attachment, Company shall provide written notice of the revocation to Attachment Customer. Company may conduct a post-construction inspection of such Attachments. Attachment Customer shall reimburse Company within thirty (30) days of presentation of an invoice for such inspections.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

g. Attachment Customer may use qualified contractors of its own choice to perform work below the Communication Worker Safety Zone. For any work in or above the Communication Worker Safety Zone that Company allows Attachment Customer to perform, Attachment Customer shall use an Approved Contractor who may, at Company's discretion, be required to be accompanied by a Company-designated inspector. For any work in Company's Ducts, Attachment Customer shall use an Approved Contractor, who must be accompanied by a Company-designated inspector. Company shall schedule a Company-designated inspector to accompany an Approved Contractor within fifteen (15) days of its receipt of such request for such inspector. Attachment Customer shall reimburse Company for the actual cost associated with providing inspection services within thirty (30) days of receipt of an invoice. T

h. Company may also monitor Attachment Customer's construction and installation of Attachments below the Communication Worker Safety Zone. If the need for a monitor is caused by Attachment Customer's failure to comply with the terms of this Schedule, the Contract, or any applicable law or regulation, Attachment Customer shall reimburse Company for the actual cost of any such monitoring within thirty (30) days of receipt of an invoice for such cost. For locations where Attachment Customer's construction and installation are within Company underground facilities, Attachment Customer shall reimburse Company for the actual cost associated with providing inspection services within thirty (30) days of receipt of an invoice.

i. Attachment Customer shall comply with all applicable federal, state, and local laws, rules and regulations with respect to environmental practices undertaken pursuant to the construction, installation, operation and maintenance of its Attachments. Attachment Customer shall not bring, store or utilize any hazardous materials on any Company site without Company's prior express written consent. To the extent reasonably practicable, Attachment Customer shall restore any property altered pursuant to this Schedule or the Contract to its condition existing immediately prior to the alteration. Company has no obligation to correct or restore any property altered by Attachment Customer and bears no responsibility for Attachment Customer's compliance with applicable environmental regulations.

j. If Attachment Customer fails to install any Attachment in accordance with the standards and terms set forth in this Schedule and Company provides written notice to Attachment Customer of such failure, Attachment Customer, at its own expense, shall make necessary adjustments within thirty (30) days of receipt of such notice. Subject to Section 15 of this Schedule, if Attachment Customer fails to make such adjustments within such time period, Company may make the repairs or adjustments, and Attachment Customer shall pay Company for the actual cost thereof plus a penalty of 10% of actual costs within thirty (30) days of receipt of an invoice.

k. Attachment Customer is responsible for any damage, fines or penalties resulting from any noncompliance with the construction and maintenance requirements and specifications set forth in this Section 8, except when Attachment Customer demonstrates that noncompliance is due to the actions of Company or another Attachment Customer. Company undertakes no duty to require any specific action by Attachment Customer and assumes no responsibility by requiring such compliance or by requiring Attachment Customer to meet any specifications or to make any corrections, modifications, additions or deletions to any work or planned work by Attachment Customer.

l. Within fifteen (15) days of completion of the installation of the Attachment, Attachment Customer shall furnish Company with complete "as-built" drawings in a computer generated electronic format (or such other format as is agreeable to Company). Hand drawings shall not be submitted.

9. ADDITIONAL REQUIREMENTS FOR WIRELESS FACILITIES

a. Wireless Facilities Attachments may be attached to Distribution Poles only.

b. Company may require Attachment Customer to furnish with any written application for permission to install a Wireless Facilities Attachment a mock-up of the proposed Attachment.

c. Attachment Customer is solely responsible for ensuring that the radiofrequency ("RF") radiation emitted by its Wireless Facilities, alone and/or in combination with any and all sources of RF radiation in the vicinity, is within the limits permitted under all applicable governmental and industry standard safety codes for general population/uncontrolled exposure. Attachment Customer shall install appropriate signage on the poles to which Wireless Facilities have been attached, to warn line workers or the general public of the presence of RF radiation and the need for precautionary measures. Attachment Customer shall periodically inspect the signage and replace the signage if necessary to ensure that the signage, including text and warning symbols, remains clearly visible.

d. Each Wireless Facility installation shall include a switch that operates to disconnect and de-energize the antenna. In non-emergency circumstances, Company employees or contractors will make reasonable efforts to contact Attachment Customer at a telephone number that Attachment Customer has marked on the Wireless Facility installation to request a temporary power shut-down. Company personnel or those of other entities working on the pole will operate the power disconnect switch to ensure that the antenna is not energized while work on the pole is in progress. In emergency circumstances, Company personnel and those of other entities working on Company poles may accomplish the power-down by operation of the power disconnect switch without advance notice to Attachment Customer.

e. Attachment Customer is solely responsible for ensuring compliance with all Federal Communication Commission antenna registration requirements, Federal Aviation Administration air hazard requirements, or similar requirements with respect to the location of Attachment Customer's Wireless Facilities on Company's poles.

f. Attachment Customer shall not operate its Wireless Facility in a way that causes interference with Company-owned wireless facilities. Attachment Customer shall, after receiving notice from Company of such interference, immediately cease operating its Wireless Facility until it can be operated without causing such interference

g. All power supplies, equipment cabinets, meter bases and other equipment associated with the Wireless Facilities that are large enough to impede accessibility shall be installed off-pole, consistent with the applicable standards of the NESC, Company standards, and all applicable laws, rules, regulations, ordinances, and other applicable governmental directives.

h. Attachment Customer shall not perform any construction, including but not limited to the initial installation of its Wireless Facilities or any maintenance thereof, above the Communications Space without receiving prior approval from Company as to the design, installation, and construction practices, which approval Company shall not unreasonably withhold.

10. OVERLASHING OF CABLE

An Attachment Customer may make an initial overlash of an existing attachment if the overlash is not greater than one-half inch in diameter without any advance notice or application to the Company. No application or advance notice is required for the replacement of an existing cable with a cable that is no greater than one-half inch in diameter. With all other overlashing, Attachment Customer shall provide Company with advance notice to permit Company to visually inspect its Structures to determine the need for a pole loading analysis. For projects involving more than ten (10) spans, the Attachment Customer must provide at least fifteen (15) business days' advance notice. For projects involving ten (10) spans or less, Attachment Customer shall provide at least seven (7) business days' advance notice. Notwithstanding the foregoing, no bundle of Attachment Customer's Cable shall exceed two inches in diameter without Company's express written approval.

11. STRAND-MOUNTED WIRELESS COMMUNICATION DEVICES

A strand-mounted wireless communication device shall be considered part of wireline attachment and not subject to permitting or an additional attachment charge if it is located within the one (1) foot vertical space occupied by Attachment Customer's cable and meets all applicable loading, clearance, and RF emission requirements. Before deploying any strand-mounted wireless communications devices other than strand-mounted wi-fi access points, Attachment Customer shall at least sixty (60) days prior to planned deployment notify Company of the proposed deployment and provide sufficient information regarding the nature of device to permit Company to assess the safety and loadbearing implications of the proposed deployment.

12. MAINTENANCE OF ATTACHMENTS AND STRUCTURES

Attachment Customer shall maintain Attachments in safe condition and in good repair, in a manner reasonably suitable to Company and so as not to conflict with any use of Company facilities (including Structures) by Company or any other Person using such facilities pursuant to any license or permit by Company. Attachment Customer shall not interfere with the working use of any other Person's property on or in such facilities or any such property, which may be placed on or near the Structures and other facilities. Company reserves to itself, its successors, Affiliates and assigns, the right to maintain Structures and other Company property and to operate its business and maintain its property in such a manner as will, in its own judgment, best enable it to fulfill its own service requirements. Company shall not be liable to Attachment Customer for any interference with the operation of Attachment Customer's facilities, or loss of business arising in any manner out of the use of Company's Structures or other property.

13. NATIONAL JOINT UTILITIES NOTIFICATION SYSTEM

Within thirty (30) days of executing a Contract, and prior to making application for any Attachment, Attachment Customer will join National Joint Utilities Notification System ("NJUNS"), a web-based system developed to improve joint use communication, and will actively participate during the term of service, by entering field information into the NJUNS system within the times required by the system. Should Attachment Customer fail to actively participate in NJUNS and should such failure cause Company to incur expense or liability to others, Attachment Customer shall reimburse Company its expense and indemnify and hold Company harmless from any damages or liability arising out of such failure. If Company at a later date elects to use a different system for purposes of the communication currently facilitated by NJUNS, Company, shall notify Attachment Customer at least sixty (60) days in advance of such change and Attachment Customer shall make arrangements to participate in that system.

14. INSPECTIONS/AUDITS

Company may make periodic inspections for the purpose of determining compliance with this Schedule and with the Contract. Neither Company's right to make inspections nor any inspection made by Company shall relieve an Attachment Customer of any responsibility, obligation or liability assumed under this Schedule.

Upon thirty (30) days' prior notice to Attachment Customer, Company may conduct an audit of its Structures to verify the number, location and type of Attachment Customer's Attachments. Company shall make available to Attachment Customer the report of such audit. Such report shall indicate the location and pole number of all attachments of the Attachment Customer. If the audit reveals that the number of Attachments exceeds the number of Attachments shown in Company's existing records, the excess number of Attachments shall be presumed to be Unauthorized Attachments. Attachment Customer shall have the right to rebut this presumption and demonstrate that the Attachments at issue were authorized. Attachment Customer shall reimburse Company for the expense of such audit, or its pro rata share of such expense if the Attachments of other Attachment Customers are included within the scope of the audit, within thirty (30) days of an invoice for such expenses, provided, however, that no Attachment Customer shall be directly assessed the cost of any system-wide audit that the Company commenced prior to May 1, 2019.

15. INTERFERENCE OR HAZARD

If Company notifies Attachment Customer in writing or orally with written confirmation that the Attachment Customer's Attachments or the condition of Attachment Customer's Attachments on or in any Structure (i) interfere with the use of such Structure or the operation of Company facilities or equipment, (ii) constitute a hazard to the service rendered by Company or any other Persons permitted by Company to use such Structures, (iii) cause a danger to employees of Company or other Persons, or (iv) fail to comply with Company's standards and applicable requirements of the NESC, NEC, and all other applicable codes, laws and regulations, Attachment Customer shall, within a reasonable period, remove, rearrange, repair or change its Attachments as needed or as directed by Company. In the case of any immediate hazard or danger, such period shall not exceed twenty-four (24) hours from Attachment Customer's receipt of such notice. In case of a hazardous condition or other emergency which requires the immediate removal or relocation of the Attachment Customer's Attachments, Company may at Attachment Customer's expense, without prior notice and with no liability therefor, remove or relocate such Attachments; provided however, that Company shall notify Attachment Customer of such action as soon as reasonably possible by any appropriate means, including by telephone.

16. REARRANGEMENT; RELOCATION OF STRUCTURES; NEW STRUCTURES

a. If Attachment Customer's Attachments can be accommodated on or in existing Structures only by rearranging Company facilities, or if because of Attachment Customer's proposed Attachments, Company rearranges or transfers its facilities on or in any facility not owned by it, Attachment Customer shall reimburse Company for the actual expense incurred in making such rearrangement or transfer.

b. Upon forty-five (45) days prior written notice delivered to Attachment Customer, Company may replace, relocate, or remove any Structure and cause the alteration, relocation or removal of any Attachment, consistent with normal operating, maintenance and development procedures and prudent utility practices. In cases of emergency or dangerous situations, Company shall give only as much prior notice as practical under the circumstances. Likewise, in situations where the Company is required to replace, relocate or remove any Structure in less than 45 days by state or local law, easement provisions, contractual obligations to third parties or to meet the Company's obligation to provide electric service to another customer, Company need provide only as much prior notice as reasonably practical under the circumstances, Company shall bear all costs and expenses of any relocation of the Structures not attributable to or caused by Attachment Customer or its Attachments. Attachment Customer shall bear all costs and expenses of any relocation and removal of the Attachments and all costs and expenses attributable to or caused by Attachment Customer or its Attachments. Attachment Customer shall be solely responsible for any losses occasioned by the interruption of Attachment Customer's business or operations and shall indemnify and hold Company harmless in connection with same.

c. Company may reserve space on its poles in accordance with a bona fide development plan for electric service. Company may direct, by written notice to Attachment Customer, that Attachment Customer's attachments in such reserve space may be removed from the Structures. Company shall use reasonable efforts to make space available as close in proximity as possible to the former Structures or to offer Attachment Customer the option to perform make-ready work to create additional space on the Structure in question. Attachment Customer shall make such relocation within sixty (60) days of Company's request.

d. In the event a Person other than Attachment Customer applies to make an Attachment to a Structure on which Attachment Customer has placed an Attachment, and such application requires that Attachment Customer rearrange, transfer or relocate its Attachments, then Attachment Customer shall perform such rearrangement, transfer or relocation within sixty (60) days of notice of such need to rearrange, transfer or relocate. Attachment Customer may condition its rearrangement, transfer or relocation upon reimbursement for the cost of such rearrangement, transfer or relocation. In the event Attachment Customer fails to perform such rearrangement, transfer or relocation within the time frame described above, the affected Attachments may be subject to rearrangement, transfer or relocation by the Person whose application necessitated the rearrangement, transfer or relocation to the extent permitted by law.

17. REMOVAL OF ATTACHMENT

Attachment Customer may at any time voluntarily remove its Attachments from any Structure, but shall immediately give Company written notice of such removal on Company-prescribed form. Attachment Customer shall bear all cost of removal and any costs that Company incurs as a result of such removal and shall pay such costs within thirty (30) days of receipt of an invoice. No refund of any amount paid for use of such Structure will result from Attachment Customer's voluntary removal nor shall such voluntary removal affect any other obligation or liability of Attachment Customer under this Schedule or the Contract.

18. INDEMNITIES

Attachment Customer shall protect, defend, indemnify and save harmless Company, its Affiliates, their officers, directors, employees and representatives from and against all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature, including but not limited to costs and expenses of defending against the same, payment of any settlement or judgment therefor and reasonable attorney's fees that are incurred in such defense, by reason of any claims arising from Attachment Customer's activities under this Schedule, or the Contract, or from Attachment Customer's presence on Company's premises, or from or in connection with the construction, installation, operation, maintenance, presence, replacement, enlargement, use or removal of any facility of Attachment Customer attached or in the process or being attached to or removed from any Company Structure by Attachment Customer, its employees, agents, or other representatives, including but not limited to claims alleging (1) injuries or deaths to Persons; (2) damage to or destruction of property including loss of use thereof; (3) power or communications outage, interruption or degradation; (4) pollution, contamination of or other adverse effects on the environment; (5) violation of governmental laws, regulations or orders; or (6) rearrangement, transfer, or removal of any third party attachment on, from, or to any Company Structure whether suffered directly by Company itself or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from Attachment Customer's activities under this Schedule, or the Contract, or from Attachment Customer's presence on

Company's premises, or from or in connection with the construction, installation, operation, maintenance, presence, replacement, enlargement, use or removal of any facility of Attachment Customer attached or in the process or being attached to or removed from any Company Structure by Attachment Customer, its employees, agents, or other representatives. The indemnity set forth in this section shall include indemnity for any claims arising out of the joint negligence of Attachment Customer and Company; provided however, the indemnity set forth in this section, but not Attachment Customer's duty to defend, shall be reduced to the extent it is established by final adjudication or mutual agreement of Attachment Customer and Company that the liability to which such indemnity applies was caused by the negligence or willful misconduct of Company. If Attachment Customer is required under this provision to indemnify Company, Attachment Customer shall have the right to select defense counsel and to direct the defense or settlement of any such claim or suit.

19. UNAUTHORIZED ATTACHMENTS

If Attachment Customer makes any Attachment that requires Company approval or advance notice under this Schedule or the Contract and has not obtained such approval or provided such advance notice, such Attachment shall be deemed an "Unauthorized Attachment," and shall be presumed to have been affixed to Company Structures for two years or since completion of the most recent audit if such audit was completed within that two year period. Attachment Customer shall be liable for attachment charges for this time period. In addition to the attachment charges for the period of unauthorized attachment, Attachment Customer shall pay a penalty for each Unauthorized Attachment in the amount of $25.00. Attachment Customer shall also submit to Company an application for approval of the Unauthorized Attachment within thirty (30) days of the attachment's discovery. If Attachment Customer fails to submit the required applications or fails to timely remit any necessary payments to Company in connection with the application process (including but not limited to any make-ready fees necessary to accommodate the Unauthorized Attachments), Company may remove any or all such Unauthorized Attachments at Attachment Customer's expense. D D D

20. DEFAULT

a. If Attachment Customer fails to (a) pay any undisputed fee required, (b) perform any material obligations undertaken, (c) satisfy any warranty or representation made under the Contract, (d) comply with any of the provisions of this Schedule (including Section 5 of the Company's Electric Tariff), and shall fail within thirty (30) days after written notice from Company to correct such default or non-compliance, then Company may, at its option: (a) terminate the license covering the Structures to which such default or non-compliance is applicable; (b) remove, relocate or rearrange at Attachment Customer's expense the Attachments to which the default or non-compliance relates; or (c) decline to permit additional Attachments until the failure or default is cured. Company shall give written notice to Attachment Customer of said termination. In the event of material or repeated default, Company may terminate the Contract and recover from Attachment Customer all costs and expenses incurred as a result of related to the defaults. No refund of any attachment charge will be due on account of such termination. T T T T T T T T T

21. TERMINATION

In addition to the termination rights set out in Section 20 (Default) above, Company may terminate a Contract without liability to Attachment Customer, upon giving sixty (60) days advance written notice to Attachment Customer that it has a reasonable belief that Company's performance under the Contract would be illegal under applicable law or regulation or under any order or ruling issued by the PSC, or any other federal, state or local agency having regulatory jurisdiction over Company and same cannot be cured by Company without unreasonable expense or without materially and substantially altering the terms and conditions of the Contract; or that termination is required to preserve Company's rights under any franchise, right-of-way, permit, easement or other similar right which is material and substantial to Company's business or operations. In the event of such termination, Company and Attachment Customer shall pay and perform obligations that have arisen prior to the effective date of termination, but shall not be obligated to pay and perform obligations, which arise after the effective date of termination. D/T

Upon termination, Attachment Customer shall remove all Attachments from Structures and other Company property within 180 days. Attachment Customer shall bear all costs of such removal and shall exercise precautions to avoid damage to all Persons and to facilities of Company and other parties in so removing Attachments and assumes all responsibility for all damage it causes. If Attachment Customer's Attachments and other property are not removed within 180 days of termination of this Agreement, unless the time is extended by mutual agreement, Company may remove Attachment Customer's Attachments without liability and Attachment Customer shall pay Company the cost of such removal within thirty (30) days of receipt of an invoice. T T T T T T T T T

22. WAIVER

Failure by Company to enforce or insist upon compliance with any of the terms or conditions of this Schedule or the Contract shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

23. INSURANCE

a. Throughout the term of service and so long as Attachment Customer's Attachments are on or in Company Structures, Attachment Customer shall, at its own expense, maintain and carry in full force and effect insurance that meets at least the following requirements (these minimum limits should not be deemed to replace Attachment Customer's full obligation under this Schedule or the Contract):

Standard Rate **PSA**

Pole and Structure Attachment Charges

(1) Workers' Compensation and Employer's Liability Policy, which shall include: (a) Workers' Compensation (Coverage A); (b) Employer's Liability (Coverage B) with minimum limits of $1,000,000 Bodily Injury by Accident, each Accident, $1,000,000 Bodily Injury by Disease, each Employee; (c) Thirty (30) Day Cancellation Endorsement; and (d) All States Endorsement.

(2) Commercial General Liability Policy, which shall have minimum limits of $1,000,000 each occurrence; $1,000,000 Products/Completed Operations Aggregate each occurrence; $1,000,000 Personal and Advertising Injury each occurrence, in all cases subject to $2,000,000 in the General Aggregate for all such claims, and including: (a) Thirty (30) Day Cancellation Endorsement; (b) Blanket Written Contractual Liability to the extent covered by the policy against liability assumed by Company under the Contract; (c) Broad Form Property Damage; (d) General Aggregate Limit – Per Project Endorsement (CG2503); (e) Include Additional Insured Endorsement GC 2010 or CG2037, or its equivalent; and (f) Insurance for liability arising out of blasting, collapse, and underground damage (deletion of X, C, U Exclusions). T

(3) Commercial Automobile Liability Insurance covering the use of all owned, non-owned, and hired automobiles, with a bodily injury, including death, and property damage combined single minimum limit of $1,000,000 each occurrence.

(4) Umbrella/Excess Liability Insurance with minimum limits of $5,000,000 per occurrence; $5,000,000 aggregate, to apply to employer's liability, commercial general liability, and commercial automobile liability; including: (a) "Follow Form" provisions; and (b) Note that Total Limits can be met by any combination of primary and umbrella/excess policies.

(5) Aircraft Public Liability - Required at all times when there will be use of any type of fixed wing, rotor, or any type aircraft to perform any work required under this Schedule or the Contract. Aircraft Public Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a combined single minimum limit for bodily injury and property damage of $5,000,000 including passenger liability coverage.

(6) Drones – Required at all times if any Unmanned Aircraft Systems (UAS) will be used by Contractor or Subcontractor in performing the work required under this Schedule or the Contract, Drone Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a $1,000,000 per occurrence combined single limit for bodily injury, property damage and personal injury.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

(7) Professional Liability - To the extent the work required under this Schedule or the Contract includes any professional services that falls within a professional liability exclusion from the policy provided under Section 23a.(2). Coverage required with limits of Five Million Dollars ($5,000,000) per claim and Five Million Dollars ($5,000,000) in the aggregate, which insurance shall be on a claims made basis. Policy to remain in force continuously for three (3) years or an extended discovery period will be exercised for a period of three (3) years beginning from the time the services under this contract are completed.

b. Attachment Customer shall require its Contractors and subcontractors to provide and maintain the same insurance coverage as required of Attachment Customer.

c. Except with regard to workers' compensation and professional liability, each policy required under this Schedule shall name Company and all its Affiliates as an additional insured and shall waive rights of subrogation against Company, all its Affiliates, and Company's insurance carrier(s). All policies shall be primary and non-contributory. Condition applies to Attachment Customer and its Contractors and Subcontractors.

d. All policies shall be written by insurance companies that are either satisfactory to Company or have an A.M. Best Rating of not less than "A-, VII". These policies shall not be materially changed or canceled except with thirty (30) days written notice to Company from Attachment Customer and the insurance carrier. Attention: Manager, Project Manager – Third Party Attachments, LG&E and KU Services Company, P.O. Box 32020, Louisville, Kentucky 40232.

e. Company may request a summary of coverage of any of the required policies or endorsements; but is not obligated to review any of Attachment Customer's certificates of insurance, insurance policies, or endorsements, or to advise Attachment Customer of any deficiencies in such documents. Company's receipt or review of such documents shall not relieve Attachment Customer from or be deemed a waiver of Attachment Customer's obligations to maintain insurance as provided. Attachment Customer shall provide a summary of coverage within (thirty) 30 days of its request by the Company.

f. Attachment Customer shall provide Certificates of Insurance to Company for each policy of insurance required above and evidence the items noted hereafter: (1) Each Certificate shall properly identify the certificate holder as Company; (2) Under no circumstances shall Attachment Customer begin any work (or allow any Subcontractor to begin any work) prior to submitting Certificate(s) (evidencing the required insurance of Contractor or Subcontractor, as applicable) acceptable to Company. Company retains the right to waive this requirement at its sole discretion; (3) Certificate shall evidence (thirty) 30 days prior notice of cancellation; (4) Certificate shall verify additional insured status on all

coverage including the endorsements required by Section 23a.(2); (5) Certificate shall verify Blanket Waiver of subrogation - All policies of insurance shall include waivers of subrogation, under subrogation or otherwise, against Company. Except where not applicable by law; (6) Certificate shall verify Primary/Non-contributory wording in favor of Company; and (7) Certificate shall identify policies which are written on a Claims Made coverage form and state the retro date.

g. Attachment Customer shall notify Company, prior to the commencement of any work pursuant to this rate Schedule or the Contract , of any threatened, pending and/or paid off claims to third parties, individually or in the aggregate, which otherwise affects the availability of the limits of such coverage(s) inuring to Company's benefit.

h. Attachment Customer shall provide notice of any accidents, occurences, or claims involving Attachment Customer's Attachment or Attachment Customer's work under this Schedule and the Contract to the LKS Manager, Risk Management at LG&E and KU Services Company, P.O. Box 32030, Louisville, Kentucky 40232.

i. Each policy of insurance required to be maintained by Attachment Customer under this Section 23 (except the Workers' Compensation and Employer's Liability Policy) shall cover all losses and claims of Attachment Customer regardless of whether they arise directly to Attachment Customer or indirectly through Subcontractors (e.g., Attachment Customer's CGL policy must cover Attachment Customer and additional insureds against negligent acts of a Subcontractor, etc.). Section 23 only represents minimum insurance requirements; it does not mitigate or reduce liability required by the indemnity provisions in this Schedule or the Contract. Nor should it be deemed to be the full responsibility of the contractor or subcontractor for liability. Attachment Customer is responsible for their subcontractor's insurance meeting the requirements of Section 23 of this Schedule.

j. Attachment Customer may elect not to comply with sections (a) through (i) of this Section 23 if it provides proof of equivalent levels of self-insurance and:

   1. Attachment Customer has been in business at least three (3) years and has a corporate credit rating or a senior unsecured rating of at least Baa2 (Moody's) or BBB (Standard & Poor's); or

   2. Attachment Customer has been in business at least three (3) years, and provides its most recent audited financial statements to Company which demonstrates that Attachment Customer meets standards that are at least equivalent to the standards underlying the credit ratings of Baa2 (Moody's) or BBB (Standard and Poor's); or,

3. A corporate entity affiliated with Attachment Customer ("Guarantor") meets the criteria set out in (1) or (2) above, and Guarantor provides a written guarantee (in a form acceptable to Company, that the corporate affiliate will guarantee all financial obligations associated with Attachment Customer's use of Company's Structures.)

24. PERFORMANCE ASSURANCE

a. Attachment Customer shall furnish Performance Assurance in the following amounts to guarantee the payment of any sums which may become due for attachment charges, inspections, or work performed by the Company under this Schedule or the Contract, including the removal of attachments upon termination of the Contract by any of its provisions:

Number of Attachments	Amount per Attachment	Maximum Total
1-5,000	$20/Attachment	$100,000
5,001-10,000	$10/Attachment	$150,000
10,001+	$5/Attachment	$1,000,000

The above-stated amounts are incremental. By way of example, 7,500 Attachments would require Performance Assurance in the amount of $125,000 ($20 per Attachment for the first 5000 Attachments; $10 per Attachment for the next 2,500 Attachments); 15,000 Attachments would require Performance Assurance in the amount of $175,000 ($20 per Attachment for the first 5000 Attachments; $10 per Attachment the next 5,000 Attachments; and $5 per Attachment for the last 5,000 Attachments).

The amount of the Performance Assurance shall be calculated by the Company annually based on the Attachment Customer's then-existing number of Attachments. Attachment Customer shall provide the Performance Assurance within 30 days of its request by the Company.

If Attachment Customer proposes to attach a Wireless Facility or Facilities to a Structure, Attachment Customer shall post Performance Assurance in the amount of $1,500 for each pole to which a wireless attachment is attached. The amount of the Performance Assurance shall not be reduced upon completion of installation or other event.

In the event the Customer provides Performance Assurance in the form of a surety bond or Letter of Credit, each bond or Letter of Credit shall contain the provision that it shall not be terminated prior to six (6) months after Company's receipt of written notice of the desire of the bonding or insurance company, or bank, to terminate such bond or Letter of Credit. Company may waive this requirement if an acceptable replacement is received before the six (6) months has ended. Upon termination of such surety bond or Letter of

Credit, , Company shall request Attachment Customer to immediately remove its Cables, Wireless Facilities, Attachments and all other facilities from Company Structures. If Attachment Customer should fail to complete the removal of all of its facilities from Company's Structures within thirty (30) days after receipt of such request, then Company may remove Attachment Customer's facilities at Attachment Customer's expense and without liability for any damage to Attachment Customer's facilities.

Each surety bond shall be issued by an entity having a minimum A.M. Best rating of A- and/or Letter of Credit shall be issued by an entity having a minimum Credit Rating of A- by S& P or A3 by Moody's at the time of issuance and at all times the relevant instrument is outstanding.

b. Attachment Customer may elect not to provide Performance Assurance if:

1. Attachment Customer has been in business at least one (1) year and has a corporate credit rating or a senior unsecured rating of at least Baa2 (Moody's) or BBB (S&P's); or

2. Attachment Customer has been in business at least one (1) year, and provides its most recent audited financial statements to Company which demonstrates that Attachment Customer meets standards that are at least equivalent to the standards underlying the credit ratings of Baa2 (Moody's) or BBB (S&P's); or,

3. A corporate affiliate of Attachment Customer ("Guarantor") meets the criteria set out in (1) or (2) above, and Guarantor provides a written guarantee (in a form acceptable to Company) that the corporate affiliate will guarantee all financial obligations associated with Attachment Customer's use of Company's Structures.

Annually, upon the Company's request, an Attachment Customer electing not to provide Performance Assurance under one of the options in b. above shall provide Company with such information as Company requires to determine whether Attachment Customer remains eligible to make such election.

25. CERTIFICATION OF NOTICE REQUIREMENTS

Attachment Customer's highest ranking officer located in Kentucky shall certify under oath on or before January 31 of each year that the Attachment Customer has complied with all notification requirements of this Schedule. The certification shall be in the form prescribed by Company from time to time, and Company shall provide the current version of such form on or after January 1 of each year. If Attachment Customer does not have an officer located in Kentucky, then the certification shall be provided by the officer with responsibility for Attachment Customer's operations in Kentucky.

26. NOTICES

Any notice or request required by this Schedule or the Contract shall be deemed properly given if sent overnight by nationally recognized overnight courier, sent by certified U.S. mail, return receipt requested, postage prepaid, or sent by telecopier with confirmed receipt to Company's and Attachment Customer's designated representative. The designation of the representative to be notified, his address and/or telecopier number may be changed at any time by similar notice. T

27. LIENS

To the extent permitted by law, in the event any construction lien or other encumbrance shall be placed on the Attachments as a result of the actions or omissions of Attachment Customer or its Contractor, Attachment Customer shall promptly, in accordance with applicable laws, discharge such lien or encumbrance without cost or expense to Company. Attachment Customer shall indemnify Company for any and all actual damages that may be suffered or incurred by Company in discharging or releasing said lien or encumbrance.

28. FORCE MAJEURE

In the event Attachment Customer or Company is delayed in or prevented from performing any of its respective obligations under an Contract or this Schedule due to acts of God, war, riots, civil insurrection, acts of the public enemy, strikes, lockouts, acts of civil or military authority, government shutdown, fires, floods, earthquakes, storms and other major disruptive events, fiber, cable or other material failures, shortages or unavailability, delay in delivery not resulting from its failure to timely place orders therefor, lack or delay in transportation, or due to any other causes beyond its reasonable control, then such delay or nonperformance shall be excused. T

29. LIMITATION OF LIABILITY

IN NO EVENT SHALL COMPANY OR ANY OF ITS REPRESENTATIVES BE LIABLE UNDER A CONTRACT OR THIS SCHEDULE TO ATTACHMENT CUSTOMER FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, OR IN CONNECTION WITH A CONTRACT OR THIS SCHEDULE, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. THE LIMITATIONS SET FORTH IN THIS SECTION 29 SHALL NOT APPLY TO DAMAGES OR LIABILITY ARISING FROM THE GROSSLY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF COMPANY IN PERFORMING ITS OBLIGATIONS UNDER A CONTRACT OR THIS SCHEDULE. T T

Standard Rate **EVSE**

Electric Vehicle Supply Equipment

APPLICABLE

In all territory served.

AVAILABILITY

Available to Customers to be served or currently being served under Rates GS (with energy usage of 500 kWh or higher per month), GTOD-Energy, GTOD-Demand, AES, PS, TODS, TODP, RTS, and FLS, for the purpose of charging electric vehicles. T

Charging station is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas.

A basic underground service includes the charging station, existing transformer (or secondary pedestal) and 208/240 volt single-phase service, and necessary conductor and equipment typical of an underground service drop. Said service drop can originate from underground or overhead equipment. Company will furnish, own, and maintain the charging unit and cable. The Customer will own and maintain duct systems and associated equipment needed to serve the charger. T T

Where the location of existing facilities is not suitable, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

Company may coordinate charging station installation with Company's current charging station suppliers and Customer. Customer shall be responsible for the charging equipment installation costs. T

Service will be provided under written contract, signed by Customer prior to service commencing.

RATE

	Single Charger	Dual Charger	
Monthly Charging Unit Fee:			T
Networked Charger:	$132.09	$193.62	T
Non-Networked Charger:	$82.86		N

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State Regulation and Rates
Lexington, Kentucky

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Standard Rate **EVSE**
Electric Vehicle Supply Equipment

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

ENERGY CONSUMPTION

Determination of energy applies to the non-metered charging station. The applicable fuel clause charge or credit will be based on an annual 5,004 kilowatt-hours. T

PAYMENT

The EVSE charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

TERM OF CONTRACT

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice. Cancellation by Customer prior to the expiration of the initial term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the initial term of the contract.

TERMS AND CONDITIONS

1. Service shall be furnished under Company's Terms and Conditions in this Tariff Book, except as set out herein.

2. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for installation.

3. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and Customer. Where attachment of Customer's devices and/or equipment is made to Company facilities, Customer must have an attachment agreement with Company.

4. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults.

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Standard Rate **EVSE**
Electric Vehicle Supply Equipment

TERMS AND CONDITIONS (continued)

5. Customer shall be responsible for the cost of charging station replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal wear and tear. Company may decline to provide or to continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

6. If Customer requests the removal of an existing charging station, including, but not limited to, poles, or other supporting facilities that were in service less than twenty (20) years, and requests installation of replacement facilities within five (5) years of removal, Customer agrees to pay to Company its cost of labor to install the replacement facilities.

7. Temporary suspension of charging station is not permitted. Upon permanent discontinuance of service, charging station and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

8. Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

9. Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for service shall furnish Company with realistic estimates of prospective electricity requirements.

10. Customer shall agree to permit Company to obtain specific charging station usage data directly from the Charging Station Supplier.

MINIMUM CHARGE

The Monthly Charging Unit Fee shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

Standard Rate **EVC-L2** T

Electric Vehicle Charging Service - Level 2 T

APPLICABLE

In all territory served.

AVAILABILITY

Available to operators of licensed electric vehicles (EV). EV Customer is defined as the party who owns/operates a licensed electric vehicle, connects that vehicle for the purpose of receiving vehicle charging service to a Company-owned charging station providing service under this schedule, and willingly accepts Company's fee structure for the vehicle charging service. EVC-L2 T
is offered under the conditions set out hereinafter for the purpose of charging EVs via street parking, parking lots, and other outdoor areas for stations rated at AC Level 2 speeds. EV T
Customers' charging systems must meet applicable charging standards. Service under this rate schedule is limited to a maximum of ten stations. Company will accept Customers on a first-come-first-served basis.

Company assumes no liability or responsibility for any potential automotive-related incidents that occur at Company-owned public charging locations. EV Customer accepts all restrictions related T
to the temporary parking space.

RATE

Fee for First Two (2) Hours	$0.75 per Hour
Fee for Every Hour After First Two (2) Hours	$1.00 per Hour

Charging Unit Fee includes an Energy Charge, adjustment clauses, and applicable franchise fee and tax.

Charging sessions of less than a full hour will be prorated.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above includes the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89 N
Environmental Cost Recovery Surcharge	Sheet No. 87

The bill amount specified above will be increased or decreased in accordance with the following:

Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Standard Rate **EVC-L2** T
Electric Vehicle Charging Service - Level 2 T

TERMS AND CONDITIONS

1. Service shall be furnished under the following Terms and Conditions and excludes Company's Terms and Conditions set out in this Tariff Book.

2. EV Customer is required to pay by means of credit card or Charging Station Supplier account.
   a. Credit Card must be chip enabled (if card is not chip enabled, Customer must call the Charging Station Supplier at toll-free number provided at station), or
   b. EV Customer is required to open a Charging Station Supplier account and accepts all terms and conditions of Charging Station Supplier.

3. Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay, or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

4. Company is merely a supplier of electricity delivered to the point of connection of Company's and charging station facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of EV Customer or of third persons resulting from the presence, use or abuse of electricity or resulting from defects in or accidents to any of EV Customer's wiring, equipment, or vehicle, or resulting from any cause whatsoever other than the negligence of Company.

5. In no event shall Company have any liability to EV Customer, the owner of a vehicle receiving charging service, or any other party affected by the electrical service to EV Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to EV Customer, the owner of a vehicle receiving charging service, or any other party. In the event that EV Customer's use of Company's service causes damage to Company's property or injuries to persons, EV Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

6. By connecting a vehicle to the Charging Station, the EV Customer represents that the EV Customer is authorized to operate that vehicle and to connect it to the Charging Station for the purpose of receiving vehicle charging service.

7. All service and maintenance will be performed only during regular scheduled working hours of Company.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Standard Rate **EVC-FAST** N

Electric Vehicle Fast Charging Service

APPLICABLE

In all territory served.

AVAILABILITY

Available to operators of licensed electric vehicles (EV). EV Customer is defined as the party who owns/operates a licensed electric vehicle, connects that vehicle for the purpose of receiving vehicle charging service to a Company-owned charging station providing service under this schedule, and willingly accepts Company's fee structure for the vehicle charging service. EVC-FAST is offered under the conditions set out hereinafter for the purpose of charging EVs via street parking, parking lots, and other outdoor areas using chargers with an output of 50 kW or greater. EV Customers' charging systems must meet applicable charging standards. Company will accept EV Customers on a first-come-first-served basis.

Company assumes no liability or responsibility for any potential automotive-related incidents that occur at Company-owned public charging locations. EV Customer accepts all restrictions related to the temporary parking space.

RATE

Fee for use	$0.25 per kWh

Charging Unit Fee includes an Energy Charge, adjustment clauses, and applicable franchise fee and tax.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above includes the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87

The bill amount specified above will be increased or decreased in accordance with the following:

Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

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Lexington, Kentucky

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Standard Rate **EVC-FAST**
Electric Vehicle Fast Charging Service

N

TERMS AND CONDITIONS

1. Service shall be furnished under the following Terms and Conditions and excludes Company's Terms and Conditions set out in this Tariff Book.

2. EV Customer is required to pay by means of credit card or Charging Station Supplier account.
   a. Credit Card must be chip enabled (if card is not chip enabled, Customer must call the Charging Station Supplier at toll-free number provided at station), or
   b. EV Customer is required to open a Charging Station Supplier account and accepts all terms and conditions of Charging Station Supplier.

3. Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay, or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

4. Company is merely a supplier of electricity delivered to the point of connection of Company's and charging station facilities and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of EV Customer or of third persons resulting from the presence, use or abuse of electricity or resulting from defects in or accidents to any of EV Customer's wiring, equipment, or vehicle, or resulting from any cause whatsoever other than the negligence of Company.

5. In no event shall Company have any liability to EV Customer, the owner of a vehicle receiving charging service, or any other party affected by the electrical service to EV Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to EV Customer, the owner of a vehicle receiving charging service, or any other party. In the event that EV Customer's use of Company's service causes damage to Company's property or injuries to persons, EV Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

6. By connecting a vehicle to the Charging Station, the EV Customer represents that the EV Customer is authorized to operate that vehicle and to connect it to the Charging Station for the purpose of receiving vehicle charging service.

7. All service and maintenance will be performed only during regular scheduled working hours of Company.

DATE OF ISSUE: November 25, 2020

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Standard Rate

Special Charges

The following charges will be applied uniformly throughout Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to cover associated expenses.

RETURNED PAYMENT CHARGE

In those instances where a Customer renders payment to Company which is not honored upon deposit by Company, the Customer will be charged $3.50 to cover the additional processing costs. I

METER TEST CHARGE

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter is within the limits allowed by 807 KAR 5:041, Section 17(1), the Customer will be charged $79.00 to cover the test and transportation costs. I

DISCONNECT/RECONNECT SERVICE CHARGE

A charge of $37.00 will be made to cover disconnection and reconnection of electric service when I
the Customer has no "remote disconnection and reconnection" capability as defined below and is N
discontinued for non-payment of bills or for violation of Company's Terms and Conditions, such
charge to be made before reconnection occurs. "Remote disconnection and reconnection" is N
defined as Customer having an advanced meter with a remote service switch as well as Company N
having implemented the requisite systems functionality to enable such activity. Customers who N
have meters capable of "remote disconnection and reconnection" will not be charged a N
disconnect/reconnect service charge. No charge will be made for Customers qualifying for service N
reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.

Residential and general service Customers may request and be granted temporary suspension of
electric service. In the event of such temporary suspension, Company will make a charge of $37.00 I
to cover disconnection and reconnection of electric service, such charge to be made before
reconnection occurs. Customers who have meters capable of "remote disconnection and N
reconnection" will not be charged a disconnect/reconnect service charge. N

METER PULSE CHARGE

Where a Customer desires and Company is willing to provide data meter pulses, a charge of $21.00 R
per month per installed set of pulse-generating equipment will be made to those data pulses. Time
pulses will not be supplied.

Standard Rate

Special Charges

METER PULSE CHARGE (continued) N

Service to provide data meter pulses will be furnished only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. N N N

In no event shall Company's meter pulse data have any liability to Customer or any other party affected by the electrical service to Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to Customer or any other party. In the event that Customer's use of Company's service causes damage to Company's property or injuries to persons, Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith. N N N N N N N N N N

UNAUTHORIZED CONNECTION CHARGE T

When Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service:

1. A charge of $45.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter; R
2. A charge of $66.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase standard meter; R
3. A charge of $87.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Automatic Meter Reading (AMR) meter; R
4. A charge of $149.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Advanced Metering Infrastructure (AMI) meter; or R T
5. A charge of $154.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a three-phase meter. R

Company may, in its sole discretion, require Customer to take service using a non-AMI meter and pay AMI Opt Out Charges (see Sheet No. 45.2) if Customer engages in particularly dangerous or repeated instances of tampering with an AMI meter. If there are no additional instances of tampering after twelve (12) months of having an AMI meter removed, Customer may request to have an AMI meter reinstalled and end AMI Opt Out Charges. N N N N N

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State Regulation and Rates
Lexington, Kentucky

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Standard Rate

Special Charges

N

AMI OPT OUT CHARGES

Customer may opt out of having an AMI meter by contacting Company to request a non-AMI meter. If Company has a non-AMI meter available, Company will honor Customer's opt-out request and assess the following charges:

1. A one-time opt-out set-up fee of $39.00 per service delivery point. During Company's AMI project deployment phase, if Customer requests a non-AMI meter prior to an AMI meter being installed at Customer's premise, Company will not charge the one-time set-up fee.
2. A monthly opt-out charge of $15.00 per service delivery point.

If Customer chooses to opt out any meter on a single premise, Customer must opt out all Company meters on that premise. Company has sole discretion to determine the alternative metering to be used for opted-out meters.

TERMS AND CONDITIONS

Company has the right to refuse an opt-out request if:

(a) Customer has a history of meter tampering or unauthorized use of electricity at the current or any prior location;

(b) The service creates a safety hazard to consumers or their premises, the public, or the electric utility's personnel or facilities; or

(c) Customer prevents the electric utility's employees or agents access to the meter at the customer's premises for maintenance, connection/disconnection, or meter-reading.

Standard Rate Rider **CSR-1**

Curtailable Service Rider-1

APPLICABLE

In all territory served.

AVAILABILITY

Availability limited to Customers served under applicable rate schedules who contract for not less than 1,000 kVA individually, and executed a contract under this rider prior to July 1, 2017. Company will not enter into contracts for additional curtailable demand, even with Customers already participating in this rider, on or after July 1, 2017.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed 375 hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. A curtailment is a continuous event with a start and stop time. Company may request or cancel a curtailment at any time during any hour of the year, but shall give no less than sixty (60) minutes notice when either requesting or canceling a curtailment.

Company may request at its sole discretion up to 100 hours of physical curtailment per year. Company will request physical curtailment only when (1) all available units have been dispatched or are being dispatched and (2) all off-system sales have been or are being curtailed. Company may also request at its sole discretion up to 275 hours of curtailment per year with a buy-through option, whereby Customer may, at its option, choose either to curtail service in accordance with this Rider or to continue to purchase its curtailable requirements by paying the Automatic Buy-Through Price, as set forth below, for all kilowatt hours of curtailable requirements. Customers choosing to curtail rather than buy through during any of the 275 hours of Company-requested curtailment with a buy-through option each year shall not reduce, diminish, or detract from the 100 hours of physical curtailment Company may request each year.

Curtailable load and compliance with a request for curtailment shall be measured in one of the following ways:

Option A -- Customer may contract for a given amount of firm demand in kVA. During a request for physical curtailment, Customer shall reduce its demand to the firm demand designated in the contract. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price, as applicable, shall apply to the difference in the actual kWh during any requested curtailment and the contracted firm demand multiplied by the time period (hours) of curtailment [Actual kWh – (firm kVA x hours curtailed)]. The measured kVA demand in excess of the firm load during each requested physical curtailment in the billing period shall be the measure of non-compliance.

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State Regulation and Rates
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Standard Rate Rider **CSR-1**
Curtailable Service Rider-1

Option B -- Customer may contract for a given amount of curtailable load in kVA by which Customer shall agree to reduce its demand at any time by such Designated Curtailable Load. During a request for physical curtailment, Customer shall reduce its demand to a level equal to the maximum demand in kVA immediately prior to the curtailment less the designated curtailable load. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price shall apply to the difference in the actual kWh during any requested curtailment and the product of Customer's maximum load immediately preceding curtailment less Customer's designated curtailable load designated in the contract multiplied by the time period (hours) of a requested curtailment {Actual kWh – [(Max kVA preceding – Designated Curtailable kVA) x hours of requested curtailment]}.

Non-compliance for each requested physical curtailment shall be the measured positive value in kVA determined by subtracting (i) Customer's designated curtailable load from (ii) Customer's maximum demand immediately preceding the curtailment and then subtracting such difference from (iii) Customer's maximum demand during such curtailment.

RATE

Customer will receive the following credits for curtailable service during the month:

Transmission Voltage Service:	$3.20 per kVA of Curtailable Billing Demand
Primary Voltage Service:	$3.31 per kVA of Curtailable Billing Demand

Non-Compliance Charge: $16.00 per kVA

Failure of Customer to curtail when requested to do so may result in termination of service under this rider. Customer will be charged for the portion of each requested curtailment not met at the applicable standard charges. Company and Customer may arrange to have installed, at Customer's expense, the necessary telecommunication and control equipment to allow Company to control Customers' curtailable load. Non-compliance charges will be waived if failure to curtail is a result of failure of Company's equipment; however, non-compliance charges will not be waived if failure to curtail is a result of Customer's equipment. If arrangements are made to have telecommunication and control equipment installed, then backup arrangements must also be established in the event either Company's or Customer's equipment fails.

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Standard Rate Rider **CSR-1**
Curtailable Service Rider-1

CURTAILABLE BILLING DEMAND

For a Customer electing Option A, Curtailable Billing Demand shall be the difference between (a) Customer's measured maximum demand during the billing period for any billing interval during the following time periods: (i) for the summer peak months of May through September, from 10 A.M. to 10 P.M,(EST) and (ii) for the months October continuously through April, from 6 A.M. to 10 P.M, (EST) and (b) the firm contract demand.

For a Customer electing Option B, Curtailable Billing Demand shall be the Customer Designated Curtailable Load, as described above.

AUTOMATIC BUY-THROUGH PRICE

The Automatic Buy-Through Price per kWh shall be determined daily in accordance with the following formula:

Automatic Buy-Through Price = NGP x .012000 MMBtu/kWh

Where: NGP is the Cash Price for "Natural Gas, Henry Hub" for the most recent day for which a price is posted that precedes the day in which the buy-through occurred.

CERTIFICATION

Upon commencement of service hereunder, Customer shall be required to demonstrate or certify to Company's satisfaction the ability to comply with physical curtailment. On an annual basis, Customer will be required to certify continued capability to reduce its demand pursuant to the amount designated in the contract in the event of a request for curtailment. Failure to demonstrate or certify the capability to reduce demand pursuant to the amount designated in the contract may result in termination of service under this rider.

TERM OF CONTRACT

The minimum original contract period shall be one (1) year and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed reasonably necessary by the size of the load or other conditions.

TERMS AND CONDITIONS

When Company requests curtailment, upon request by Customer, Company shall provide a good-faith, non-binding estimate of the duration of requested curtailment. In addition, upon request by Company, Customer shall provide to Company a good-faith, non-binding short-term operational schedule for their facility.

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

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Standard Rate Rider **CSR-2**

Curtailable Service Rider-2

APPLICABLE

In all territory served.

AVAILABILITY

Availability limited to Customers served under applicable rate schedules who contract for not less than 1,000 kVA individually, and executed a contract under this rider prior to July 1, 2017. Company will not enter into contracts for additional curtailable demand, even with Customers already participating in this rider, on or after July 1, 2017.

CONTRACT OPTION

Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed 375 hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. A curtailment is a continuous event with a start and stop time. Company may request or cancel a curtailment at any time during any hour of the year.

Company may request at its sole discretion physical curtailment no more than twenty (20) times per calendar year totaling no more than 100 hours. Company will request physical curtailment only when more than ten (10) of the Companies' primary combustion turbines (CTs) (those with a capacity greater than 100 MW) are being dispatched, irrespective of whether the Companies are making off-system sales. However, to avoid a physical curtailment a CSR Customer may buy through a requested curtailment at the Automatic Buy-Through Price. Any buy-through of a physical curtailment request will not count toward the 100-hour limit or 20-curtailment-request limit, but will count toward the 275 hours under the buy-through option discussed below. If all available units have been dispatched or are being dispatched, Company may request physical curtailment without a buy-through option. After receiving a physical curtailment request from Company where a buy-through option is available, a CSR Customer will have 10 minutes to inform Company whether the Customer elects to buy through or physically curtail. If the Customer elects to physically curtail, the Customer will have 30 minutes to carry out the required physical curtailment (i.e., a total of 40 minutes from the time Company requests curtailment to the time the Customer must implement the curtailment). If a Customer does not respond within 10 minutes of notice of a curtailment request from Company, the Customer will be assumed to have elected to buy through the requested curtailment, subject to any prior written agreement with the Customer. After receiving a physical curtailment request from Company when no buy-through option is available, a CSR Customer will have 40 minutes to carry out the required physical curtailment.

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Standard Rate Rider **CSR-2**
Curtailable Service Rider-2

Company may also request at its sole discretion up to 275 hours of curtailment per year with a buy-through option, whereby Customer may, at its option, choose either to curtail service in accordance with this Rider or to continue to purchase its curtailable requirements by paying the Automatic Buy-Through Price, as set forth below, for all kilowatt hours of curtailable requirements. Customers choosing to curtail rather than buy through during any of the 275 hours of Company-requested curtailment with a buy-through option each year shall not reduce, diminish, or detract from the 100 hours of physical curtailment Company may request each year. For such curtailments, Company will give no less than sixty (60) minutes notice when either requesting or canceling a curtailment.

Curtailable load and compliance with a request for curtailment shall be measured in one of the following ways:

Option A -- Customer may contract for a given amount of firm demand in kVA. During a request for physical curtailment, Customer shall reduce its demand to the firm demand designated in the contract. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price, as applicable, shall apply to the difference in the actual kWh during any requested curtailment and the contracted firm demand multiplied by the time period (hours) of curtailment [Actual kWh – (firm kVA x hours curtailed)]. The measured kVA demand in excess of the firm load during each requested physical curtailment in the billing period shall be the measure of non-compliance.

Option B -- Customer may contract for a given amount of curtailable load in kVA by which Customer shall agree to reduce its demand at any time by such Designated Curtailable Load. During a request for physical curtailment, Customer shall reduce its demand to a level equal to the maximum demand in kVA immediately prior to the curtailment less the designated curtailable load. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price shall apply to the difference in the actual kWh during any requested curtailment and the product of Customer's maximum load immediately preceding curtailment less Customer's designated curtailable load designated in the contract multiplied by the time period (hours) of a requested curtailment {Actual kWh – [(Max kVA preceding – Designated Curtailable kVA) x hours of requested curtailment]}.

Non-compliance for each requested physical curtailment shall be the measured positive value in kVA determined by subtracting (i) Customer's designated curtailable load from (ii) Customer's maximum demand immediately preceding the curtailment and then subtracting such difference from (iii) Customer's maximum demand during such curtailment.

Standard Rate Rider **CSR-2**
Curtailable Service Rider-2

RATE

Customer will receive the following credits for curtailable service during the month:

Transmission Voltage Service:	$ 5.90 per kVA of Curtailable Billing Demand
Primary Voltage Service:	$ 6.00 per kVA of Curtailable Billing Demand

Non-Compliance Charge: $16.00 per kVA

Failure of Customer to curtail when requested to do so may result in termination of service under this rider. Customer will be charged for the portion of each requested curtailment not met at the applicable standard charges. Company and Customer may arrange to have installed, at Customer's expense, the necessary telecommunication and control equipment to allow Company to control Customer's curtailable load. Non-compliance charges will be waived if failure to curtail is a result of failure of Company's equipment; however, non-compliance charges will not be waived if failure to curtail is a result of Customer's equipment. If arrangements are made to have telecommunication and control equipment installed, then backup arrangements must also be established in the event either Company's or Customer's equipment fails.

CURTAILABLE BILLING DEMAND

For a Customer electing Option A, Curtailable Billing Demand shall be the difference between (a) Customer's measured maximum demand during the billing period for any billing interval during the following time periods: (i) for the summer peak months of May through September, from 10 A.M. to 10 P.M., (EST) and (ii) for the months October continuously through April, from 6 A.M. to 10 P.M., (EST) and (b) the firm contract demand.

For a Customer electing Option B, Curtailable Billing Demand shall be the Customer Designated Curtailable Load, as described above.

AUTOMATIC BUY-THROUGH PRICE

The Automatic Buy-Through Price per kWh shall be determined daily in accordance with the following formula:

Automatic Buy-Through Price = NGP x .012000 MMBtu/kWh

Where: NGP is the Cash Price for "Natural Gas, Henry Hub" for the most recent day for which a price is posted that precedes the day in which the buy-through occurred.

Standard Rate Rider **CSR-2**
Curtailable Service Rider-2

CERTIFICATION

Upon commencement of service hereunder, Customer shall be required to demonstrate or certify to Company's satisfaction the ability to comply with physical curtailment. On an annual basis, Customer will be required to certify continued capability to reduce its demand pursuant to the amount designated in the contract in the event of a request for curtailment. Failure to demonstrate or certify the capability to reduce demand pursuant to the amount designated in the contract may result in termination of service under this rider.

TERM OF CONTRACT

The minimum original contract period shall be two (2) years and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed reasonably necessary by the size of the load or other conditions.

TERMS AND CONDITIONS

When Company requests curtailment, upon request by Customer, Company shall provide a good-faith, non-binding estimate of the duration of requested curtailment. In addition, upon request by Company, Customer shall provide to Company a good-faith, non-binding short-term operational schedule for their facility.

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

Standard Rate Rider SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

APPLICABLE

In all territory served.

AVAILABILITY

This rate and the terms and conditions set out herein are available for and applicable to Company's purchases of energy only from the owner of qualifying cogeneration or small power production facilities of 100 kW or less (such owner being hereafter called "Seller") installed on Seller's property to provide all or part of its requirements of electrical energy, or from which facilities Seller may elect to sell to Company all or part of such output of electrical energy.

Company will permit Seller's generating facilities to operate in parallel with Company's system under conditions set out below under Parallel Operation.

Company will purchase such energy from Seller at the Rate, A or B, set out below and selected as hereafter provided, and under the terms and conditions stated herein. Company reserves the right to change the said Rates, upon proper filing with and acceptance by the jurisdictional Commission.

RATE A: TIME-DIFFERENTIATED RATE

1. For summer billing months of June, July, August and September (on-peak hours)	$0.02282 per kWh
2. For winter billing months of December, January and February (on-peak hours)	$0.02236 per kWh
3. During all other hours (off-peak hours)	$0.02145 per kWh

On-peak hours for summer billing months of June through September are defined as weekdays from 8:01 A.M. to 9:00 P.M., Eastern Standard Time (under 1 above). D

On-peak hours for winter billing months of December through February are defined as weekdays from 6:01 A.M. to 9:00 P.M., Eastern Standard Time (under 2 above). D

Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above).

Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.

If a legal holiday falls on a weekday, it will be considered a weekday. N

RATE B: NON-TIME-DIFFERENTIATED RATE

For all kWh purchased by Company $0.02173 per kWh

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State Regulation and Rates
Lexington, Kentucky

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Standard Rate Rider SQF

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

SELECTION OF RATE AND METERING

Subject to provisions hereafter in this Section relative to payment of costs of metering equipment, either Seller or Company may select Rate A, the Time-Differentiated Rate, for application to Company's said purchases of energy from Seller. If neither Seller nor Company selects Rate A, then Rate B, the Non-Time-Differentiated Rate, shall apply.

If neither Seller nor Company selects Rate A, and Rate B therefore is to apply to such purchases, Company, at Seller's cost, will install, own and operate a non-time-differentiated meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system. Such meter will be tested at intervals prescribed by Commission Regulation, with Seller having a right to witness all such tests; and Seller will pay to Company its fixed cost on such meter and equipment, expense of such periodic tests of the meter and any other expenses (all such costs and expenses, together, being hereafter called "costs of non-time-differentiated metering").

If either Seller or Company selects Rate A to apply to Company's said purchases of energy from Seller, the party (Seller or Company) so selecting Rate A shall pay (a) the cost of a time-differentiated recording meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system, required for the application of Rate A, in excess of (b) the costs of non-time-differentiated metering which shall continue to be paid by Seller.

In addition to metering referred to above, Company at its option and cost may install, own and operate, on Seller's generator, a recording meter to record the capacity, energy and reactive output of such generator at specified time intervals.

Company shall have access to all such meters at reasonable times during Seller's normal business hours, and shall regularly provide to Seller copies of all information provided by such meters.

PAYMENT

Any payment due from Company to Seller will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from date of Company's reading of meter; provided, however, that, if Seller is a Customer of Company, in lieu of such payment Company may offset its payment due to Seller hereunder, against Seller's next bill and payment due to Company for Company's service to Seller as Customer.

PARALLEL OPERATION

Company hereby permits Seller to operate its generating facilities in parallel with Company's system, under the following conditions and any other conditions required by Company where unusual conditions not covered herein arise:

Standard Rate Rider SQF
Small Capacity Cogeneration and Small Power Production Qualifying Facilities

1. Prior to installation in Seller's system of any generator and associated facilities which are intended to be interconnected and operated in parallel with Company's system, or prior to the inter-connection to Company's system of any such generator and associated facilities already installed in Seller's system, Seller will provide to Company plans for such generator and facilities. Company may, but shall have no obligation to, examine such plans and disapprove them in whole or in part, to the extent Company believes that such plans and proposed facilities will not adequately assure the safety of Company's facilities or system. Seller acknowledges and agrees that the sole purpose of any Company examination of such plans is the satisfaction of Company's interest in the safety of Company's own facilities and system, and that Company shall have no responsibility of any kind to Seller or to any other party in connection with any such examination. If Seller thereafter proposes any change from such plans submitted to Company, prior to the implementation thereof Seller will provide to Company new plans setting out such proposed change(s).

2. Seller will own, install, operate and maintain all generating facilities on its plant site, such facilities to include, but not be limited to, (a) protective equipment between the systems of Seller and Company and (b) necessary control equipment to synchronize frequency and voltage between such two systems. Seller's voltage at the point of interconnection will be the same as Company's system voltage. Suitable circuit breakers or similar equipment, as specified by Company, will be furnished by Seller at a location designated by Company to enable the separation or disconnection of the two electrical systems. Except in emergencies, the circuit breakers, or similar equipment, will be operated only by, or at the express direction of, Company personnel and will be accessible to Company at all times. In addition, a circuit breaker or similar equipment shall be furnished and installed by Seller to separate or disconnect Seller's generator.

3. Seller will be responsible for operating the generator and all facilities owned by Seller, except as hereafter specified. Seller will maintain its system in synchronization with Company's system.

4. Seller will (a) pay Company for all damage to Company's equipment, facilities or system, and (b) save and hold Company harmless from all claims, demands and liabilities of every kind and nature for injury or damage to, or death of, persons and/or property of others, including costs and expenses of defending against the same, arising in any manner in connection with Seller's generator, equipment, facilities or system or the operation thereof.

5. Seller will construct any additional facilities, in addition to generating and associated (interface) facilities, required for interconnection unless Company and Seller agree to Company's constructing such facilities, at Seller's expense, where Seller is not a Customer of Company. When Seller is a Customer of Company and Company is required to construct facilities different than otherwise required to permit interconnection, Seller shall pay such additional cost of facilities. Seller agrees to reimburse Company, at the time of installation,

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or, if agreed to by both parties, over a period of up to three (3) years, for any facilities including any hereafter required (but exclusive of metering equipment, elsewhere herein provided for) constructed by Company to permit Seller to operate interconnected with Company's system. When interconnection costs are repaid over a period of time, such payments will be made monthly and include interest on the unpaid balance at the percentage rate equal to the capital costs that Company would experience at such time by new financing, based on Company's then existing capital structure, with return on equity to be at the rate allowed in Company's immediately preceding rate case.

6. Company will have the continuing right to inspect and approve Seller's facilities, described herein, and to request and witness any tests necessary to determine that such facilities are installed and operating properly; but Company will have no obligation to inspect or approve facilities, or to request or witness tests; and Company will not in any manner be responsible for Seller's facilities or any operation thereof.

7. Seller assumes all responsibility for the electric service upon Seller's premises at and from the point of any delivery or flow of electricity from Company, and for the wires and equipment used in connection therewith; and Seller will protect and save Company harmless from all claims for injury or damage to persons or property, including but not limited to property of Seller, occurring on or about Seller's premises or at and from the point of delivery or flow of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage is proved to have been caused solely by the negligence of Company.

8. Each, Seller and Company, will designate one or more Operating Representatives for the purpose of contacts and communications between the parties concerning operations of the two systems.

9. Seller will notify Company's Energy Control Center prior to each occasion of Seller's generator being brought into or (except in cases of emergencies) taken out of operation.

10. Company reserves the right to curtail a purchase from Seller when:
    (a) the purchase will result in costs to Company greater than would occur if the purchase were not made but instead Company, itself, generated an equivalent amount of energy; or
    (b) Company has a system emergency and purchases would (or could) contribute to such emergency.

    Seller will be notified of each curtailment.

TERMS AND CONDITIONS

Except as provided herein, conditions or operations will be as provided in Company's Terms and Conditions.

Standard Rate Rider LQF

Large Capacity Cogeneration and Small Power Production Qualifying Facilities

APPLICABLE

In all territory served.

AVAILABILITY

Available to any small power production or cogeneration "qualifying facility" with capacity over 100 kW as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to Company.

RATES FOR PURCHASES FROM QUALIFYING FACILITIES

Energy Component Payments

The hourly avoided energy cost (AEC) in $ per MWh, which is payable to a QF for delivery of energy, shall be equal to Company's actual fuel expenses, excluding those that are fixed and non-avoidable, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to [AEC x E_{QF}], where E_{QF} is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering. T T

Capacity Component Payments

The hourly avoided capacity cost (ACC) in $ per MWh, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to Company from the inter-utility market (which includes both energy and capacity charges) less Company's actual variable fuel expense (AEC). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to [ACC x CAP_i], where CAP_i, the capacity delivered by the QF, is determined on the basis of the system demand (D_i) and Company's need for capacity in that hour to adequately serve the load.

Determination of CAP_i

For the following determination of CAP_i, C_{KU} represents Company's installed or previously arranged capacity at the time a QF signs a contract to deliver capacity; C_{QF} represents the actual capacity provided by a QF, but no more than the contracted capacity; and C_M represents capacity purchased from the inter-utility market.

1. System demand is less than or equal to Company's capacity:
   $D_1 \leq C_{KU}$; $CAP_i = 0$
2. System demand is greater than Company's capacity but less than or equal to the total of Company's capacity and the capacity provided by a QF:

   $C_{KU} < D_i \leq [C_{KU} + C_{QF}]$; $CAP_i = C_M$

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3. System demand is greater than the total of Company's capacity and the capacity provided by a QF:

   $D_i > [C_{KU} + C_{QF}]$; $CAP_i = C_{QF}$

PAYMENT

Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within sixteen (16) business days (no less than twenty-two (22) calendar days) of the date the bill is rendered. In lieu of such payment plan, Company will, upon written request, credit Customer's account for such purchases.

TERM OF CONTRACT

For contracts which cover the purchase of energy only, the term shall be one (1) year, and shall be self-renewing from year-to-year thereafter, unless canceled by either party on one (1) year's written notice.

For contracts which cover the purchase of capacity and energy, the term shall be five (5) years.

TERMS AND CONDITIONS

1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that Company would have incurred if the qualifying facility's output had not been purchased.

2. A qualifying facility operating in parallel with Company must demonstrate that its equipment is designed, installed, and operated in a manner that insures safe and reliable interconnected operation. A qualifying facility should contact Company for assistance in this regard.

3. The purchasing, supplying and billing for service, and all conditions applying hereto, shall be specified in the contract executed by the parties, and are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Terms and Conditions currently in effect, as filed with the Commission.

Standard Rate Rider **NMS-1**
Net Metering Service-1

APPLICABLE
In all territory served.

AVAILABILITY
Available for service for any eligible electric generating facility as defined in KRS 278.465(2) owned and operated by a Customer-generator located on Customer's premises that generates electricity using solar, wind, biomass or biogas, or hydro energy in parallel with Company's electric distribution system to provide all or part of Customer's electrical requirements, and for which the Customer has executed Company's written Application for Interconnection and Net Metering before January 1, 2021. The generation facility shall be limited to a maximum rated capacity of 45 kilowatts. T T T T T/D

Company will cease to provide service under this Standard Rate Rider on January 1, 2046. At that time, Company will transfer all customers taking service under this Standard Rate Rider to Standard Rate Rider NMS-2. N N N

DEFINITIONS
"Billing period" shall be the time period between the dates on which Company issues the Customer's bills.

"Billing Period Credit" shall be the electricity generated by the Customer that flows into the electric system and which exceeds the electricity supplied to the Customer from the electric system during any billing period. A billing period credit is a kWh-denominated electricity credit only, not a monetary credit.

METERING AND BILLING
If electricity generated by Customer and fed back to Company's system exceeds the electricity supplied to Customer from the system during a billing period, Customer shall receive a billing-period credit for the net delivery on Customer's bill for the succeeding billing periods. If Customer takes service under a time-of-use or time-of-day rate schedule, Company will apply billing-period credits Customer creates in a particular time-of-day or time-of-use block only to offset net energy consumption in the same time-of-day or time-of-use block; such credits will not be used to offset net energy consumption in other time-of-day or time-of-use blocks in any billing period. Any such unused excess billing-period credits will be carried forward and drawn on by Customer as needed. Unused excess billing-period credits existing at the time Customer's service is terminated end with Customer's account and are not transferrable between locations. D

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TERMS AND CONDITIONS T
Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto. The Net Metering Service Interconnection Guidelines applicable to this Rider are at Sheet Nos. 108 *et seq.* T T/N N

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Standard Rate Rider **NMS-2**

Net Metering Service-2

N

APPLICABLE

In all territory served.

AVAILABILITY

Available to any Customer-generator who owns and operates a generating facility located on Customer's premises that generates electricity using solar, wind, biomass or biogas, or hydro energy in parallel with Company's electric distribution system to provide all or part of Customer's electrical requirements, and who executes Company's Application for Interconnection and Net Metering on or after January 1, 2021. The generation facility shall be limited to a maximum rated capacity of 45 kilowatts.

Company's Application for Interconnection and Net Metering is available online at https://lge-ku.com/residential/net-metering. Company will provide a paper application to Customer upon request.

BILLING

All Customer bills will be calculated in accordance with the Customer's standard rate schedule

ENERGY RATES & CREDITS

For each billing period, Company will (a) bill Customer for all energy consumed in accordance with Customer's standard rate and (b) Company will provide a dollar denominated bill credit for each kWh of production. The dollar denominated bill credit will be calculated by multiplying the total kWh of production within the billing period by the Non-Time-Differentiated SQF rate within tariff Sheet No. 55. Any bill credits greater than the Customer's total bill will be carried forward to future bills.

Unused credits existing at the time Customer's service is terminated, end with Customer's account, have no monetary value, and are not transferrable between locations.

TERMS AND CONDITIONS

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto. The Net Metering Service Interconnection Guidelines applicable to this Rider are at Sheet Nos. 108 *et seq.*

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Standard Rate Rider **EF**

Excess Facilities

APPLICABLE

In all territory served.

AVAILABILITY

Available for non-standard service facilities which are considered to be in excess of the standard facilities that would normally be provided by Company. This rider does not apply to line extensions or to other facilities which are necessary to provide basic electric service. Company reserves the right to decline to provide service hereunder for any project (a) that exceeds $100,000 or (b) where Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term.

DEFINITION OF EXCESS FACILITIES

Excess facilities are lines and equipment which are installed in addition to or in substitution for the normal facilities required to render basic electric service and where such facilities are dedicated to a specific Customer. Applications of excess facilities include, but are not limited to, emergency backup feeds, automatic transfer switches, redundant transformer capacity, and duplicate or check meters.

EXCESS FACILITIES CHARGE

Company shall provide normal operation and maintenance of the excess facilities. Should the facilities suffer failure, Company will provide for replacement of such facilities and the monthly charge will be adjusted to reflect the installed cost of the replacement facilities. No adjustment in the monthly charge for a replacement of facilities will be made during the initial five (5) year term of contract.

Customer shall pay for excess facilities by:

a. making a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage With No Contribution–in-Aid-of-Construction	1.17%	I

b. making a one-time Contribution-in-Aid-of-Construction equal to the installed cost of the excess facilities plus a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage With Contribution-in-Aid of-Construction	0.47%

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Standard Rate Rider **EF**
Excess Facilities

PAYMENT

The Excess Facilities Charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

TERM OF CONTRACT

The initial term of contract to Customer under this schedule shall be not less than five (5) years. The term shall continue automatically until terminated by either party upon at least one (1) month's written notice. Customer may be responsible for removal cost of facilities upon termination of the contract. N N

Standard Rate Rider **RC**

Redundant Capacity

APPLICABLE

In all territory served.

AVAILABILITY

Available to customers served under Company's rate schedules which include a demand charge or a special contract including a demand charge.

Available to Customers requesting the reservation of capacity on Company's facilities which are shared by other Customers when Company has and is willing to reserve such capacity. Such facilities represent a redundant delivery to provide electric service to Customer's facility in the event that an emergency or unusual occurrence renders Customer's principal delivery unavailable for providing service. Where Customer desires to split a load between multiple meters on multiple feeds and contract for Redundant Capacity on those feeds, service is contingent on the practicality of metering to measure any transferred load to the redundant feed.

RATE:

Capacity Reservation Charge

Secondary Distribution	$1.36 per kW/kVA per month	I
Primary Distribution	$0.92 per kW/kVA per month	R

Applicable to the greater of:

1. the highest average load in kW/kVA (as is appropriate for the demand basis of the rate schedule on which Customer is billed) recorded at either the principal distribution feed metering point or at the redundant distribution feed metering point during any 15-minute interval in the monthly billing period;
2. 50% of the maximum demand similarly determined for any of the eleven (11) preceding months; or
3. the contracted capacity reservation.

TERM OF CONTRACT

The minimum contract term shall be five (5) years, and shall be renewed for one (1) year periods until either party provides the other with ninety (90) days written notice of a desire to terminate the arrangement. Company may require that a contract be executed for a longer initial term when deemed necessary by the difficulty and/or high cost associated with providing the redundant feed or other special conditions.

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Standard Rate Rider IL

Intermittent Loads

APPLICABLE

In all territory served.

AVAILABILITY

This schedule applies to all loads having a detrimental effect upon the electric service rendered to other Customers of Company or upon Company's facilities.

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company, in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other desirable electrical characteristics produced by Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if Customer's use of Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to Customer in accordance with 807 KAR 5:006, Section 15(1)(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at Customer's expense.

RATE

1. A contribution in aid of construction or an excess facilities charge shall be required for all special or added facilities, if any, necessary to serve such loads, as provided under the Excess Facilities Rider.

2. Plus the charges provided for under the rate schedule applicable, including any Basic Service Charge if applicable, Energy Charge, Maximum Load Charge (if load charge rate is used), Fuel Adjustment Clause and the Minimum Charge under such rate adjusted in accordance with (a) or (b) herein.

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Standard Rate Rider **IL**
Intermittent Loads

RATE (continued)

a. If rate schedule calls for a minimum based on the total kW of connected load, each kVA of such special equipment shall be counted as one kW connected load for minimum billing purposes.
b. If rate schedule calls for a minimum based on the 15-minute integrated load, and such loads operate only intermittently so that the kW registered on a standard 15-minute integrated demand meter is small in comparison to the instantaneous load such equipment is capable of imposing, each kVA of such special equipment shall be counted as one-third kW load for minimum billing purposes.

MINIMUM CHARGE

As determined by this rider and the rate schedule to which it is attached.

Standard Rate Rider TS

Temporary-to-Permanent and Seasonal Service

APPLICABLE

In all territory served.

AVAILABILITY

This rider is available at the option of Company where:

1. Customer's business requires service provided for construction of permanent delivery points for residences and commercial buildings; or

2. Customer's business does not require permanent installation of Company's facilities and is of such nature to require only seasonal service or temporary service; or

3. Customer's service is over 50 kW, provided for construction purposes, and where in the judgment of Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other Customers; or

4. Customer has need for temporary intermittent use of Company facilities and Company has facilities it is willing to provide Customer for installation and operational testing of Customer's equipment.

This service is available for not less than one (1) month (approximately thirty (30) days), but when service is used longer than one (1) month, any fraction of a month's use will be prorated for billing purposes. Where this service is provided under 3 or 4 above, Company will determine the term of service, which shall not exceed three (3) years.

CONDITIONS

Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a yearly contract and minimum, substituting therefore the following conditions and agreements:

1. For Temporary-to-Permanent service which requires service for construction of permanent delivery points for residences and commercial buildings, the Company will provide a temporary electric service upon request by the customer for a non-refundable charge. This charge, which will be subject to an annual review and revision, shall depend on the facilities which must be installed (and removed) by the Company in order to connect service.

   The standard charge shall be 15% of the estimated installation and removal cost where the facilities to provide service are already in place. It also applies where all of the installed facilities will be utilized, without modification, as part of a future permanent service.

Standard Rate Rider TS
Temporary-to-Permanent and Seasonal Service

CONDITIONS (continued)

2. For Seasonal Service where facilities are installed for temporary service that will not be utilized as part of a future permanent service, the customer shall pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased.

Temporary services for underground or overhead installations are to be constructed as specified by Company standards. Customer will furnish and install material and equipment, including mast for service entrance, conductors, meter base, main disconnect, breaker assembly and grounding. Once the temporary service is no longer needed, the Customer must contact the Company for removal.

For such cases where a temporary service is written upon a refundable contract, the customer will be refunded back the deposit paid for the temporary service after three years of continuous service.

Standard Rate Rider

Kilowatt-Hours Consumed By Lighting Units

APPLICABLE

In all territory served to determine energy consumption applied to Company's non-metered lighting rate schedules.

DETERMINATION OF ENERGY CONSUMPTION

The applicable Fuel Adjustment Clause charge or credit will be based on the kilowatt-hours calculated by multiplying the kilowatt load of each light times the number of hours that light is in use during the billing month. The kilowatt load of each light is shown in the section titled RATE. The number of hours a light will be in use during a given month is from dusk to dawn as shown in the following Hours Use Table.

HOURS USE TABLE

Month	Hours Light Is In Use
JAN	407
FEB	344
MAR	347
APR	301
MAY	281
JUN	257
JUL	273
AUG	299
SEP	322
OCT	368
NOV	386
DEC	415
TOTAL FOR YEAR	4,000 HRS.

Standard Rate Rider **GT**
Green Tariff

APPLICABLE
In all territory served.

AVAILABILITY
Option #1: Renewable Energy Certificates (RECs)

Available as a rider to customers receiving service under Company's standard RS, RTOD-Energy, RTOD-Demand, GS, GTOD-Energy, GTOD-Demand, PS, TODS, TODP, RTS, or FLS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates. T T

Participation in this option may be limited by the ability of the Company to procure RECs from Renewable Resources at a price equal to $13 or less per REC. If the total of all kWh under contract under this tariff equals or exceeds the Company's ability to economically procure RECs (more than $13 per REC), the Company may suspend the availability of this tariff to new participants.

Option #2: Business Solar

Available as a rider to customers receiving service under Company's standard GS, GTOD-Energy, GTOD-Demand, PS, TODS, TODP, RTS, or FLS rate schedules. Service under Option #2 requires Company and Customer to enter into a special contract, which must be filed with and approved by the Kentucky Public Service Commission. T T

Participation in this option will be limited to Customers who wish to have the Company develop, procure, construct, maintain, manage, and own a solar array. The electrical energy produced by the array will be assigned to the Customer.

Option #3: Renewable Power Agreement

Available as a rider to customers to be served under Company's Standard Rate Schedules TODS, TODP, RTS and FLS. Service under Option #3 requires Company and Customer to enter into a special contract, which must be filed with and approved by the Kentucky Public Service Commission.

Customers who wish to purchase the electrical output and all associated environmental attributes from a renewable energy generator may contract bilaterally with the Company. In addition this option is limited to:

1. A customer contracting for a minimum monthly billing load of 10 MVA (or MW as is appropriate).
2. Any agreement must be greater than 10 MW nameplate AC, capped at a system cumulative 125 MW name plate AC and for a term that equals the generation purchase agreement for a minimum period of 5 years.
3. A Customer with multiple accounts may aggregate those accounts for the sole purpose of meeting the 10 MVA requirement.
4. Agreement must be for energy delivered to the Company's transmission system.

Standard Rate Rider **GT**
Green Tariff

AVAILABILITY – continued

5. Energy serving this option must be generated from a renewable resource developed on or after the Kentucky Public Service Commission special contract approval date.
6. Customer will have the opportunity to request the type of renewable resource (e.g., solar or wind) but not the specific facility or generation source.

DEFINITIONS

1. Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources. The locations of these sources are limited to Kentucky, Indiana, Tennessee, Ohio, West Virginia, Virginia, Missouri, and Illinois that are certified for the creation of Renewable Energy Credits by definition 2 and 3 below.
2. A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental benefits and attributes of one MWh of green power. RECs may only be purchased from facilities located in Kentucky, Indiana, Tennessee, Ohio, West Virginia, Virginia, Missouri, and Illinois.
3. Eligible RECs are created from renewable facilities verified and approved by the proven renewable asset tracking systems associated with the major regional Independent System Operators (ISO) operators, PJM's Generation Attribute Tracking System (GATS) or MISO's Midwest Renewable Energy Tracking System (MRETS). The legal ownership of every REC so created is recorded and tracked by GATS or MRETS to assure its authenticity and single ownership.

RATE

Option #1: RECs

Customers who wish to support the development of electricity generated by Renewable Resources may contract to purchase each month a specific number of incremental blocks. All RECs purchased to support Option #1 of this tariff shall be retired by the Company on behalf of the customers.

Rate Schedules RS, RTOD-Energy, RTOD-Demand, GS, GTOD-Energy, and GTOD-Demand: T
Voluntary monthly contributions of any amount in $5.00 increments

Rate Schedules PS, TODS, TODP, RTS, or FLS:
Voluntary monthly contributions of any amount in $13.00 increments

Option #2: Business Solar

Charges and energy credits for this service will be set forth in the written agreement between the Company and the Customer and will reflect a combination of the firm service rates otherwise available to the Customer and the cost of the business solar facility being directly contracted for by the Customer.

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Standard Rate Rider **GT**
Green Tariff

RATE - continued

Option #3: Renewable Power Agreement

Charges and energy credits for this service will be set forth in the written agreement between the Company and the Customer and will reflect a combination of the firm service rates otherwise available to the Customer and the cost of the renewable energy resource, including appropriate transmission costs to deliver the energy to the Customer, being directly contracted for by the Customer.

Renewable energy purchased under the Renewable Power Agreement cannot be used to offset demand or demand charges.

For each 15-minute interval in a billing period, Company will compare Customer's energy consumption to the energy delivered to the Company under the Renewable Power Agreement. In each such 15-minute interval: (i) if Customer's consumption exceeds energy delivered, the difference in kWh between energy consumed and delivered is Net Consumption; or (ii) if energy delivered exceeds Customer's consumption, the difference in kWh between energy delivered and consumed is Net Production.

a. Company will bill Customer for all Net Consumption in each billing period, inclusive of base-fuel, fuel adjustment clause and ECR applied as a percentage of the billed amount, in accordance with the Customer's standard rate schedule.

b. Company will also provide Customer a bill credit for all Net Production in each billing period, with all Net Production to be valued at the avoided energy cost calculated under Company's Standard Rate Rider LQF (Sheet No. 56).

Customer will pay all cost associated with implementing the Renewable Power Agreement, inclusive of the contracted energy price, with no costs shifted to non-participants.

TERM

Option #1: Customers may participate through a one-time purchase or an automatic monthly purchase agreement. Customer may terminate service under this rider by notifying the Company through its Call Center or Business Office. The charges will be removed on the Customer's next bill after their request to terminate.

Option #2: The term will be agreed upon in a separate written bilateral agreement between the Company and the Customer. Contract to be filed with and approved by the Kentucky Public Service Commission.

Option #3: The term will be agreed upon in the separate written bilateral agreement between the Company and the Customer. Contract to be filed with and approved by the Kentucky Public Service Commission.

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Standard Rate Rider **GT**
Green Tariff

TERMS AND CONDITIONS

1. Customers participating in Option #1 may contribute as much as they like in the dollar increments outlined above. (RS, RTOD-Energy, RTOD-Demand, GS, GTOD-Energy, GTOD-Demand - $5, $10, $15, $20, etc), (PS, TODS, TODP, RTS, FLS - $13, $26, $39, etc.) T T
2. An eligible Customer may participate in the Company's "Green Tariff" by making a request to Company's Call Center, Business Office, Key Account Manager, or through Company's website enrollment form. Funds provided by Customer to Company are not refundable.
3. Customers may not owe any arrearage prior to participating in the "Green Tariff". Any customer failing to pay the amount the customer pledged to contribute in Option #1 may be removed from the "Green Tariff". Any customer removed from Option#1 of the "Green Tariff" will not be allowed to re-apply for one year. T
4. Customer will be billed monthly under the "Green Tariff". Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.

Standard Rate Rider **EDR**

Economic Development Rider

APPLICABLE

In all territory served.

AVAILABILITY

Available as a rider to Customers to be served or being served under Rates TODS, TODP, and RTS to encourage Brownfield Development or Economic Development (as defined herein). Service under EDR is conditional on approval of a special contract for such service filed with and approved by the Kentucky Public Service Commission.

RATE

A Customer taking service under EDR shall be served according to all of the rates, terms, and conditions of the normally applicable rate schedule subject to the following:

For the twelve (12) consecutive monthly billings and the subsequent four consecutive twelve (12) monthly billing periods thereafter, the Total Demand Charge shall be reduced by 50%, 40%, 30%, 20%, 10% in the order of Customer's choosing at time of contract filing. All subsequent billing shall be at the full charges stated in the applicable rate schedule after this five (5) year period.

"Total Demand Charge" is the sum of all demand charges, including any credits provided under any other demand applicable rider, before the EDR discounts described above are applied.

TERMS AND CONDITIONS

Brownfield Development

1. Service under EDR for Brownfield Development is available to Customers locating at sites that have been submitted to, approved by, and added to the Brownfield Inventory maintained by the Kentucky Energy and Environment Cabinet (or by any successor entity created and authorized by the Commonwealth of Kentucky).
2. EDR for Brownfield Development is available only to minimum monthly billing loads of 500 kVA or greater and at least a 50% load factor where the Customer takes service from existing Company facilities with no material changes.

Economic Development

3. Service under EDR for Economic Development is available to:
    a. new Customers contracting for a minimum monthly billing load of 1,000 kVA, and at least a 50% load factor; and

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Standard Rate Rider **EDR**
Economic Development Rider

TERMS AND CONDITIONS
Economic Development (continued)

b. Existing Customers contracting for a minimum monthly billing load of 1,000 kVA above their Existing Base Load, and at least a 50% load factor to be determined as follows:
   i. Company and the existing Customer will determine Customer's Existing Base Load by calculating a twelve (12) month rolling average of measured demand.
   ii. Company and the existing Customer must agree upon the Existing Base Load, which shall be an explicit term of the special contract submitted to the Commission for approval before the Customer can take service under EDR. Once the Existing Base Load's value is thus established, it will not be subject to variation or eligible for service under EDR.
   iii. This provision is not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a Customer's Existing Base Load. Such EDR service would continue under the terms of the contract already existing between Company and the Customer concerning the affected portion of the Customer's Existing Base Load.

4. A Customer desiring service under EDR for Economic Development must submit an application for service that includes:
   a. a description of the new load to be served;
   b. the number of new employees, if any, Customer anticipates employing associated with the new load;
   c. the capital investment Customer anticipates making associated with the EDR load;
   d. a certification that Customer has been qualified by the Commonwealth of Kentucky for benefits under programs reviewed and approved by the Kentucky Economic Development Finance Authority, or any successor entity authorized by the Commonwealth of Kentucky. D/N D/N D/N

5. Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set out under Company's Line Extension Plan, I. Special Cases, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period.

Standard Rate Rider **EDR**
Economic Development Rider

Economic Re-Development

6. Service under EDR for Economic Re-Development is available to:
    a. Customers locating at vacant commercial or industrial properties in the Company's service territory which have been unoccupied for at least twelve (12) consecutive months. Verification of vacancy will constitute evidence of minimal to no electrical use during the unoccupied timeframe as determined by the company. Development of green space or undeveloped properties or sites are excluded from the Re-Development rider.
    b. EDR for Economic Re-Development is available only to minimum monthly billing loads of 500 kVA or greater where Customer takes service from the existing electrical infrastructure with no material changes and at least a 50% load factor.
    c. A customer desiring service under must submit an application for service that includes:
        i. a description of the new load to be served;
        ii. the number of new employees, if any, Customer anticipates employing associated with the new load; and
        iii. the capital investment Customer anticipates making associated with the EDR load.
    d. Customers relocating their operations from another premise within the Company's service territory and maintaining the same demand load as indicated on the customer's Load Data Sheet are ineligible to participate in this tariff.
    e. Customers relocating their operations from another premise within the Company's service territory and increasing the demand load as indicated on the customer's Load Data Sheet are eligible to participate in this tariff for the increased demand of 500 kVA minimum and at least a 50% load factor.
    f. Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set out under Company's Line Extension Plan, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period.

General

7. Company may offer EDR to qualifying new load only when Company has generating capacity available and the new load will not accelerate Company's plans for additional generating capacity over the life of the EDR contract.
8. Customer may request an EDR effective initial billing date that is no later than twelve (12) months after the date on which the Kentucky Public Service Commission approves the customer agreement.

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Standard Rate Rider **EDR**
Economic Development Rider

9. Company may offer differing terms, as appropriate, under special contract to which this rider is a part depending on the circumstances associated with providing service to a particular Customer and subject to approval by the Kentucky Public Service Commission. T
10. No credit under EDR will be calculated or applied to Customer's billing in any billing month in which Customer's metered load is less than the load required to be eligible for either Brownfield Development, Economic Development, or Economic Re-Development. T
11. EDR is not available to a new customer that results solely from a change in ownership of a previous customer's account. However, if a change in ownership occurs after the previous customer had entered into an EDR special contract, the successor customer may be allowed to fulfil the balance of the EDR special contract. T
12. All EDR contracts will provide for the recovery of EDR customer-specific fixed costs over the life of the contract. N N
13. All EDR contracts designed to retain the load of existing customers should be accompanied by an affidavit of the customer stating that, without the rate discount, operations will cease or be severely restricted. Demonstration of financial hardship must also be provided by the customer to Company. N N N N

TERM OF CONTRACT

Service will be furnished under the applicable rate schedule and this rider, filed as a special contract with the Commission, for a fixed term of not less than ten (10) years and for such time thereafter under the terms stated in the rate schedule. A greater term of contract or termination notice may be required because of conditions associated with a Customer's requirements for service. Service will be continued under conditions provided for under the rate schedule to which this rider is attached after the original term of contract.

Standard Rate Rider **SSP**

Solar Share Program Rider

APPLICABLE

In all territory served.

AVAILABILITY

This optional, voluntary service is available to Customers taking service under Rates RS, RTOD-Energy, RTOD-Demand, VFD, GS, GTOD-Energy, GTOD-Demand, AES, PS, TODS, and TODP. The terms and conditions set out herein are available for and applicable to participation in Company's Solar Share Program. T

RATE:

A customer may subscribe to capacity in the Solar Share Facilities by paying a One-Time Solar Capacity Charge or a Monthly Solar Capacity Charge—but not both—for each quarter-kW increment subscribed. The customer need not subscribe to all desired capacity using only one subscription approach, but the customer will pay only one kind of charge for each increment of capacity subscribed. For example, a customer subscribing to two quarter-kW increments may pay the One-Time Solar Capacity Charge for one increment and the Monthly Solar Capacity Charge for the other increment.

One-Time Solar Capacity Charge

A customer subscribing to capacity by paying the One-Time Solar Capacity Charge will receive Solar Energy Credit values subject to the terms and conditions of this Rider for a period of 25 years beginning with and including the first full billing period immediately following the customer's payment in full of the Capacity Charge.

The One-Time Solar Capacity Charge is only available for subscription on Solar Share Facilities that have not begun construction. Any one-time solar capacity subscription that becomes unsubscribed will be made available for subscription under the Monthly Solar Capacity Charge.

One-Time Solar Capacity Charge	$799.00 per quarter-kW subscribed

Monthly Solar Capacity Charge

Solar Capacity Charge	$5.55 per quarter-kW subscribed

Solar Energy Credit

Each billing period during which the Subscriber has paid in full for subscribed capacity under either option above, Company will compare a subscribing customer's pro rata AC energy produced by the Solar Share Facilities (in kWh) to the subscribing customer's energy consumption (in kWh) every 15 minutes. If consumption exceeded production, Company will bill Customer for the net energy consumed in accordance with Customer's standard rate schedule. If production equaled or exceeded consumption in any relevant period, Company will bill Customer for zero energy consumption for that period and provide a bill credit for each kWh of net production, if any, at the then-applicable non-time-differentiated rate for Company's Standard Rate Rider SQF.

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Standard Rate Rider **SSP**

Solar Share Program Rider

PROGRAM DESCRIPTION

The Solar Share Program is an optional, voluntary program that allows customers to subscribe to capacity in the Solar Share Facilities. Each Solar Share Facility will have an approximate direct-current (DC) capacity of 500 kW and will be available for subscription in nominal 250 W (quarter-kW) DC increments. Each subscribing customer ("Subscriber") may subscribe capacity up to an aggregate amount of 500 kW DC, though no Subscriber may subscribe more than 250 kW DC in any single Solar Share Facility.

There are two mutually exclusive options for subscribing to each increment of capacity.

Option 1: Capacity Subscribed by Paying Only the One-Time Solar Capacity Charge

For capacity subscribed by paying the One-Time Solar Capacity Charge, the One-Time Solar Capacity Charge will be included on the Subscriber's bill for the first billing period in which the subscribed capacity achieves commercial operation.

A customer choosing to pay the One-Time Solar Capacity Charge may transfer subscribed capacity between the customer's own accounts or may assign subscribed capacity to another customer. Once assigned, the assigning customer forfeits all rights to the assigned capacity.

A customer who ceases taking service from Company will have 60 calendar days to assign subscribed capacity to another customer within Company's service area. Any capacity such a customer does not assign within 60 days of ceasing to take service will be forfeited and made available to other customers under Option 2: Capacity Subscribed by Paying Only the Monthly Solar Capacity Charge.

Option 2: Capacity Subscribed by Paying Only the Monthly Solar Capacity Charge

For capacity subscribed by paying the Monthly Solar Capacity Charge, the Solar Capacity Charge will be included on the Subscriber's bill beginning with the bill for the first billing period in which the subscribed capacity achieves commercial operation.

Monthly subscriptions of less than 50 kW DC will not require a contract; however, a customer may not reduce or cancel a monthly subscription earlier than 12 months from the date of the customer's most recent change to the customer's monthly subscription level. Therefore, a customer subscribing monthly less than 50 kW has a 12-month commitment from the date of the customer's initial monthly subscription or initial solar facility commercial operation, whichever is later, and may have a longer commitment if the customer subsequently increases monthly subscribed capacity (which a customer may do at any time) or if the customer chooses to decrease but not cancel the monthly subscription after the initial 12 months. Monthly subscriptions of 50 kW DC or more require a 5-year contract with Company.

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Standard Rate Rider **SSP**

Solar Share Program Rider

TERMS AND CONDITIONS

T

1. Individual subscriptions are available in nominal 250 W DC (quarter-kW) increments.

2. Customer may subscribe as much solar capacity as desired up to an aggregate amount of 500 kW DC (nominal). No customer may subscribe more than 250 kW DC (nominal) in any single Solar Share Facility.

3. Subject to the restrictions above, Company will fill subscriptions as capacity in the Solar Share Facilities becomes available, and will fill subscriptions in the chronological order in which the subscriptions were made. A Subscriber whose subscription the Company can fulfill only partially may either accept the available capacity and await additional capacity, or decline the partial fulfillment, allowing the next awaiting Subscriber(s) to accept the available capacity. Accepting or declining available capacity will not affect a Subscriber's place in the queue of Subscribers awaiting capacity.

4. Customers may not owe any arrearage prior to participating in the Solar Share Program.

5. Subscribers' pro-rata share of the AC electricity produced by the Solar Share Facilities will be determined on a billing-cycle basis. The corresponding Solar Energy Credit will be calculated and appear on the Subscriber's bill.

6. Unless constrained by contract (see Term of Contract below) or condition #2 above, Subscriber may increase monthly subscribed capacity at any time.

7. Unused Solar Energy Credit value is not transferrable between customers or customer accounts. Therefore, a Subscriber's closing a customer account terminates any unused Solar Energy Credit value associated with that account.

8. Participants in SSP are required to have an advanced meter capable of collecting and communicating at least 15 minute interval data.

9. All Renewable Energy Certificates ("RECs") related to energy produced by subscribed portions of the Solar Share Facilities will be retired.

10. Use of any images of the Solar Share Facilities or use any other of Company's intellectual property requires Company licensing prior to use.

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Standard Rate Rider **SSP**

Solar Share Program Rider

TERMS AND CONDITIONS (continued)

T

11. Service will be furnished under Company's Terms and Conditions except as provided herein.

12. All One-Time Solar Capacity Charges are non-refundable.

13. Subscriptions made by paying the One-Time Solar Capacity Charge may be transferred between a Subscriber's accounts no more than once per billing period (Solar Energy Credit values do not transfer between accounts or customers). A subscription transfer between a Subscriber's accounts takes effect in the billing period following the billing period in which the Subscriber requests the transfer. A Subscriber may transfer a subscription at any time prior to or including 60 calendar days after the Subscriber terminated service on the account to which the subscription attached. If the Subscriber whose account has been terminated does not transfer the subscription within 60 calendar days, the Subscriber forfeits the subscription.

14. Capacity subscribed by paying the One-Time Solar Capacity Charge may be assigned between customers, but only within the same Company service territory, at any time prior to or including 60 calendar days after the assigning Subscriber terminated service on the account to which the subscription attached. Once assigned, the assigning customer loses all rights regarding future credits and the ability to subsequently assign the capacity; those rights become the rights of the assignee upon assignment. For all purposes other than the Solar Energy Credit, all capacity assignments become effective immediately upon assignment. For the purpose of the Solar Energy Credit, the assignor will receive Solar Energy Credits for the entire billing period in which the assignment occurs; the assignee will receive Solar Energy Credits beginning in the first billing period following the assignment.

15. Capacity subscribed by paying the Monthly Solar Capacity Charge is not transferrable or assignable between customers.

16. Unless constrained by contract (see Term of Contract below), Subscriber may decrease or terminate a monthly subscription any time after 12 months following the date of the most recent change to Subscriber's monthly subscription capacity at any time.

TERM OF CONTRACT

Subscriptions of 50 kW DC or more will require a five (5) year non-transferrable, non-assignable contract between Subscriber and Company.

Standard Rate Rider **EVSE-R**

Electric Vehicle Supply Equipment

APPLICABLE

In all territory served.

AVAILABILITY

Available as a rider to Customers to be served or currently being served under Rates GS (with energy usage of 500 kWh or higher per month), GTOD-Energy, GTOD-Demand, AES, PS, TODS, TODP, RTS, and FLS for the purpose of charging electrical vehicles, whereby Customer installs and owns facilities on its side of the point of delivery of the energy supplied hereunder necessary to serve Company-provided charging station. T

Charging station under this rider is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas. Company will furnish, own, and maintain the charging unit and charging cord. The customer will own and maintain duct systems and associated equipment needed to serve the charger. T T T

Company may coordinate charging station installation with Company's current charging station supplier and Customer. Customer shall be responsible for the charging equipment installation costs.

Service will be provided under written contract, signed by Customer prior to service commencing.

RATE	Single Charger	Dual Charger	
Monthly Charging Unit Fee:			T
Networked Charger	$121.79	$173.02	T
Non-Networked Charger	$30.86		N

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

PAYMENT

The EVSE-R charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

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On and After January 1, 2021

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State Regulation and Rates
Lexington, Kentucky

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Standard Rate Rider **EVSE-R**
Electric Vehicle Supply Equipment

TERM OF CONTRACT

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice. Cancellation by Customer prior to the expiration of the initial term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the initial term of the contract.

TERMS AND CONDITIONS

1. Service shall be furnished under Company's Terms and Conditions set out in this Tariff Book, except as set out herein.

2. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for installation.

3. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and the Customer. Where attachment of Customer's devices and/or equipment is made to Company facilities, Customer must have an attachment agreement with Company.

4. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults.

5. Customer shall be responsible for the cost of charging station replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal wear and tear. Company may decline to provide or to continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

6. If Customer requests the removal of an existing charging station, including, but not limited to, poles, or other supporting facilities that were in service less than twenty (20) years, and requests installation of replacement facilities within five (5) years of removal, Customer agrees to pay to Company its cost of labor to install the replacement facilities.

7. Temporary suspension of charging station is not permitted. Upon permanent discontinuance of service, charging station and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

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Standard Rate Rider **EVSE-R**
Electric Vehicle Supply Equipment

8. Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

9. Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for service shall furnish Company with realistic estimates of prospective electricity requirements.

10. Customer shall agree to permit Company to obtain specific charging station usage data directly from the Charging Station Supplier.

MINIMUM CHARGE

As determined by this rider and the rate schedule to which it is attached.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

Standard Rate Rider **WT**

Warranty Service for Customer-Owned Exterior Electric Facilities (Billing and Collection)

APPLICABLE

In all territory served.

AVAILABILITY

To persons or firms providing warranty service to the Company's residential customers for the repair or replacement of customer-owned exterior electric facilities serving the customer's residence and connected to the Company's distribution facilities.

GENERAL REQUIREMENTS

Eligible persons or firms may contract with the Company for the billing and collection of the fees for warranty service provided to the Company's residential customers for the repair or replacement of customer-owned exterior electric facilities serving the customer's residence and connected to the Company's distribution facilities. The fees and terms for the billing and collection of such fees shall be negotiated by the Company and the warranty service provider and shall be set forth in a written agreement.

Any warranty service fee shall appear as a separate line item on the residential customer's bill. A customer's payment will be applied in the following order of priority: amounts owed for current billing period; unpaid balance for electric service provided in prior billing periods; and fees (including any warranty service fee) or taxes collected for other entities.

The Company will neither discontinue a customer's service nor assess a customer a late payment charge due to the customer's failure to pay a billed fee for warranty service.

The Company will bill a customer for the provision of warranty service only if the warranty service provider provides proof that the customer has authorized the fee to be billed through the customer's bill for electric service.

Standard Rate Pilot **OSL**

Outdoor Sports Lighting Service

APPLICABLE

In all territory served.

AVAILABILITY

Available as an optional pilot program for secondary and primary service used by a Customer for lighting specifically designed for outdoor fields which are normally used for organized competitive sports. Service under this rate schedule is limited to a maximum of twenty Customers. Company will accept Customers on a first-come-first-served basis.

RATE

	Secondary	Primary	
Basic Service Charge per day:	$2.96	$7.89	
Plus an Energy Charge per kWh of:	$0.03210	$0.03128	R/I
Plus a Maximum Load Charge per kW of:			
Peak Demand Period	$19.61	$16.26	R/R
Base Demand Period	$2.93	$2.51	I/I

Where:

the monthly billing demand for the Peak Demand Period is the greater of:

1. the maximum measured load in the billing period, or
2. a minimum of 50% of the highest billing demand in the preceding eleven (11) monthly billing periods.

the monthly billing demand for the Base Demand Period is the greater of:

1. the maximum measured load in the billing period, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. if applicable, the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

Standard Rate Pilot **OSL**

Outdoor Sports Lighting Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

RATING PERIODS

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Peak	
Weekdays	All Hours	1 P.M. – 6 P.M.	T
Weekends	All Hours		

All other months of October continuously through April

	Base	Peak
Weekdays	All Hours	6 A.M. – 12 Noon
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Outdoor Sports Lighting Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service.

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State Regulation and Rates
Lexington, Kentucky

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Standard Rate Pilot **OSL**
Outdoor Sports Lighting Service

TERMS AND CONDITIONS T
Service will be furnished under Company's Terms and Conditions applicable hereto. T

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Lexington, Kentucky

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Adjustment Clause **FAC**

Fuel Adjustment Clause

APPLICABLE

In all territory served.

AVAILABILITY

This schedule is mandatory to all rate schedules.

1. The charge per kWh delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where "F" is the expense of fossil fuel and "S" is the kWh sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below.

2. Fuel costs (F) shall be the most recent actual monthly cost of:

   a. Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus

   b. The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute for the forced outages; plus

   c. The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outages, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less

   d. The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

   e. All fuel costs shall be based on weighted average inventory costing.

3. Forced Outages are all non-scheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

4. Sales (S) shall be all kWh sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).

5. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.

6. Base (b) period shall be December 2017, and the base fuel factor is $0.02452 per kWh.

7. Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.

Adjustment Clause **DSM**

Demand-Side Management Cost Recovery Mechanism

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is mandatory to the Company's Standard Rate Schedules RS, RTOD-Energy, RTOD-Demand, VFD, GS, GTOD-Energy, GTOD-Demand, AES, PS, TODS, TODP, RTS, FLS, and OSL. Descriptions of available Demand-Side Management and Energy Efficiency ("DSM-EE") programs begin on Sheet No. 86.4. T

INDUSTRIAL OPT-OUT

An industrial customer may elect not to participate in any DSM-EE programs hereunder, and therefore shall not be assessed a charge pursuant to this mechanism, with respect to any of the customer's energy-intensive meters (i.e., a meter served under Rate RTS, FLS, or TODP) if the customer has implemented with respect to the load served by each such meter cost-effective energy-efficiency measures not subsidized by other rate classes. Nonresidential customers will be considered "industrial" for the purposes of Adjustment Clause DSM if they are engaged in activities primarily using electricity in a process or processes involving either the extraction of raw materials from the earth or a change of raw or unfinished materials into another form or product. To opt out, an industrial customer must complete and return to Company the Demand-Side Management and Energy Efficiency Industrial Opt-Out Notification Form (available at the Company's website at http://www.lge-ku.com). The full terms and conditions of opting out and any subsequent opting in are contained in the Demand-Side Management and Energy Efficiency Industrial Opt-Out Notification Form. Only those industrial customer meters that are energy intensive (i.e., served under Rate RTS, FLS, or TODP) may be exempted from charges under Adjustment Clause DSM; an industrial customer's other accounts will be subject to Adjustment Clause DSM.

An industrial customer desiring to opt back into charges under this mechanism for one or more opted-out meters must complete and return to Company the Demand-Side Management and Energy Efficiency Industrial Opt-In Notification Form (available at the Company's website at http://www.lge-ku.com). The full terms and conditions of opting in are contained in the Demand-Side Management and Energy Efficiency Industrial Opt-In Notification Form.

RATE

The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:

DSMRC = DCR + DRLS + DSMI + DBA + DCCR

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

RATE (continued)

Where:

DCR = DSM COST RECOVERY

The DCR shall include all expected costs that have been approved by the Commission for each twelve-month period for DSM-EE programs that have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM-EE programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees, and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for each such rate class.

DRLS = DSM REVENUE FROM LOST SALES

Revenues from lost sales due to DSM-EE programs implemented on and after the effective date of this tariff will be recovered as follows:

1) For each upcoming twelve-month period, the estimated reduction in customer usage (in kWh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per kWh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the RS, RTOD-Energy, VFD, GS GTOD-Energy, and AES customer classes is defined as the weighted average price per kWh of expected billings under the energy charges contained in the RS, RTOD-Energy, VFD, GS, GTOD-Energy, and AES rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable revenue requirement for each of the customer classes that are billed under demand and energy rates (rate schedules RTOD-Demand, GTOD-Demand, PS, TODS, TODP, RTS, FLS, and OSL) is defined as the weighted average price per kWh represented by the composite of the expected billings under the respective demand and energy charges in the upcoming twelve-month period, after deducting the variable costs included in the energy charges. T T T

2) The lost revenues for each customer class shall then be divided by the estimated class sales (in kWh) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenue from lost sales calculated for a twelve-month period shall be included in the DRLS for thirty-six (36) months or until implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

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Adjustment Clause **DSM**

Demand-Side Management Cost Recovery Mechanism

RATE (continued)

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation, and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.

A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DBA and (b) the prospective future lost revenues collected hereunder.

DSMI = DSM INCENTIVE

For all Energy Impact Programs except Residential and Small Nonresidential Demand Conservation and the Large Nonresidential Demand Conservation Programs, the DSMI shall be computed by multiplying the net resource savings expected from the approved programs that are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided costs over the expected life of the program, and will include both capacity and energy savings..

The DSMI amount related to programs for Rates RS, RTOD-Energy, RTOD-Demand, Rate VFD, GS, GTOD-Energy, GTOD-Demand, AES, PS, TODS, TODP, RTS, FLS, and OSL shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DSMI for such rate class. DSMI amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive. T

DBA = DSM BALANCE ADJUSTMENT

The DBA shall be calculated on a calendar-year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI, DCCR, and previous application of the DBA and the revenues that should have been billed, as follows:

1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.
2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.

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Adjustment Clause DSM

Demand-Side Management Cost Recovery Mechanism

RATE (continued)

3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.
4) For the DCCR, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DCCR unit charge and the capital cost recovery amount determined for the actual capital costs of the approved programs during the twelve-month period.
5) For the DBA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DBA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(5) shall include interest applied to the monthly amounts, such interest to be calculated at a rate equal to the average of the "Three-Month Commercial Paper Rate" for the immediately preceding twelve-month period. The total of the balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DBA for such rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes for which over- or under-recoveries of DSM amounts were realized.

DCCR = DSM CAPITAL COST RECOVERY

The DCCR component is the means by which the Company recovers its capital investments made for DSM-EE programs, as well as an approved rate of return on such capital investments. The Company calculates the DCCR component as follows:

$$DCCR = [(RB) (ROR + (ROR – DR) (TR / (1 – TR))] + OE$$

a) RB is the total rate base for DCCR projects.
b) ROR is the overall rate of return on DSM Rate Base (RB).
c) DR is the composite debt rate (i.e., the cost of short- and long-term debt) embedded in ROR.
d) TR is the composite federal and state income tax rate that applies to the equity return component of ROR.
e) OE is the sum of the capital-related operating expenses (i.e., depreciation and amortization expense, property taxes, and insurance expense) of the DSM projects to which DCCR applies.

The Company then allocates the DCCR component to the rate class(es) benefitting from the Company's various DSM-related capital investment(s).

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RATE (continued)

CHANGES TO DSMRC

Modifications to components of the DSMRC shall be made at least thirty (30) days prior to the effective date. Each filing shall include the following information as applicable:

1) A detailed description of each DSM-EE program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies that have been performed, as available.
2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA, DCCR, and DSMRC.

Each change in the DSMRC shall be placed into effect with service rendered on and after the effective date of such change.

RESIDENTIAL CUSTOMER PROGRAM PARTICIPATION INCENTIVES:

The following DSM-EE Programs are available to residential customers receiving service from the Company on the RS, RTOD-Energy, RTOD-Demand, and VFD Standard Electric Rate Schedules.

Residential and Small Nonresidential Demand Conservation Program

This program employs switches in homes to help reduce the demand for electricity during peak times. The program communicates with the switches to cycle central air conditioning units, heat pumps, electric water heaters, and pool pumps off and on through a predetermined sequence. As of the Date Effective shown below, no additional electric water heaters or pool pumps will be equipped with switches under this program. .

Low Income Weatherization Program (WeCare)

This is an education and weatherization program designed to reduce energy consumption of income-qualified customers. The program provides energy audits, energy education, and installation of weatherization and energy conservation measures in qualified single-family homes as well as tenant units and common areas of qualifying multifamily properties. Qualified customers could receive energy conservation measures ranging from $0 to $2,100 based upon the results of an energy audit.

RESIDENTIAL ADVANCED METERING SYSTEMS INCENTIVES:
The following offering is available to residential customers receiving service from the Company on the RS Rate Schedule.

Advanced Metering Systems Customer Service Offering
This offering is designed to provide energy consumption data to customers on a more frequent basis than is traditionally available through monthly billing. The program employs advanced meters to communicate hourly consumption data to customers through a website.

NONRESIDENTIAL CUSTOMER PROGRAM PARTICIPATION INCENTIVES:
The following DSM-EE programs are available to nonresidential customers receiving service from the Company on the GS, GTOD-Energy, GTOD-Demand, AES, PS, TODS, TODP, RTS, FLS, and OSL Standard Electric Rate Schedules. T

Residential and Small Nonresidential Demand Conservation Program
This program employs switches to help reduce the demand for electricity during peak times. The program communicates with the switches to cycle central air conditioning units, heat pumps, electric water heaters, and pool pumps off and on through a predetermined sequence. As of the Date Effective shown below, no additional electric water heaters or pool pumps will be equipped with switches under this program.

Large Nonresidential Demand Conservation Program
This program employs interfaces to customer equipment to help reduce the demand for electricity during peak times. The program communicates with the interfaces to cycle equipment. This program has an approved flexible incentive structure.

Nonresidential Rebates Program
This program is designed to increase the implementation of energy efficiency measures by providing financial incentives to assist with the replacement of aging and less efficient equipment and for new construction built beyond code requirements. The Program also offers an online tool providing recommendations for energy-efficiency improvements. Incentives available to all nonresidential customers are based upon the avoided cost of energy for calculated efficiency improvements. A prescriptive list provides customers with incentive values for various efficiency improvement projects. Additionally, a custom rebate is available based upon company engineering validation of sustainable energy savings. New construction rebates are available on savings over code plus bonus rebates for LEED certification.

- Maximum annual incentive per facility is $50,000
- Customers can receive multi-year incentives in a single year where such multi-year incentives do not exceed the aggregate of $100,000 per facility and no incentive was provided in the immediately preceding year
- Applicable for combined Prescriptive, Custom and New Construction Rebates

Low Income Weatherization Program (WeCare)
This is an education and weatherization program designed to reduce energy consumption of income-qualified customers. The program provides energy audits, energy education, and installation of weatherization and energy conservation measures in qualified single-family homes as well as tenant units and common areas of qualifying multifamily properties. Qualified customers could receive energy conservation measures ranging from $0 to $2,100 based upon the results of an energy audit..

NONRESIDENTIAL ADVANCED METERING SYSTEMS INCENTIVE:
The following offering is available to customers receiving service from the Company on the GS Rate Schedule.

Advanced Metering Systems Customer Service Offering
This offering is designed to provide energy consumption data to customers on a more frequent basis than is traditionally available through monthly billing. The program employs advanced meters to communicate hourly consumption data to customers through a website.

PROGRAM INCENTIVE STRUCTURES

Residential and Small Nonresidential Demand Conservation Program
For each load-control season (June 1 through September 30), a participant will receive an end-of-season incentive only if both of the following conditions are met: (1) a Load Control Event is called during that season and (2) the participant was enrolled in the program during at least one Load Control Event that season. If these conditions are met, then an end-of-season bill credit of $5 will be paid for each central air conditioning unit or heat pump enabled with a switch. Load Control Events do not include short-duration switch activations (i.e., ten minutes or less) called SCRAM events.

Large Nonresidential Demand Conservation
This program is tailored to a large nonresidential customer's ability to reduce load. Program participants must commit to a minimum of 50 kW demand reduction per control event.

- $15 per kW for verified load reduction. For each load-control season (June 1 through September 30), a participant will receive an end-of-season incentive only if both of the following conditions are met: (1) a Load Control Event is called during that season; and (2) the participant was enrolled in the program during at least one Load Control Event that season.
- The customer will have access to at least hourly load data for every month of the year which they remain enrolled in the program.
- Additional customer charges may be incurred for metering equipment necessary for this program at costs under other tariffs.

DSM Cost Recovery Component (DSMRC)
Monthly Adjustment Factors:

Rates RS, RTOD-Energy, RTOD-Demand, VFD	Energy Charge	
DSM Cost Recovery Component (DCR)	$ 0.00048 per kWh	
DSM Revenues from Lost Sales (DRLS)	$ 0.00003 per kWh	
DSM Incentive (DSMI)	$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	$ 0.00046 per kWh	
DSM Balance Adjustment (DBA)	$(0.00028) per kWh	
Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD	$ 0.00069 per kWh	

Rate GS, GTOD-Energy, GTOD-Demand	Energy Charge	
DSM Cost Recovery Component (DCR)	$ 0.00035 per kWh	
DSM Revenues from Lost Sales (DRLS)	$ 0.00016 per kWh	
DSM Incentive (DSMI)	$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	$ 0.00010 per kWh	
DSM Balance Adjustment (DBA)	$(0.00008) per kWh	
Total DSMRC for Rate GS, GTOD-Energy, and GTOD-Demand	$ 0.00053 per kWh	T

Rate AES	Energy Charge
DSM Cost Recovery Component (DCR)	$ 0.00075 per kWh
DSM Revenues from Lost Sales (DRLS)	$ 0.00060 per kWh
DSM Incentive (DSMI)	$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	$ 0.00112 per kWh
DSM Balance Adjustment (DBA)	$ 0.00049 per kWh
Total DSMRC for Rate AES	$ 0.00296 per kWh

Rates PS, TODS, TODP, RTS, FLS, OSL	Energy Charge
DSM Cost Recovery Component (DCR)	$ 0.00030 per kWh
DSM Revenues from Lost Sales (DRLS)	$ 0.00019 per kWh
DSM Incentive (DSMI)	$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	$ 0.00011 per kWh
DSM Balance Adjustment (DBA)	$ 0.00018 per kWh
Total DSMRC for Rates PS, TODS, TODP, RTS, FLS, and OSL	$ 0.00078 per kWh

Adjustment Clause **ECR**

Environmental Cost Recovery Surcharge

APPLICABLE

In all territory served.

AVAILABILITY

This schedule is mandatory to all rate schedules listed in Section 1 of the General Index except Rate PSA and Special Charges, all Pilot Programs listed in Section 3 of the General Index, and FAC (including OSS) and DSM Adjustment Clauses. Rate schedules subject to this adjustment clause are divided into Group 1 or Group 2 as follows:

Group 1: Rates RS; RTOD-Energy; RTOD-Demand; VFD; AES; LS; RLS; LE; and TE.
Group 2: Rates GS; GTOD-Energy; GTOD-Demand; PS; TODS; TODP; RTS; FLS; EVSE; EVC-L2; EVC-FAST; and OSL. N T

RATE

The monthly billing amount under each of the schedules to which this mechanism is applicable, shall be increased or decreased by a percentage factor calculated in accordance with the following formula.

Group Environmental Surcharge Billing Factor = Group E(m) / Group R(m)

As set forth below, Group E(m) is the sum of Jurisdictional E(m) of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month allocated to each of Group 1 and Group 2. Group R(m) for Group 1 is the twelve (12) month average revenue for the current expense month and for Group 2 it is the twelve (12) month average non-fuel revenue for the current expense month.

DEFINITIONS

1. For all Plans, E(m) = [(RB/12) (ROR + (ROR – DR) (TR / (1 – TR))] + OE – BAS + BR T
   a. RB is the Total Environmental Compliance Rate Base.
   b. ROR is the Rate of Return on Environmental Compliance Rate Base, designated as the overall rate of return [cost of short-term debt, long-term debt, preferred stock, and common equity].
   c. DR is the Debt Rate [cost of short-term debt and long-term debt].
   d. TR is the Composite Federal and State Income Tax Rate.
   e. OE is the Operating Expenses. OE includes operation and maintenance expense recovery authorized by the Kentucky Public Service Commission in all approved ECR Plan proceedings. T
   f. BAS is the total proceeds from by-product and allowance sales. T
   g. BR is the operation and maintenance expenses, and/or revenues if applicable, associated with Beneficial Reuse.
   h. Plans are the environmental surcharge compliance plans submitted to and approved by the Kentucky Public Service Commission pursuant to KRS 278.183.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Adjustment Clause **ECR**

Environmental Cost Recovery Surcharge

DEFINITIONS (continued)

2. Total E(m) (sum of each approved environmental compliance plan revenue requirement) is multiplied by the Jurisdictional Allocation Factor. Jurisdictional E(m) is adjusted for any (Over)/Under collection or prior period adjustment and by the subtraction of the Revenue Collected through Base Rates for the Current Expense month to arrive at Adjusted Net Jurisdictional E(m). Adjusted Net Jurisdictional E(m) is allocated to Group 1 and Group 2 on the basis of Revenue as a Percentage of Total Revenue for the twelve (12) months ending with the Current Month to arrive at Group 1 E(m) and Group 2 E(m).

3. The Group 1 R(m) is the average of total Group 1 monthly base revenue for the twelve (12) months ending with the current expense month. Base revenue includes customer, energy, and lighting charges for each rate schedule included in Group 1 to which this mechanism is applicable and automatic adjustment clause revenues for the Fuel Adjustment Clause, Off-System Sales Adjustment Clause, and the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 1. N N

4. The Group 2 R(m) is the average of total Group 2 monthly base non-fuel revenue for the twelve (12) months ending with the current expense month. Base non-fuel revenue includes customer, non-fuel energy, and demand charges for each rate schedule included in Group 2 to which this mechanism is applicable and automatic adjustment clause revenues for the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 2. Non-fuel energy is equal to the tariff energy rate for each rate schedule included in Group 2 less the base fuel factor as defined on Sheet No. 85.1, Paragraph 6.

5. Current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

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DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Adjustment Clause **OSS**

Off-System Sales Adjustment Clause

APPLICABLE.
In all territory served.

AVAILABILITY
Mandatory to all rate schedules that are subject to Adjustment Clause FAC.

RATE

The monthly OSS Adjustment Factor per kWh delivered under each of the schedules to which this mechanism is applicable shall be calculated in accordance with the following formula:

$$\text{OSS Adjustment Factor} = 0.75 \times [(P(m) / S(m)]$$

Where "P" is the net eligible margins from off-system power sales and "S" is the kWh sales in the current period (m) as defined in 807 KAR 5:056. The OSS Adjustment Factor will be applied as set out below.

1. The monthly OSS Adjustment Factor will be combined with the monthly FAC factor and billed as one.

2. Current expense month (m) shall be the second month preceding the month in which the combined FAC and OSS factor is billed.

3. The combined monthly FAC and OSS factor shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data and information as may be required by the Commission.

DATE OF ISSUE: November 25, 2020

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Adjustment Clause **ERS** N

Economic Relief Surcredit

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is mandatory to all Standard Rate Schedules listed in Sections 1 and 3 of the General Index except PSA and Special Charges.

RATE

The monthly billing amount computed under each of the rate schedules to which this surcredit is applicable shall decrease by the Economic Relief Surcredit. The Economic Relief Surcredit will be distributed to the Company's customers based on the following:

Economic Relief Surcredit per kWh:

All Rate Schedules:	-$0.00068

TERMS OF DISTRIBUTION

(1) The Economic Relief Surcredit shall be applied to the customer's bill following the rates and charges for electric service, but before application of the Environmental Cost Recovery Surcharge, Franchise Fee Rider, School Tax, and Home Energy Assistance Program.

(2) The Economic Relief Surcredit shall be effective for the first twelve (12) months following the entry of an Order in Case No. 2020-00349 approving the surcredit.

(3) In the fourteenth (14th) month following the entry of an Order in Case No. 2020-00349 approving the surcredit, any cumulative over- or under-distribution of the Economic Relief Surcredit amount will be distributed to the Company's customers in the next billing cycle.

(4) The Economic Relief Surcredit shall terminate after the one month distribution in (3) above.

Adjustment Clause **FF**

Franchise Fee

APPLICABLE

In all territory served.

AVAILABILITY

Available as an option for collection of revenues within governmental jurisdictions which impose on Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of Company's rate schedules.

BILLING

1. The franchise charge will be applied exclusively to the base rate and all riders of bills of Customers receiving service within the franchising governmental jurisdiction, before taxes.
2. The franchise charge will appear as a separate line item on Customer's bill and show the unit of government requiring the franchise.
3. Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.
4. At its option, a governmental body imposing a franchise fee shall not be billed for that portion of a franchise fee, applied to services designated by the governmental body that would ultimately be repaid to the governmental body.

TERM OF CONTRACT

As agreed to in the franchise agreement. Company will not calculate or collect any such fees, taxes, or charges pursuant to expired, lapsed, or otherwise invalid, ineffective or inapplicable ordinances, franchise agreements, or other governmental enactment.

Adjustment Clause **FF**
Franchise Fee

SECTIONS APPLICABLE ONLY TO FRANCHISE FEE AGREEMENTS DATED BEFORE September 21, 2011

DEFINITIONS

Base Year - the twelve month period ending November 30.
Collection Year - the full calendar year following the Base Year.
Base Year Amount -

1) a percentage of revenues, as determined in the franchise agreement, for the Base Year; and
2) license fees, permit fees, or other costs specifically borne by Company for the purpose of maintaining the franchise as incurred in the Base Year and applicable specifically to Company by ordinance or franchise for operation and maintenance of its facilities in the franchise area, including but not limited to costs incurred by Company as a result of governmental regulation or directives requiring construction or installation of facilities beyond that normally provided by Company in accordance with applicable Rules and Regulations approved by and under the direction of the Kentucky Public Service Commission; and
3) any adjustment for over or under collection of revenues associated with the amounts in 1) or 2).

RATE

The franchise percentage will be calculated by dividing the Base Year amount by the total revenues in the Base Year for the franchise area. The franchise percentage will be monitored during the Collection Year and adjusted to recover the Base Year Amount in the Collection Year as closely as possible.

Adjustment Clause **ST**
School Tax

APPLICABLE
In all territory served.

AVAILABILITY OF SERVICE
This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.

RATE
The utility gross receipts license tax authorized under state law.

Adjustment Clause **HEA**

Home Energy Assistance Program

APPLICABLE

In all territory served.

AVAILABILITY

To all residential Customers.

RATE

$0.30 per month.

BILLING

The HEA charge shall be shown as a separate item on Customer bills.

PURPOSE

Proceeds from this charge will be used to fund residential low-income Home Energy Assistance programs, which have been designed through a collaborative advisory process and approved by the Commission.

Terms and Conditions
Customer Bill of Rights

As a residential Customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service, if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service, unless any rate or rider under which you take service explicitly states otherwise.
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt restoration of your service when the discontinuance for cause has been corrected within 24 hours or by the end of the next business day, whichever is greater. T T
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, provided you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
- If you have been disconnected due to non-payment, you have the right to have your natural gas or electric service reconnected between the months of November through March provided you:
  1) Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
  2) Pay one third (1/3) of your outstanding bill ($200 maximum), and
  3) Accept referral to the Human Resources' Weatherization Program, and
  4) Agree to a repayment schedule that will cause your bill to become current by October 15.
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636).

Terms and Conditions
General

COMMISSION RULES AND REGULATIONS

All electric service supplied by Company shall be in accordance with the applicable rules and regulations of the Kentucky Public Service Commission.

COMPANY TERMS AND CONDITIONS

In addition to the rules and regulations of the Commission, all electric service supplied by Company shall be in accordance with these Terms and Conditions to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions in each rate schedule, and which shall constitute a part of all applications and contracts for service.

COMPANY AS A FEDERAL CONTRACTOR

The United Nations Convention on Contracts for the International Sale of Goods is specifically disclaimed and excluded and will not apply to or govern agreements between Customers and Company.

To the extent Company is a federal contractor, Company and its subcontractors shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

To the extent Company is a federal contractor, Company and its subcontractors shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

RATES, TERMS AND CONDITIONS ON FILE

A copy of the rate schedules, terms, and conditions under which electric service is supplied is on file with the Kentucky Public Service Commission. A copy of such rate schedules, terms and conditions, together with the law, rules, and regulations of the Commission, is available for public inspection in each office of Company where bills may be paid.

CUSTOMER GENERATION

All existing and future installations of equipment for the purpose of electric generation that is intended to run in parallel with utility service, regardless of the length of parallel operation, shall be reported by Customer (or Customer's Representative) to Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in Customer Responsibilities section of the Terms and Conditions of Company's Tariff.

ASSIGNMENT

No order for service, agreement or contract for service may be assigned or transferred without the written consent of Company.

Terms and Conditions
General

RENEWAL OF CONTRACT

If, upon the expiration of any service contract for a specified term, Customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one (1) year each, subject to termination at the end of any year upon thirty (30) days prior written notice by either party.

AGENTS CANNOT MODIFY AGREEMENT WITHOUT CONSENT OF P.S.C. OF KY

No agent has power to amend, modify, alter, or waive any of these Terms and Conditions, or to bind Company by making any promises or representations not contained herein.

SUPERSEDE PREVIOUS TERMS AND CONDITIONS

These Terms and Conditions supersede all terms and conditions under which Company has previously supplied electric service.

Terms and Conditions
Customer Responsibilities

APPLICATION FOR SERVICE

A written, in-person, electronic, or oral application or contract, properly executed, will be required before Company is obligated to render electric service. Company may require any party applying for service to provide some or all of the following information for the party desiring service: full legal name, address, full Social Security Number or other taxpayer identification number, date of birth (if applicable), relationship of the applying party to the party desiring service, and any other information Company deems necessary for legal, business, or debt-collection purposes. Company shall have the right to reject for valid reasons any such application or contract, including the applying party's refusal to provide requested information.

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using electric service is clearly outside the scope of Company's rate schedules, Company may establish special contracts giving effect to such unusual circumstances. Customer accepts that non-standard service may result in the delay of required maintenance or, in the case of outages, restoration of service.

TRANSFER OF APPLICATION

Applications for electric service are not transferable and new occupants of premises will be required to make application for service before commencing the use of electricity. Customers who have been receiving electric service shall notify Company when discontinuance of service is desired, and shall pay for all electric service furnished until such notice has been given and final meter readings made by Company.

CONTRACTED DEMANDS

For rate applications where billing demand minimums are determined by the Contract Demand Customer shall execute written Contract prior to rendering of service. At Company's sole discretion, in lieu of a written contract, a completed load data sheet or other written load specification, as provided by Customer, can be used to determine the maximum load on Company's system for determining Contract Demand minimum.

If Company or Customer terminates Customer's service under a rate schedule that contains demand charges and Customer subsequently applies to Company to reestablish service to the same premise or facility, Company must determine monthly billing demand for the reestablished service as though Customer had continuously taken service from the time of service termination through the reestablishing of service to Customer. For the purpose of determining the monthly billing demand described in the preceding sentence, the demand to be used for the period during which Customer did not take service from Company shall be the actually recorded demand, if any, for the premise or facility during that period. The preceding two sentences will not apply if Company determines, in its sole discretion, that material changes to Customer's facilities, processes, or practices justify establishing a new Contract Demand for the reestablished service.

Terms and Conditions
Customer Responsibilities

OPTIONAL RATES

If two or more rate schedules are available for the same class of service, it is Customer's responsibility to determine the options available and to designate the schedule under which Customer desires to receive service.

Company will, at any time, upon request, advise any Customer as to the most advantageous rate for existing or anticipated service requirements as defined by Customer, but Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, Customer will be given the opportunity to change to another schedule, unless otherwise prevented by the rate schedule under which Customer is currently served, after trial of the schedule originally designated; however, after the first such change, Company shall not be required to make a change in schedule more often than once in twelve (12) months.

From time to time, Customer should investigate Customer's operating conditions to determine a desirable change from one available rate to another. Company, lacking knowledge of changes that may occur at any time in Customer's operating conditions, does not assume responsibility that Customer will at all times be served under the most beneficial rate.

In no event will Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service.

CUSTOMER'S EQUIPMENT AND INSTALLATION

Customer shall furnish, install, and maintain at Customer's expense all electrical apparatus and wiring to connect with Company's service drop or service line. All such apparatus and wiring shall be installed and maintained in conformity with applicable statutes, laws or ordinances and with the rules and regulations of the constituted authorities having jurisdiction. Customer shall not install wiring or connect and use any motor or other electricity-using device which in the opinion of Company is detrimental to its electric system or to the service of other Customers of Company. Company assumes no responsibility whatsoever for the condition of Customer's electrical wiring, apparatus, or appliances, nor for the maintenance or removal of any portion thereof.

In the event Customer builds or extends its own transmission or distribution system over property Customer owns, controls, or has rights to, and said system extends or may extend into the service territory of another utility Company, Customer will notify Company of their intention in advance of the commencement of construction.

OWNER'S CONSENT TO OCCUPY

Customer shall grant such easements and rights-of-way on and across Customer's property that are reasonably necessary to provide service to the Customer at no cost to Company. T T

Terms and Conditions
Customer Responsibilities

ACCESS TO PREMISES AND EQUIPMENT

Company shall have the right of access to Customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of electric service or for the purpose of turning on and shutting off the supply of electricity when necessary and for all other proper purposes. Customer shall not construct or permit the construction of any structure or device which will restrict the access of Company to its equipment for any of the above purposes.

PROTECTION OF COMPANY'S PROPERTY

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of Company installed on Customer's premises, and will be held liable for same according to law. Customer hereby agrees that no one except the employees of Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of Company.

POWER FACTOR

Company installs facilities to supply power to Customer at or near unity power factor.

Company expects any Customer to use apparatus which shall result in a power factor near unity. However, Company will permit the use of apparatus which shall result, during normal operation, in a power factor not lower than ninety (90) percent either lagging or leading.

Where Customer's power factor is less than ninety (90) percent, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable corrective equipment to maintain a power factor of ninety (90) percent or higher.

EXCLUSIVE SERVICE ON INSTALLATION CONNECTED

Except in cases where Customer has contracted with Company for reserve or auxiliary service, no other electric light or power service will be used by Customer on the same installation in conjunction with Company's service, either by means of a throw-over switch or any other connection.

LIABILITY

Customer assumes all responsibility for the electric service upon Customer's premises at and from the point of delivery of electricity and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00370 dated June 22, 2017 and modified June 29, 2017

Terms and Conditions
Customer Responsibilities

NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD

The service connections, transformers, meters, and appurtenances supplied by Company for the rendition of electric service to its Customers have a definite capacity which may not be exceeded without damage. In the event that Customer contemplates any material increase in Customer's connected load, whether in a single increment or over an extended period, Customer shall immediately give Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice Customer may be held liable for any damage done to meters, transformers, or other equipment of Company caused by such material increase in Customer's connected load. Should Customer make a permanent change in the operation of electrical equipment that materially reduces the maximum load required by Customer, Company may reduce Customer's contract capacity.

PERMITS

Customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give Company or its agent access to Customer's premises and equipment and to enable its service to be connected therewith. In case Customer is not the owner of the premises or of intervening property between the premises and Company's distribution lines, Customer shall obtain from the property owner or owners the necessary consent to the installation and maintenance in said premises and in or about such intervening property of all such wiring or other Customer-owned electrical equipment as may be necessary or convenient for the supply of electric service to Customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, Company shall obtain the aforementioned consent.

The construction of electric facilities to provide service to a number of Customers in a manner consistent with good engineering practice and the least public inconvenience sometimes requires that certain wires, guys, poles, or other appurtenances on a Customer's premises be used to supply service to neighboring Customers. Accordingly, each Customer taking Company's electric service shall grant to Company such rights on or across his or her premises as may be necessary to furnish service to neighboring premises, such rights to be exercised by Company in a reasonable manner and with due regard for the convenience of Customer.

Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under Customer's application until a reasonable time after such permits are granted.

CHANGES IN SERVICE

Where Customer is receiving service and desires relocation or change in facilities not supported by additional load, Customer is responsible for the cost of the relocation or change in facilities through a Non-Refundable Advance.

Terms and Conditions
Company Responsibilities

METERING

The electricity used will be measured by a meter or meters to be furnished and installed by Company at its expense and all bills will be calculated upon the registration of said meters. Company has the right to install any meter or meters it deems in its sole discretion to be necessary or prudent to serve any Customer, including without limitation a digital, automated meter reading, automated metering infrastructure, or advanced metering systems meter or meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by Company.

POINT OF DELIVERY OF ELECTRICITY

The point of delivery of electrical energy supplied by Company shall be at the point, as designated by Company, where Company's facilities are connected with the facilities of Customer, irrespective of the location of the meter.

EXTENSION OF SERVICE

The main transmission lines of Company, or branches thereof, will be extended to such points as provide sufficient load to justify such extensions or in lieu of sufficient load, Company may require such definite and written guarantees from a Customer, or group of Customers, in addition to any minimum payments required by the Tariff as may be necessary. This requirement may also be made covering the repayment, within a reasonable time, of the cost of tapping such existing lines for light or power service or both.

COMPANY'S EQUIPMENT AND INSTALLATION

Company will furnish, install, and maintain at its expense the necessary overhead service drop or service line required to deliver electricity at the voltage contracted for, to Customer's electric facilities.

Company will furnish, install, and maintain at its expense the necessary meter or meters. (The term meter as used here and elsewhere in these rules and regulations shall be considered to include all associated instruments and devices, such as current and potential transformers installed for the purpose of measuring deliveries of electricity to Customer.) Suitable provision for Company's meter, including an adequate protective enclosure for the same if required, shall be made by Customer. Title to the meter shall remain with Company, with the right to install, operate, maintain, and remove same. Customer shall protect such property of Company from loss or damage, and no one who is not an agent of Company shall be permitted to remove, damage, or tamper with the same. Customer shall execute such reasonable form of easement agreement as may be required by Company.

Terms and Conditions
Company Responsibilities

Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish Company with realistic estimates of prospective electricity requirements.

COMPANY NOT LIABLE FOR INTERRUPTIONS

Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay, or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

COMPANY NOT LIABLE FOR DAMAGE ON CUSTOMER'S PREMISES

Company is merely a supplier of electricity delivered to the point of connection of Company's and Customer's facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of Customer or of third persons resulting from the presence, use or abuse of electricity on Customer's premises or resulting from defects in or accidents to any of Customer's wiring, equipment, apparatus, or appliances, or resulting from any cause whatsoever other than the negligence of Company

LIABILITY

In no event shall Company have any liability to Customer or any other party affected by the electrical service to Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to Customer or any other party. In the event that Customer's use of Company's service causes damage to Company's property or injuries to persons, Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

FIRM SERVICE

Where a Customer-generator supplies all or part of Customer-generator's own load and desires Company to provide service for that load, Customer-generator must contract for such service, otherwise Company has no obligation to supply the non-firm service.

Terms and Conditions
Character of Service

Electric service, under the rate schedules herein, will be 60 cycle, alternating current delivered from Company's various load centers and distribution lines at typical nominal voltages and phases, as available in a given location, as follows:

SECONDARY VOLTAGES

Residential Service -

Single phase 120/240 volts three-wire service or 120/208Y volts three-wire service where network system is available.

Non-Residential Service -

1. Single phase 120/240 volts three-wire service, or 120/208Y volts three-wire service where network system is available.
2. Three phase 240 volts three-wire service, 120/240 volts four-wire service, 480 volts three-wire service, 120-208Y volts four-wire service, or 277/480Y four-wire service.

PRIMARY VOLTAGES

According to location, 2,400/4160Y volts, 7,200/12,470Y volts, or 34,500 volts

TRANSMISSION VOLTAGES

According to location, 69,000 volts, 138,000 volts, 161,000 volts, or 345,000 volts.

The voltage available to any individual Customer shall depend upon the voltage of Company's lines serving the area in which Customer's electric load is located.

RESTRICTIONS

1. Except for minor loads, with approval of Company, two-wire service is restricted to those Customers on service July 1, 2004.
2. To be eligible for the rate applicable to any delivery voltage other than secondary voltage, Customer must furnish and maintain complete substation structure, transformers, and other equipment necessary to take service at the primary or transmission voltage available at point of connection.

   a. In the event Company is required to provide transformation to reduce an available voltage to a lower voltage for delivery to a Customer, Customer shall be served at the rate applicable to the lower voltage; provided, however, that if the same rate is applicable to both the available voltage and the delivery voltage, Customer may be required to make a non-refundable payment to reflect the additional investment required to provide service.

   b. The available voltage shall be the voltage on that distribution or transmission line which Company designates as being suitable from the standpoint of capacity and other operating characteristics for supplying the requirements of Customer.

Terms and Conditions
Residential Rate Specific Terms and Conditions

Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances, and other domestic purposes.

1. **DEFINITION OF RESIDENTIAL RATE** - Residential rates are based on service to single family units served through a single meter. Such service may include incidental usage of electricity for home occupations, such as the office of a physician, surgeon, dentist, musician or artist when such occupation is practiced by Customer in Customer's residence. Service to both a single family unit and a detached structure may both be served through a single meter, regardless of the meter location, and qualify for the residential service provided the consumption in the non-residential portion of the detached structure is incidental.

2. **DEFINITION OF SINGLE FAMILY UNIT** - A single family unit is a structure or part of a structure used or intended to be used as a home, residence, or sleeping place by one or more persons maintaining a common household. Residential service is not available to transient multi-family structures including, but not limited to, hotels, motels, studio apartments, college dormitories, separately metered vacation rentals, boat slips, campers, or any structure without a permanent foundation or attached to sanitation facilities. Fraternity or sorority organizations associated with educational institutions may be classified as residential and billed at the residential rate. T

3. **DETACHED STRUCTURES** - If Customer has detached structures that are located at such distance from Customer's residence as to make it impracticable to supply service through Customer's residential meter, the separate meter required to measure service to the detached structures will be considered a separate service and billed as a separate Customer.

4. **POWER REQUIREMENT -** Single-phase power service used for domestic purposes will be permitted under Residential Rates RS, RTOD-Energy, and RTOD-Demand when measured through the residential meter subject to the conditions set forth below:

   a. Single-phase motors may be served at 120 volts if the locked-rotor current at rated voltage does not exceed 50 amperes. Motors with locked-rotor current ratings in excess of 50 amperes must be served at 240 volts.

   b. Single-phase motors of new central residential cooling installations with total locked-rotor ratings of not to exceed 125 amperes (inclusive of any auxiliary motors arranged for simultaneous starting with the compressor) may be connected for across-the-line starting provided the available capacity of Company's electric distribution facilities at desired point of supply is such that, in Company's judgment, the starting of such motors will not result in excessive voltage dips and undue disturbance of lighting service and television reception of

nearby electric Customers. However, except with Company's express written consent, no new single-phase central residential cooling unit having a total lock-rotor rating in excess of 125 amperes inclusive of auxiliary motors arranged for simultaneous starting with the compressor) shall hereafter be connected to Company's lines, or be eligible for electric service therefrom, unless it is equipped with an approved type of current-limiting device for starting which will reduce the initial and incremental starting current inrush to a maximum of 100 amperes per step. Company shall be furnished with reasonable advance notice of any proposed central residential cooling installation.

c. In the case of multi-motored devices arranged for sequential starting of the motors, the above rules are considered to apply to the locked-rotor currents of the individual motors; if arranged for simultaneous starting of the motors, the rules apply to the sum of the locked-rotor currents of all motors so started.

d. Any motor or motors served through a separate meter will be billed as a separate Customer.

Terms and Conditions
Billing

METER READINGS AND BILLS

As used in the entirety of this Tariff, "meter reading" and similar terms shall include data collected remotely from automated meter reading, automated meter infrastructure, advanced metering systems, and other electronic meter equipment or systems capable of delivering usage data to Company. A physical, manual reading of a meter is not required to constitute a "meter reading."

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 7.

All bills will be based upon meter readings made in accordance with Company's meter reading schedule. Company, except if prevented by reasons beyond its control, shall read Customer's meters at least quarterly, except that Customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, any demand or monthly charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty (30) days. T

When Company is unable to read Customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, Customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's meter fails to register properly by reason of damage, accident, etc., Company shall have the right to estimate Customer's consumption during the period of failure on the basis of such factors as Customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Bills are due and payable at the office of Company during business hours, or at other locations designated by Company, within sixteen (16) business days (no less than twenty-two (22) calendar days) from date of rendition thereof. If full payment is not received by the due date of the bill, a late payment charge will be assessed on the current month's charges. Beginning October 1, 2010, residential Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice. There will be no adverse credit impact on Customer's payment and credit record, and the account will not be considered delinquent for any purpose if Company receives Customer's payment within fifteen (15) days after the date on which Company issues Customer's bill. T

Failure to receive a bill does not exempt Customer from these provisions of Company's Terms and Conditions.

Terms and Conditions
Billing

READING OF SEPARATE METERS NOT COMBINED

For billing purposes, each meter upon Customer's premises will be considered separately and readings of two (2) or more meters will not be combined except where Company's operating convenience requires the installation of two (2) or more meters upon Customer's premises instead of one (1) meter.

CUSTOMER RATE ASSIGNMENT

If Customer takes service under a rate schedule the eligibility for which contains a minimum or maximum demand parameter (or both), Company will review Customer's demand and usage data at least once annually to determine the rate schedule under which Customer will take service until the next review and rate determination. Company will also conduct such a review and determination upon Customer's request. Company shall not be obligated to change Customer's rate determination based upon detection of a substantial deviation of Customer's demand or usage if, after consultation with Customer, Company determines in its sole discretion that such deviation is not indicative of Customer's likely long-term demand. Similarly, Company may assign Customer to a rate schedule for which Customer would not be eligible based solely on Customer's historical demand or usage, but Company may do so only as part of a review and rate determination that involves consulting with Customer about Customer's likely future demand, as well as Customer's special contract demand, if applicable.

Any such review and rate determination shall be deemed conclusively to be the correct rate determination for Customer for all purposes and for all periods until Company conducts the next such review and determination for Customer. Therefore, Company shall not be liable for any refunds to Customer based upon Customer's rate assignment, and Company shall not seek to back-bill Customer based upon Customer's rate assignment, for any periods between and including such reviews and determinations unless, and only in the event that, a particular review and rate determination are shown to have been materially erroneous at the time they were conducted, in which case Company may be liable for a refund, or may back-bill Customer, only for the period from the erroneous review and determination to the present or the next non-erroneous review and determination, whichever is shorter.

If Company determines during a review as described above that Customer is eligible to take service under more than one rate schedule and that Customer is then taking service under such a rate schedule, Company will not change Customer's rate assignment; it will remain Customer's responsibility to choose between optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2013

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00221 dated December 20, 2012

If Company determines during a review as described above that Customer is eligible to take service under more than one rate schedule and that Customer is not then taking service under such a rate schedule, Company will (1) provide reasonable notice to Customer of the options available and (2) assign Customer to the rate schedule Company reasonably believes will be most financially beneficial to Customer based on Customer's historical demand and usage, which assignment Company will change upon Customer's request to take service under another rate schedule for which Customer is eligible. Company shall have no refund obligation or bear any other liability or responsibility for its initial assignment of Customer to a rate for which Customer is eligible; it is at all times Customer's responsibility to choose between optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1.

Nothing in this section is intended to curtail or diminish Customer's responsibility to choose among optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1. Likewise, except as explicitly stated in the paragraph above, nothing in this section creates an obligation or responsibility for Company to assign Customer to a particular rate schedule for which Customer is eligible if Customer is eligible for more than one rate schedule.

CUSTOMER RATE MIGRATION

A change from one rate to another will be effective with the first full billing period following a Customer's request for such change, or with a rate change mandated by changes in a Customer's load. In cases where a change from one rate to another necessitates a change in metering, the change from one rate to another will be effective with the first full billing period following the meter change.

CLASSIFICATION OF CUSTOMERS

For purposes of rate application hereunder, non-residential Customers will be considered "industrial" if they are primarily engaged in a process or processes which create or change raw or unfinished materials into another form or product, and/or in accordance with the North American Industry Classification System, Sections 21, 22, 31, 32 and 33. All other non-residential Customers will be defined as "commercial."

Terms and Conditions
Billing

MONITORING OF CUSTOMER USAGE

In order to detect unusual deviations in individual Customer consumption, Company will monitor the usage of each Customer at least once quarterly. In addition, Company may investigate usage deviations brought to its attention as a result of its ongoing meter reading or billing processor Customer inquiry. Should an unusual deviation in Customer's consumption be found which cannot be attributed to a readily identified cause, Company may perform a detailed analysis of Customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of Customer's meter reading and billing records, Company may contact Customer to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume. Where the deviation is not otherwise explained, Company will test Customer's meter to determine whether the results show the meter is within the limits allowed by 807 KAR 5:041, Section 17(1). Company will notify Customer of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 11(4) and (5).

RESALE OF ELECTRIC ENERGY

Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises, or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

MINIMUM CHARGE

Without limiting the foregoing, the Basic Service Charge and Demand Charge shall apply and be due for all times during which a customer's account is open, regardless of any event or occurrence that might limit (a) Customer's ability or interest in operating Customer's facility, including, but without limitation, any acts of God, fires, floods, earthquakes, acts of government, terrorism, severe weather, riot, embargo, changes in law, or strikes or (b) Company's ability to serve Customer.

Terms and Conditions
Deposits

GENERAL

1. Company may require a cash deposit or other guaranty from Customers to secure payment of bills in accordance with 807 KAR 5:006, Section 8, except for Customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.
2. Deposits may be required from all Customers not meeting satisfactory credit and payment criteria. Satisfactory credit for Customers will be determined by utilizing independent credit sources (primarily utilized with new Customers having no prior history with Company), as well as historic and ongoing payment and credit history with Company.
   a. Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services.
   b. Satisfactory payment criteria with Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service.
3. Company may offer residential or general service Customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first six (6) normal billing periods. Service may be refused or discontinued for failure to pay and/or maintain the requested deposit.
4. Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to Customer's bills. If interest is paid or credited to Customer's bill prior to twelve (12) months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to Customer.

RESIDENTIAL

1. Residential Customers are those Customers served under Rates RS - Sheet No. 5, RTOD-Energy - Sheet No. 6, and RTOD-Demand - Sheet No. 7.
2. The deposit for a residential Customer is in the amount of $160.00, which is calculated in accordance with 807 KAR 5:006, Section 8(1)(d)(2).
3. Company will retain Customer's deposit for a period not to exceed twelve (12) months, provided Customer has met satisfactory payment and credit criteria.
4. If a deposit is held longer than eighteen (18) months, the deposit will be recalculated at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than $10.00, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.

Terms and Conditions
Deposits

RESIDENTIAL (Continued)

5. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

GENERAL SERVICE

1. General service Customers are those Customers served under General Service Rate GS, Sheet No. 10, General Time-of-Day Energy Service Rate GTOD-Energy Sheet No. 11, and General Time-of-Day Demand Service Rate GTOD-Demand Sheet No. 12. N N
2. The deposit for a general service Customer is in the amount of $240.00, which is calculated in accordance with 807 KAR 5:006, Section 8(1)(d)(2). The deposit for a General Service Customer may be waived when the General Service delivery is to a detached building used in conjunction with a Residential Service and the General Service usage is no more than 300 kWh per month.
3. Company shall retain Customer's deposit as long as Customer remains on service.
4. For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten (10%) percent, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
5. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

OTHER SERVICE

1. The deposit for all other Customers, those not classified herein as residential or general service, shall not exceed 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly in accordance with 807 KAR 5:006, Section 8(1)(d)(1).
2. For Customers not meeting the parameters of GENERAL SERVICE ¶ 2, above, Company may retain Customer's deposit as long as Customer remains on service.
3. For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten (10%) percent, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
4. If Customer fails to maintain a satisfactory payment or credit record, or otherwise become a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Terms and Conditions
Budget Payment Plan

Company's Budget Payment Plan is available to any residential Customer served under Residential Service Rate RS or any general service Customer served under General Service Rate GS. If a residential Customer, who is currently served under Residential Service Rate RS and is currently enrolled in the Budget Payment Plan, elects to take service under Residential Time-of-Day Energy Service Rate RTOD-Energy or Residential Time-of-Day Demand Service Rate RTOD-Demand, such Customer would be removed from the Budget Payment Plan and restored to regular billing. If a Customer, who is currently served under General Service Rate GS and is currently enrolled in the Budget Payment Plan, elects to take service under General Time-of-Day Energy Service Rate GTOD-Energy or General Time-of-Day Demand Service Rate GTOD-Demand, such Customer would be removed from the Budget Payment Plan and restored to regular billing. N N N N

Under this plan, a Customer may elect to pay, each billing period, a budgeted amount in lieu of billings for actual usage. A Customer may enroll in this plan at any time.

The budgeted amount will be determined by Company and will be based on one-twelfth of Customer's usage for either an actual or estimated twelve (12) months. The budgeted amount will be subject to review and adjustment by Company at any time during Customer's budget year. If actual usage indicates Customer's account will not be current with the final payment in Customer's budget year, Customer will be required to pay their Budget Payment Plan account to $0 prior to the beginning of Customer's next budget year.

If a Customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove Customer from the plan, restore the Customer to regular billing, and require immediate payment of any deficiency. A Customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the plan for twelve (12) months.

Failure to receive a bill in no way exempts a Customer from the provisions of these terms and conditions.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Terms and Conditions
Bill Format

T

a PPL company

BILLING SUMMARY

Previous Balance	95.79
Payment(s) Received	-95.79
Balance as of 11/11/20	**$0.00**
Current Electric Charges	130.18
Total Current Charges as of 11/11/20	**$130.18**
Total Amount Due	**$130.18**

Mailed **11/12/20** for Account # **3000-0000-0001**

AMOUNT DUE	DUE DATE
$130.18	**12/9/20**

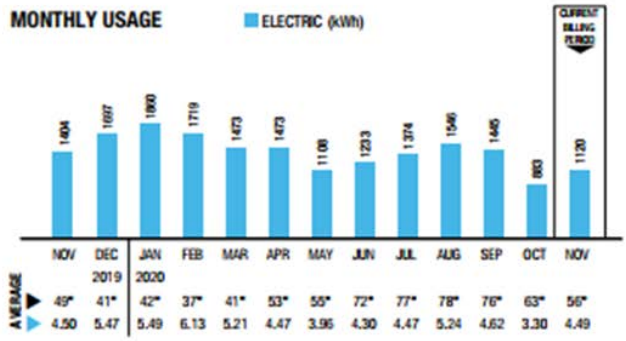
Online or phone payments made before 7 pm ET will be posted same day

Account Name:	**JOHN SMITH**
Service Address:	1 Quality Street LEXINGTON KY
Online Payments:	lge-ku.com
Telephone Payments:	(800) 981-0600, press 1-2-3 24 hours a day; $2.00 fee
Customer Service:	(800) 981-0600 M-F, 7am-7pm ET
Walk-in Center:	111 W. Main Street Earlington, KY 42410 M-F, 9am-5pm ET

Next read will occur 12/10/20 - 12/14/20 (Meter Read Portion 09)

BILLING PERIOD AT-A-GLANCE

	THIS YEAR	LAST YEAR
Average Temperature	56°	49°
Number of Days Billed	29	32
Avg. Electric Charges per Day	**$4.49**	**$4.50**
Avg. Electric Usage per Day (kWh)	38.62	43.88



Please return only this portion with your payment. Make checks payable to KU and write your account number on your check.

Amount Due **12/9/20**	**$130.18**
After Due Date, Pay this Amount:	$134.09
WinterCare Donation:	
Total Amount Enclosed:	

Account # **3000-0000-0001**
Service Address: 1 Quality Street

#916190001 6#

JOHN SMITH
1 Quality Street
LEXINGTON, KY 40507-0000

a PPL company
PO Box 25212
Lehigh Valley, PA 18002-5212

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Terms and Conditions
Bill Format

T

Page 2 Account # 3000-0000-0001

CURRENT USAGE

ELECTRIC

Meter Reading Information	Meter # 1000001
Actual (R) kWh Reading on 11/11/20	31067
Actual (R) kWh Reading on 10/13/20	29947
Current kWh Usage	1120
Meter Multiplier	1
Metered kWh Usage	**1120**

CURRENT CHARGES

ELECTRIC	Rate: Residential Service
Basic Service Charge ($0.61 x 29 Days)	17.69
Energy Charge ($0.09950 x 1,120 kWh)	111.44
Electric DSM ($0.00069 x 1,120 kWh)	0.77
Fuel Adjustment ($-0.00282 x 1,120 kWh)	-3.16
Environmental Surcharge (3.080% x $126.74)	3.90
Economic Relief Surcredit Adjustment ($-.00068 x 1,120 kWh)	-0.76
Home Energy Assistance Fund Charge	0.30
Total Charges	**$130.18**

BILLING INFORMATION

Late Payment Charge
Late Charge to be Assessed After Due Date $3.91

Rate Schedules
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

GIVE THE GIFT OF **ENERGY**

OFFICE USE ONLY:
MRU09141009, G000000
P95.79
PF:Y eB:P

Home Utility Gift (HUG) certificates are a unique, convenient and practical gift for anyone. Give the gift of a HUG today!
lge-ku.com/hug

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Terms and Conditions
Discontinuance of Service

In accordance with and subject to the rules and regulations of the Kentucky Public Service Commission, Company shall have the right to refuse or discontinue service to an applicant or Customer under the following conditions:

1. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce Customer to comply with its rules and then only after Customer has been given at least ten (10) days written notice of such intention, mailed or otherwise delivered, including, but not limited to, electronic mail, to Customer's last known address.

2. When a dangerous condition is found to exist on Customer's or applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify Customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.

3. When Customer or Applicant refuses or neglects to provide reasonable access and/or easements to and on Customer's or Applicant's premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given fifteen (15) days written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail) of Company's intention to discontinue or refuse service.

4. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.

5. When Customer or Applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.

6. When directed to do so by governmental authority.

7. Service will not be supplied to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 15(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred Final Bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 15(1)(f). Final Bills transferred following a

lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect. Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service Applicant is merely acting as an agent of a person or former Customer who is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where Applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former Customer who is indebted to Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

8. For non-payment of bills. Company shall have the right to discontinue service for non-payment of bills after Customer has been given at least ten days written notice separate from Customer's original bill. Cut-off may be effected not less than twenty-seven (27) days after the mailing date of original bills unless, prior to discontinuance, a residential Customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the original date of discontinuance. Company shall notify Customer, in writing (either mailed or otherwise delivered, including, but not limited to, electronic mail), of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

9. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means Customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to Customer may be discontinued without notice. Within twenty-four (24) hours after such termination, Company shall send written notification to Customer of the reasons for such discontinuance of service and of Customer's right to challenge the termination by filing a formal complaint with the Kentucky Public Service Commission. Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service.

Terms and Conditions
Discontinuance of Service

Company shall not be required to restore service until Customer has complied with all rules of Company and regulations of the Commission and Company has been reimbursed for the estimated amount of the service rendered, and assessment of the charges under the Unauthorized Reconnect Charge provision of Special Charges incurred by reason of the fraudulent use.

When service has been discontinued for any of the above reasons, Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to Company.

Company may defer written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail) based on Customer's payment history provided Company continues to provide the required ten (10) days written notice prior to discontinuance of service.

Terms and Conditions
Line Extension Plan

1. AVAILABILITY

In all territory served by where Company does not have existing facilities to meet Customer's electric service needs.

2. DEFINITIONS

a "Company" shall mean Kentucky Utilities Company.

b. "Customer" shall mean the applicant for service. When more than one electric service is requested by an applicant on the same extension, such request shall be considered one Customer under this plan when the additional service request(s) is only for incidental or minor convenience loads or when the applicant for service is the developer of a subdivision.

c. "Line Extension" shall mean the single phase facilities required to serve Customer by the shortest route most convenient to Company from the nearest existing adequate Company facilities to Customer's delivery point, approved by Company, and excluding transformers, service drop, and meters, if required and normally provided to like Customers.

d. "Permanent Service" shall mean service contracted for under the terms of the applicable rate schedule but not less than one (1) year and where the intended use is not seasonal, intermittent, or speculative in nature.

e. "Commission" shall mean the Kentucky Public Service Commission.

3. GENERAL

a. All extensions of service will be made through the use of overhead facilities except as provided in these rules.

b. Customer requesting service which requires an extension(s) shall furnish to Company, at no cost, properly executed easement(s) for right-of-way across Customer's property to be served.

c. Customer requesting extension of service into a subdivision, subject to the jurisdiction of a public commission, board, committee, or other agency with authority to zone or otherwise regulate land use in the area and require a plat (or Plan) of the subdivision, Customer shall furnish, at no cost, Company with the plat (or plan) showing street and lot locations with utility easement and required restrictions. Plats (or plans) supplied shall have received final approval of the regulating body and recorded in the office of the appropriate County Court Clerk when required. Should no regulating body exist for the area into which service is to be extended, Customer shall furnish Company the required easement.

d. The title to all extensions, rights-of way, permits, and easements shall be and remain with Company.

Terms and Conditions
Line Extension Plan

3. GENERAL (continued)

e. Customer must agree in writing to take service when the extension is completed and have Customer's building or other permanent facility wired and ready for connection.

f. Nothing herein shall be construed as preventing Company from making electric line extensions under more favorable terms than herein prescribed provided the potential revenue is of such amount and permanency as to warrant such terms and render economically feasible the capital expenditure involved and provided such extensions are made to other Customers under similar conditions.

g. Company may require a non-refundable deposit in cases where Customer does not have a real need or in cases where the estimated revenue does not justify the investment.

h. Company shall not be obligated to extend its lines in cases where such extensions, in the good judgment of Company, would be infeasible, impractical, or contrary to good engineering or operating practice, unless otherwise ordered by Commission.

4. NORMAL LINE EXTENSIONS

a. In accordance with 807 KAR 5:041, Section 11(1), Company will provide, at no cost, a line extension of up to 1,000 feet to Customer requesting permanent service where the installed transformer capacity does not exceed 25 kVA.

b. Where Non-Residential Customer requires poly-phase distribution service or transformer capacity in excess of 25 kVA and Company provides such facilities, Company shall provide at its own expense the requested line extension, but only to the extent that the cost of the requested extension does not exceed the lesser of (i) the cost of a comparable overhead extension (if an underground extension is requested) or (ii) five (5) times Customer's estimated annual net revenue, where "net revenue" is defined as Customer's total revenue less base fuel, Fuel Adjustment Clause, Off-System Sales, Demand Side Management, franchise fees, and school taxes. Company may require Non-Residential Customer to pay in advance a non-refundable amount for the additional cost above the five (5) times net revenue calculation to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ a. above. Customer must commit to a minimum contract term of five (5) years.

5. OTHER LINE EXTENSIONS

a. In accordance with 807 KAR 5:041, Section 11(2), Company shall provide to Customer requesting permanent service a line extension in excess of 1,000 feet per Customer but Company may require the total cost of the footage in excess of 1,000 feet per Customer, based on the average cost per foot of the total extension, be deposited with Company by Customer.

b. Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension for each additional Customer connected during the first ten (10) year period directly to the original extension for which the deposit was made.

c. Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension less the length of the lateral or extension for each additional Customer connected during the first ten (10) year period by a lateral or extension to the original extension for which the deposit was made.

d. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Terms and Conditions
Line Extension Plan

5. OTHER LINE EXTENSIONS (continued)

e. Where Non-Residential Customer requires poly-phase distribution service or transformer capacity in excess of 25 kVA and Company provides such facilities, Company shall provide at its own expense the requested line extension, but only to the extent that the cost of the requested extension does not exceed the lesser of (i) the cost of a comparable overhead extension (if an underground extension is requested) or (ii) five (5) times Customer's estimated annual net revenue, where "net revenue" is defined as Customer's total revenue less base fuel, Fuel Adjustment Clause, Demand Side Management, franchise fees, and school taxes. Company may require Non-Residential Customer to pay in advance a non-refundable amount for the additional cost above the five (5) times net revenue calculation to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ a. above.

6. OVERHEAD LINE EXTENSIONS FOR SUBDIVISIONS

a. In accordance with 807 KAR 5:041, Section 11(3), Customer desiring service extended for and through a subdivision may be required by Company to deposit the total cost of the extension.
b. Each year for ten (10) years Company shall refund to Customer, the cost of 1,000 feet of extension for each additional Customer connected during the first ten (10) year period directly to the original extension for which the deposit was made.
c. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends.

7. MOBILE HOME LINE EXTENSIONS

a. Company will make line extensions for service to mobile homes in accordance with 807 KAR 5:041, Section 12, and Commission's Orders.
b. Company shall provide, at no cost, a line extension of up to 300 feet to Customer requesting permanent service for a mobile home.
c. Company shall provide to Customer requesting permanent service for a mobile home a line extension in excess of 300 feet and up to 1,000 feet but Company may require the total cost of the footage in excess of 300 feet, based on the average cost per foot of the total extension, be deposited with Company by Customer. Beyond 1,000 feet, the policies set forth in OTHER LINE EXTENSIONS shall apply.
d. Each year for four (4) years Company shall refund to Customer equal amounts of the deposit for the extension from 300 feet to 1,000 feet.
e. If service is disconnected for sixty (60) days, if the original mobile home is removed and not replaced by another mobile home or a permanent structure in sixty (60) days, the remainder of the deposit is forfeited.
f. No refund will be made except to the original Customer.

8. UNDERGROUND LINE EXTENSIONS

a. General

i. Company will make underground line extensions for service to new residential Customers and subdivisions in accordance with 807 KAR 5:041, Section 21.

Terms and Conditions
Line Extension Plan

8. UNDERGROUND LINE EXTENSIONS

General (continued)

ii. In order that Company may make timely provision for materials, and supplies, Company may require Customer to execute a contract for an underground extension under these Terms and Conditions with Company at least six (6) months prior to the anticipated date service is needed and Company may require Customer to deposit with Company at least 10% of any amounts due under the contract at the time of execution. Customer shall deposit the balance of any amounts due under the contract with Company prior to ordering materials or commencement of actual construction by Company of facilities covered by the contract.

iii. Customer shall give Company at least 120 days written notice prior to the anticipated date service is needed and Company will undertake to complete installation of its facilities at least thirty (30) days prior to that date. However, nothing herein shall be interpreted to require Company to extend service to portions of subdivisions not under active development.

iv. At Company's discretion, Customer may perform a work contribution to Company's specifications, including but not limited to conduit, setting pads, or any required trenching and backfilling, and Company shall credit amounts due from Customer for underground service by Company's estimated cost for such work contribution.

v. Customer will provide, own, operate and maintain all electric facilities on Customer's side of the point of delivery with the exception of Company's meter.

vii. Unit charges, where specified herein, are determined from Company's estimate of Company's average unit cost of such construction and the estimated cost differential between underground and overhead distribution systems in representative residential subdivisions.

viii. Three phase primary required to supply either individual loads or the local distribution system may be overhead unless Customer chooses underground construction and deposits with Company a non-refundable deposit for the cost differential.

b. Individual Premises

Where Customer requests and Company agrees to supply underground service (primary) to an individual premise, Company may require Customer to furnish ditching, conduit, backfill, and transformer pad. Company will then use overhead extension policy requirements.

c. Medium Density Subdivisions

i. A medium density residential subdivision is defined as containing ten or more lots for the construction of new residential buildings each designed for less than five (5)-family occupancy.

8. UNDERGROUND EXTENSIONS

c. Medium Density Subdivisions (continued)

ii. Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount determined by a unit charge of $9.69 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension.

iii. Customer may be required to advance to Company's full estimated cost of construction of an underground electric distribution extension. Where Customer is required to provide trenching and backfilling, advance will be Company's full estimate cost of construction. Where Customer is required to deposit with Company a non-refundable advance in place of trenching and backfilling, advance will be determined by a unit charge of $21.87 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension.

iv. Each year for ten (10) years Company shall refund to Customer an amount determined as follows:

(1) Where Customer is required to provide trenching and backfilling, a refund of $5,000 for each Customer connected during that year.

(2) Where Customer is required to provide a non-refundable advance, 500 times the difference in the unit charge advance amount in iii) and the non-refundable unit charge advance in ii) for each Customer connected during that year.

v. In no case shall the refunds provided for herein exceed the amounts deposited less any non-refundable charges applicable to the project nor shall any refund be made after a ten (10) year refund period ends.

d. High Density Subdivisions

i. A high density residential subdivision is defined as building complexes consisting of two or more buildings each not more than three stories above grade and each designed for five (5) or more family occupancy.

ii. Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

iii. Customer may be required to advance to Company's full estimated cost of construction of an underground electric distribution extension.

Terms and Conditions
Line Extension Plan

d. High Density Subdivisions (continued)

i. Company shall refund to Customer any amounts due when permanent service is provided by Company to twenty (20%) percent of the family units in Customer's project.
ii. In no case shall the refunds provided for herein exceed the amounts deposited less any non-refundable charges applicable to the project nor shall any refund be made after a ten (10) year refund period ends.

e. Other Underground Subdivisions
In cases where a particular residential subdivision does not meet the conditions provided for above and where Customer requests and Company agrees to supply underground service, Company may require Customer to pay in advance a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

9. SPECIAL CASES

a. Where Customer requests service that is seasonal, intermittent, speculative in nature, at voltages of 34.5kV or greater, or where the facilities requested by Customer do not meet the Terms and Conditions outlined in previous sections of LINE EXTENSION PLAN and the anticipated revenues do not justify Company's installing facilities required to meet Customer's needs, Company may request that Customer deposit with Company a refundable amount to justify Company's investment.
b. Each year for ten (10) years, Company shall refund to Customer, an amount calculated by:
   i. Adding the sum of Customer's annual base rate monthly electric demand billing for that year to the sum of the annual base rate monthly electric billing of the monthly electric demand billing for that year of any Customer(s), who connects directly to the facilities provided for in this agreement and requiring no further investment by Company
   ii. times the refundable amount divided by the estimated total ten (10) year base rate electric demand billing required to justify the investment.
c. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends.

Terms and Conditions
Energy Curtailment and Service Restoration Procedures

PURPOSE

To provide procedures for reducing the consumption of electric energy on Company system in the event of a capacity shortage and to restore service following an outage. Notwithstanding any provisions of these Energy Curtailment and Service Restoration Procedures, Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of Company's electric system or interconnected electric network or to restore service following an outage. Such actions will be taken giving priority to maintaining service to Company's retail and full requirements Customers relative to other sales whenever feasible and as allowed by law.

ENERGY CURTAILMENT PROCEDURE

PRIORITY LEVELS

For the purpose of these procedures, the following Priority Levels have been established:

I. Essential Health and Safety Uses -- to be given special consideration in these procedures shall, insofar as the situation permits, include the following types of use

A. "Hospitals and Treatment Facilities", which shall be limited to institutions providing patient care to humans as the primary function. T T

B. "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.

C. "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons.

D. "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus.

E. "Communication Services", which shall be limited to essential uses required for telephone, cellular phone, local broadcast networks, radio and newspaper operations, and operation of state and local emergency services. T

F. "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.

Terms and Conditions
Energy Curtailment and Service Restoration Procedures

PRIORITY LEVELS (continued)

G. "Transportation Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the operation of state and local emergency services. These uses shall include essential signal-lighting services. T T T

H. "Defense-related Services", which shall be limited to those uses essential to the national defense and operation of state and local emergency services. N N

I. "Schools", which shall be limited to accredited public or private K-12 educational facilities that may be used for shelters and/or staging areas. N N

Although, when practical, these types of uses will be given special consideration when implementing the manual load-shedding provisions of this program, any Customer may be affected by rotating or unplanned outages and should install emergency generation equipment if continuity of service is essential. Where the emergency is system-wide in nature, consideration will be given to the use of rotating outages as operationally practicable. In case of Customers supplied from two utility sources, only one source will be given special consideration. Also, any other Customers who, in their opinion, have critical equipment should install emergency generation equipment.

Company maintains lists of Customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. Company, lacking knowledge of changes that may occur at any time in Customer's equipment, operation, and backup resources, does not assume the responsibility of identifying Customers with priority needs. It shall, therefore, be the Customer's responsibility to notify Company if Customer has critical needs.

II. Critical Commercial and Industrial Uses -- Except as described in Section III below, these uses shall include commercial or industrial operations requiring regimented shutdowns to prevent conditions hazardous to the general population, and to energy utilities and their support facilities critical to the production, transportation, and distribution of service to the general population. Company shall maintain a list of such Customers for the purpose of curtailments and service restoration.

III. Residential Use -- The priority of residential use during certain weather conditions (for example severe winter weather) will receive precedence over critical commercial and industrial uses. The availability of Company service personnel and the circumstances associated with the outage will also be considered in the restoration of service.

IV. Non-critical commercial and industrial uses.

V. Nonessential Uses -- The following and similar types of uses of electric energy shall be considered nonessential for all Customers:

Terms and Conditions
Energy Curtailment and Service Restoration Procedures

PRIORITY LEVELS (continued)

A. Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.

B. General interior lighting levels greater than minimum functional levels.

C. Show-window and display lighting.

D. Parking-lot lighting above minimum functional levels.

E. Energy use to lower the temperature below 78 degrees during operation of cooling equipment and above 65 degrees during operation of heating equipment.

F. Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.

G. Energy use greater than that which is the minimum required for lighting, heating, or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

Non-jurisdictional Customers will be treated in a manner consistent with the curtailment procedures contained in the service agreement between the parties or the applicable tariff.

CURTAILMENT PROCEDURES

In the event Company's load exceeds internal generation, transmission, or distribution capacity, or other system disturbances exist, and internal efforts have failed to alleviate the problem, including emergency energy purchases, the following steps may be taken, individually or in combination, in the order necessary as time permits:

1. Customers having their own internal generation capacity will be curtailed, and Customers on curtailable contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit Company's rights under the Curtailable Service Rider tariff.

2. Power output will be maximized at Company's generating units.

3. Company use of energy at its generating stations will be reduced to a minimum.

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On and After January 4, 2013

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00548 dated July 30, 2010

Terms and Conditions
Energy Curtailment and Service Restoration Procedures

CURTAILMENT PROCEDURES (continued)

4. Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.

5. The Kentucky Public Service Commission will be advised of the situation.

6. An appeal will be made to Customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.

7. Customers will be advised through the use of the news media and personal contact that load interruption is imminent.

8. Implement procedures for interruption of selected distribution circuits.

SERVICE RESTORATION PROCEDURES

Where practical, priority uses will be considered in restoring service and service will be restored in the order I through IV as defined under PRIORITY LEVELS. However, because of the varieties of unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, Company will attempt to provide estimates of repair times to aid Customers in assessing the need for alternative power sources and temporary relocations.

Terms and Conditions
Net Metering Service Interconnection Guidelines

N

GENERAL

Net metering service shall be measured using a single meter or, as determined by Company, additional meters and shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. This net metering equipment shall be provided without any additional cost to Customer. This provision does not relieve Customer's responsibility to pay metering costs embedded in Company's Commission-approved base rates. Additional meters, requested by Customer, will be provided at Customer's expense.

Customer shall operate the generating facility in parallel with Company's system under the following conditions and any other conditions required by Company where unusual circumstances arise not covered herein:

1. Customer to own, operate, and maintain all generating facilities on their premises for the primary purpose of supplying all or part of the customer's own electricity requirements. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between Customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as Company's system voltage.
2. Customer will be responsible for ensuring an anti-islanding safety feature is in place as required by applicable codes and standards.
3. Customer will ensure that all generating facilities comply with the Company's Interconnection Requirements for Customer-Sited Distributed Generation. Those requirements are available on line at www.lge-ku.com and upon request.
4. Customer shall allow data communications between the Customer's distributed generation equipment and the Company's control systems or other assets, where required by the Company for planning, coordination, reliability, or power quality purposes.
5. Customer will be responsible for operating all generating facilities owned by Customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
6. Customer will be responsible for any damage done to Company's equipment due to failure of Customer's control, safety, or other equipment.
7. Customer agrees to inform Company of any changes it wishes to make to its generating or associated facilities that differ from those initially installed and described to Company in writing to obtain approval from Company.
8. Company will have the right to inspect and approve Customer's facilities described herein, and to conduct any tests necessary to determine that such facilities are installed and operating properly; however, Company will have no obligation to inspect, witness tests, or in any manner be responsible for Customer's facilities or operation thereof.
9. Customer assumes all responsibility for the electric service on Customer's premises at and from the point of delivery of electricity from Company and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence or willful misconduct of Company.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Terms and Conditions
Net Metering Service Interconnection Guidelines

N

GENERAL (continued)

10. Customer recognizes that Company may or may not have adequate facilities to serve customer's total load at the time of any partial or full failure of customer's self-generation. Company will work with the customer to serve their load requirements which may be at additional cost to the customer.

Level 1 – A Level 1 installation is defined as an inverter-based generator certified as meeting the requirements of Institute of Electrical and Electronics Engineers (IEEE) Standard 1547, Underwriters Laboratories (UL) Standard 1741, and meeting the following conditions:

1. The aggregated net metering generation on a radial distribution circuit will not exceed 15% of the line section's most recent one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.
2. The aggregated net metering generation on a shared single-phase secondary will not exceed 20 kVA or the nameplate rating of the service transformer.
3. A single-phase net metering generator interconnected on the center tap neutral of a 240 volt service shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.
4. A net metering generator interconnected to Company's three-phase, three-wire primary distribution lines, shall appear as a phase-to-phase connection to Company's primary distribution line.
5. A net metering generator interconnected to Company's three-phase, four-wire primary distribution lines, shall appear as an effectively grounded source to Company's primary distribution line.
6. A net metering generator will not be connected to an area or spot network.
7. There are no identified violations of the applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems".
8. Company will not be required to construct any facilities on its own system to accommodate the net metering generator.

Customer desiring a Level 1 interconnection shall submit a "LEVEL 1 - Application for Interconnection and Net Metering." Company shall notify Customer within 20 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 20 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company. Following Company approval of an application, any deviations in the installation from the submitted plan must be re-submitted to the Company for approval. This includes, but is not limited to: modifications in generation capacity, equipment selection, installation methods, and installation of additional equipment. Any modification in generation capacity related to existing customers taking service under NMS-1 will cause their service to be transitioned to NMS-2.

Terms and Conditions
Net Metering Service Interconnection Guidelines

N

Level 2 – A Level 2 installation is defined as generator that does not meet one or more of the conditions required of a Level 1 net metering generator; that is not inverter-based; or that uses equipment not certified as meeting the requirements of IEEE 1547 and UL 1741.

Customer desiring a Level 2 interconnection shall submit a "LEVEL 2 - Application for Interconnection and Net Metering." Company shall notify Customer within 30 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 30 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company. Following Company approval of an application, any deviations in the installation from the submitted plan must be re-submitted to the Company for approval. This includes, but is not limited to: modifications in generation capacity, equipment selection, installation methods, and installation of additional equipment.

Customer submitting a "Level 2 - Application for Interconnection and Net Metering" will provide a non-refundable inspection and processing fee of $100, and in the event that Company determines an impact study to be necessary, shall be responsible for any reasonable costs of up to $1,000 of documented costs for the initial impact study.

Additional studies requested by Customer shall be at Customer's expense.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Terms and Conditions
Net Metering Service Interconnection Guidelines

N

CONDITIONS OF INTERCONNECTION

Customer may operate net metering generator(s) in parallel with Company's system when complying with the following conditions:

1. Customer shall install, operate, and maintain, at Customer's sole cost and expense, any control, protective, or other equipment on Customer's system required by Company's Interconnection Requirements for Customer-Sited Distributed Generation, applicable codes and standards, accredited testing laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the net metering generating facility in parallel with Company's system. Customer bears full responsibility for the installation, maintenance and safe operation of the net metering generating facility. Upon reasonable request from Company, Customer shall demonstrate compliance.
2. Customer shall represent and warrant compliance of the net metering generator with:
   a. any applicable safety and power standards established by IEEE, UL and other accredited testing laboratories;
   b. NFPA 70, National Electric Code (NEC), as may be revised from time-to-time;
   c. Company's Interconnection Requirements for Customer-Sited Distributed Generation;
   d. Company's rules and regulations and Terms and Conditions, as may be revised by time-to-time by the Kentucky Public Service Commission;
   e. the rules and regulations of the Kentucky Public Service Commission, as may be revised by time-to-time by the Kentucky Public Service Commission:
   f. all other local, state, and federal codes and laws, as may be in effect from time-to-time.
3. Any changes or additions to Company's system required to accommodate the net metering generator shall be Customer's financial responsibility and Company shall be reimbursed for such changes or additions prior to construction.
4. Customer shall operate the net metering generator in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. Customer shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Company to any of its other Customers or to any electric system interconnected with Company's electric system.
5. Customer shall be responsible for protecting, at Customer's sole cost and expense, the net metering generating facility from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Company shall be responsible for repair of damage caused to the net metering generator resulting solely from the negligence or willful misconduct on the part of Company.
6. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to Customer, Company shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the net metering generator comply with the requirements of this rider.

Terms and Conditions
Net Metering Service Interconnection Guidelines

N

CONDITIONS OF INTERCONNECTION (continued)

7. Where required by Company, Customer shall furnish and install on Customer's side of the point of interconnection a safety disconnect switch which shall be capable of fully disconnecting Customer's net metering generator from Company's electric service under the full rated conditions of Customer's net metering generator. The external disconnect switch (EDS) shall be located adjacent to Company's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, Customer shall be responsible for ensuring the location of the EDS is properly and legibly identified for so long as the net metering generator is operational.

   The disconnect switch shall be accessible to Company personnel at all times. Certain installations meeting a list of requirements specified in the Company's Interconnection Requirements for Customer-Sited Distributed Generation may be exempt from the EDS requirement. Company may waive the requirement for an external disconnect switch for a net metering generator at its sole discretion, and on a case by case basis.
8. Company shall have the right and authority at Company's sole discretion to isolate the generating facility or require Customer to discontinue operation of the net metering generator if Company believes that:
   a. continued interconnection and parallel operation of the net metering generator with Company's electric system creates or contributes (or may create or contribute) to a system emergency on either Company's or Customer's electric system;
   b. the net metering generator is not in compliance with the requirements of this rider and the non-compliance adversely affects the safety, reliability or power quality of Company's electric system; or
   c. the net metering generator interferes with the operation of Company's electric system.

   In non-emergency situations, Company shall give Customer notice of noncompliance including a description of the specific noncompliance condition and allow Customer a reasonable time to cure the noncompliance prior to isolating the Generating Facilities. In emergency situations, where Company is unable to immediately isolate or cause Customer to isolate only the net metering generator, Company may isolate Customer's entire facility.
9. Customer agrees that, without the prior written permission from Company, no changes shall be made to the generating facility as initially approved. Increases in net metering generator capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet all applicable codes and standards certification requirements, including but not limited to IEEE 1547 and UL 1741, for Level 1 facilities and not resulting in increases in net metering generator capacity is allowed without approval.
10. Customer shall protect, indemnify and hold harmless Company and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys' fees, for or on account of any injury or death

N

CONDITIONS OF INTERCONNECTION (continued)

of persons or damage to property caused by Customer or Customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining or operating Customer's net metering generator or any related equipment or any facilities owned by Company, except where such injury, death or damage was caused or contributed to by the fault or negligence of Company or its employees, agents, representatives or contractors. The liability of Company to Customer for injury to person and property shall be governed by the tariff(s) for the class of service under which Customer is taking service.

11. Customer shall maintain general liability insurance coverage (through a standard homeowner's, commercial or other policy) for generating facilities. Customer shall upon request provide Company with proof of such insurance at the time that application is made for net metering.
12. By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
13. Customer's generating facility is transferable to other persons or service locations only after notification to Company has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, Customer, or location, Company will verify that the installation is in compliance with this tariff and provide written notification to the Customer(s) within 20 business days. If the installation is no longer in compliance with this tariff, Company will notify Customer in writing and list what must be done to place the facility in compliance.
14. Customer shall retain any and all Renewable Energy Credits (RECs) generated by Customer's generating facilities.

TERMS AND CONDITIONS

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

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 5 - 807 KAR 5:001 Section 16(1)(b)(4)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

New or revised tariff sheets, if applicable, identified in compliance with 807 KAR 5:011, shown either by providing: (a) The present and proposed tariffs in comparative form on the same sheet side by side or on facing sheets side by side; or (b) A copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions.

Response:

See attached present and proposed tariffs in comparative form on the same sheet side-by-side. Please note that on each sheet of the side-by-side comparison the present tariff is on the left and the proposed tariff is on the right.

P.S.C. No. 19
Canceling P.S.C. No. 18

Kentucky Utilities Company

One Quality Street
Lexington, Kentucky
www.lge-ku.com

Rates, Terms, and Conditions for Furnishing

ELECTRIC SERVICE

In all territory served as stated on Tariff Sheet No. 1.2 of this Book

PUBLIC SERVICE COMMISSION

OF KENTUCKY

DATE OF ISSUE: May 14, 2019

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

P.S.C. No. 20
Canceling P.S.C. No. 19

Kentucky Utilities Company

One Quality Street
Lexington, Kentucky
www.lge-ku.com

Rates, Terms, and Conditions for Furnishing

ELECTRIC SERVICE

In all territory served as stated on Tariff Sheet No. 1.2 of this Book

PUBLIC SERVICE COMMISSION

OF KENTUCKY

DATE OF ISSUE: November 25, 2020

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State Regulation and Rates
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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 1

General Index
Rates, Terms, and Conditions

Title		Sheet Number	
General Index		1	
Territory Served		1.2	
SECTION 1 - Standard Rate Schedules			
RS	Residential Service	5	
RTOD-Energy	Residential Time-of-Day Energy Service	6	
RTOD-Demand	Residential Time-of-Day Demand Service	7	
VFD	Volunteer Fire Department Service	9	
GS	General Service	10	
AES	All Electric School	12	
PS	Power Service	15	
TODS	Time-of-Day Secondary Service	20	
TODP	Time-of-Day Primary Service	22	
RTS	Retail Transmission Service	25	
FLS	Fluctuating Load Service	30	
LS	Lighting Service	35	
RLS	Restricted Lighting Service	36	
LE	Lighting Energy Service	37	
TE	Traffic Energy Service	38	
PSA	Pole and Structure Attachment Charges	40	
EVSE	Electric Vehicle Supply Equipment	41	
EVC	Electric Vehicle Charging Service	42	
	Special Charges	45	
	Returned Payment Charge		
	Meter Test Charge		
	Disconnect/Reconnect Service Charge		
	Unauthorized Reconnect Charge		
	Meter Pulse Charge		
SECTION 2 – Riders to Standard Rate Schedules			
CSR-1	Curtailable Service Rider-1	50	
CSR-2	Curtailable Service Rider-2	51	
SQF	Small Capacity Cogeneration Qualifying Facilities	55	
LQF	Large Capacity Cogeneration Qualifying Facilities	56	
NMS	Net Metering Service	57	
EF	Excess Facilities	60	
RC	Redundant Capacity	61	
IL	Intermittent Load	65	
TS	Temporary-to-Permanent and Seasonal Service	66	T
KWH	Kilowatt-Hours Consumed By Lighting Unit	67	

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 1

General Index
Rates, Terms, and Conditions

Title		Sheet Number	
General Index		1	
Territory Served		1.2	
SECTION 1 - Standard Rate Schedules			
RS	Residential Service	5	
RTOD-Energy	Residential Time-of-Day Energy Service	6	
RTOD-Demand	Residential Time-of-Day Demand Service	7	
VFD	Volunteer Fire Department Service	9	
GS	General Service	10	
GTOD-Energy	General Time-of-Day Energy Service	11	N
GTOD-Demand	General Time-of-Day Demand Service	12	N
AES	All Electric School	13	T
PS	Power Service	15	
TODS	Time-of-Day Secondary Service	20	
TODP	Time-of-Day Primary Service	22	
RTS	Retail Transmission Service	25	
FLS	Fluctuating Load Service	30	
LS	Lighting Service	35	
RLS	Restricted Lighting Service	36	
LE	Lighting Energy Service	37	
TE	Traffic Energy Service	38	
PSA	Pole and Structure Attachment Charges	40	
EVSE	Electric Vehicle Supply Equipment	41	
EVC-L2	Electric Vehicle Charging Service – Level 2	42	T
EVC-FAST	Electric Vehicle Fast Charging Service	43	N
	Special Charges	45	
	Returned Payment Charge		
	Meter Test Charge		
	Disconnect/Reconnect Service Charge		
	Meter Pulse Charge		
	Unauthorized Connection Charge		T
	AMI Opt Out Charges		N
SECTION 2 – Riders to Standard Rate Schedules			
CSR-1	Curtailable Service Rider-1	50	
CSR-2	Curtailable Service Rider-2	51	
SQF	Small Capacity Cogeneration Qualifying Facilities	55	
LQF	Large Capacity Cogeneration Qualifying Facilities	56	
NMS-1	Net Metering Service-1	57	T
NMS-2	Net Metering Service-2	58	N
EF	Excess Facilities	60	
RC	Redundant Capacity	61	T

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Kentucky Utilities Company

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General Index
Rates, Terms, and Conditions

Title		Sheet Number	
SECTION 2 – Riders to Standard Rate Schedules (continued)			
GT	Green Tariff	69	T
EDR	Economic Development Rider	71	
SSP	Solar Share Program Rider	72	
EVSE-R	Electric Vehicle Supply Equipment	75	
SECTION 3 – Pilot Programs			
OSL	Outdoor Sports Lighting Service	81	D
SECTION 4 – Adjustment Clauses			
FAC	Fuel Adjustment Clause	85	
DSM	Demand-Side Management Cost Recovery Mechanism	86	
ECR	Environmental Cost Recovery Surcharge	87	
OSS	Off-System Sales Adjustment Clause	88	
FF	Franchise Fee	90	D/T
ST	School Tax	91	
HEA	Home Energy Assistance Program	92	
SECTION 5 – Terms and Conditions			
	Customer Bill of Rights	95	
	General	96	
	Customer Responsibilities	97	
	Company Responsibilities	98	
	Character of Service	99	
	Residential Rate Specific Terms and Conditions	100	
	Billing	101	
	Deposits	102	
	Budget Payment Plan	103	
	Bill Format	104	
	Discontinuance of Service	105	
	Line Extension Plan	106	
	Energy Curtailment and Restoration Procedures	107	

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General Index
Rates, Terms, and Conditions

Title		Sheet Number	
SECTION 2 – Riders to Standard Rate Schedules (continued)			
IL	Intermittent Load	65	T
TS	Temporary-to-Permanent and Seasonal Service	66	T
KWH	Kilowatt-Hours Consumed By Lighting Unit	67	T
GT	Green Tariff	69	
EDR	Economic Development Rider	71	
SSP	Solar Share Program Rider	72	
EVSE-R	Electric Vehicle Supply Equipment	75	
WT	Warranty Service for Customer-Owned Exterior Electric Facilities	76	N
SECTION 3 – Pilot Programs			
OSL	Outdoor Sports Lighting Service	81	
SECTION 4 – Adjustment Clauses			
FAC	Fuel Adjustment Clause	85	
DSM	Demand-Side Management Cost Recovery Mechanism	86	
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ERS	Economic Relief Surcredit	89	N
FF	Franchise Fee	90	
ST	School Tax	91	
HEA	Home Energy Assistance Program	92	
SECTION 5 – Terms and Conditions			
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	General	96	
	Customer Responsibilities	97	
	Company Responsibilities	98	
	Character of Service	99	
	Residential Rate Specific Terms and Conditions	100	
	Billing	101	
	Deposits	102	
	Budget Payment Plan	103	
	Bill Format	104	
	Discontinuance of Service	105	
	Line Extension Plan	106	
	Energy Curtailment and Restoration Procedures	107	
	Net Metering Service Interconnection Guidelines	108	N

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Kentucky Utilities Company

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General Index
Territory Served

KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Garrard	Lyon	Rowan
Bracken	Grant	Madison	Russell
Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopkins	Nicholas	Woodford
Daviess			

All references hereinafter to "territory served" shall be determined by the Counties listed above.

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Kentucky Utilities Company

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Territory Served

KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Garrard	Lyon	Rowan
Bracken	Grant	Madison	Russell
Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley
Crittenden	Hopkins	Nicholas	Woodford
Daviess			

All references hereinafter to "territory served" shall be determined by the Counties listed above.

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Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 5
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 5

Standard Rate **RS**
Residential Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for single-phase secondary delivery to single family residential service subject to the terms and conditions on Sheet No. 100 of this Tariff. Three-phase service under this rate schedule is restricted to those Customers being billed on this rate schedule as of July 1, 2004.

RATE

Basic Service Charge per day:	$0.53			
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total	
	$0.05886	$0.03077	$0.08963	R/R

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Home Energy Assistance Program	Sheet No. 92
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

MINIMUM CHARGE
The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges. Residential Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice.

Beginning May 1, 2019, Residential Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

TERMS AND CONDITIONS
Service will be furnished under Company's Terms and Conditions applicable hereto.

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 5

Standard Rate **RS**
Residential Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for single-phase secondary delivery to single family residential service subject to the terms and conditions on Sheet No. 100 of this Tariff. Three-phase service under this rate schedule is restricted to those Customers being billed on this rate schedule as of July 1, 2004.

RATE

Basic Service Charge per day:	$0.61			I
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total	
	$0.06750	$0.03200	$0.09950	I/I/I

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Home Energy Assistance Program	Sheet No. 92	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

MINIMUM CHARGE
The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

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KU Residential Service (RS) is now contained on two pages instead of one

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 5.1

Standard Rate **RS**
Residential Service

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Residential Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice.

Residential Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

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Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 6
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 6

Standard Rate **RTOD-Energy**
Residential Time-of-Day Energy Service

APPLICABLE
In the territory served.

AVAILABILITY
Available as an option to Customers otherwise served under Rate RS.

1. Service under this rate schedule is limited to a maximum of five hundred (500) Customers taking service on Rates RTOD-Energy and RTOD-Demand combined that are eligible for Rate RS. Company will accept Customers on a first-come-first-served basis.
2. This service is also available to Customers on Rate GS (where the Rate GS service is used in conjunction with a Rate RS service to provide service to a detached garage and energy usage is no more than 300 kWh per month) who demonstrate power delivered to such detached garage is consumed, in part, for the powering of low emission vehicles licensed for operation on public streets or highways. Such vehicles include:
   a) battery electric vehicles or plug-in hybrid electric vehicles recharged through a charging outlet at Customer's premises,
   b) natural gas vehicles refueled through an electric-powered refueling appliance at Customer's premises.
3. A Customer electing to take service under this rate schedule who subsequently elects to take service under Rate RS may not be allowed to return to this optional rate for twelve (12) months from the date of exiting this rate schedule.

RATE

Basic Service Charge per day:	$0.53			
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total	
Off-Peak Hours:	$0.02683	$0.03077	$0.05760	R/R
On-Peak Hours:	$0.24465	$0.03077	$0.27542	R/R

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Home Energy Assistance Program	Sheet No. 92
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 6

Standard Rate **RTOD-Energy**
Residential Time-of-Day Energy Service

APPLICABLE
In the territory served.

AVAILABILITY
Available as an option to Customers otherwise served under Rate RS.

1. Service under this rate schedule is limited to a maximum of five hundred (500) Customers taking service on Rates RTOD-Energy and RTOD-Demand combined that are eligible for Rate RS. Company will accept Customers on a first-come-first-served basis.
2. This service is also available to Customers on Rate GS (where the Rate GS service is used in conjunction with a Rate RS service to provide service to a detached garage and energy usage is no more than 300 kWh per month) who demonstrate power delivered to such detached garage is consumed, in part, for the powering of low emission vehicles licensed for operation on public streets or highways. Such vehicles include:
   a) battery electric vehicles or plug-in hybrid electric vehicles recharged through a charging outlet at Customer's premises,
   b) natural gas vehicles refueled through an electric-powered refueling appliance at Customer's premises.
3. A Customer electing to take service under this rate schedule who subsequently elects to take service under Rate RS may not be allowed to return to this optional rate for twelve (12) months from the date of exiting this rate schedule.

RATE

Basic Service Charge per day:	$0.61			I
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total	
Off-Peak Hours:	$0.03312	$0.03200	$0.06512	I/I/I
On-Peak Hours:	$0.18924	$0.03200	$0.22124	R/I/R

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

T

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 6.1

Standard Rate **RTOD-Energy**
Residential Time-of-Day Energy Service

RATING PERIODS T
The rating periods are established in Eastern Standard Time year-round by season for weekdays T
and weekends throughout Company's service territory, and shall be as follows: T

Summer Months of April through October

	Off-Peak	On-Peak
Weekdays	5 PM - 1 PM	1 PM - 5 PM
Weekends	All Hours	

All Other Months of November continuously through March

	Off-Peak	On-Peak
Weekdays	11 AM - 7 AM	7 AM - 11 AM
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday. N

MINIMUM CHARGE
The Basic Service Charge shall be the Minimum Charge.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning May 1, 2019, RTOD-Energy Customers in good standing by not having been assessed N
a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) N
late payment charge upon request. This option may only be used once every twelve (12) months N
as long as the Customer remains in good standing. N

TERMS AND CONDITIONS
Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional residential rate will not be eligible for Company's Budget Payment Plan. Company shall install metering equipment capable of accommodating the Time of Use rate described herein.

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Lexington, Kentucky

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Kentucky Utilities Company

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Standard Rate **RTOD-Energy**
Residential Time-of-Day Energy Service

ADJUSTMENT CLAUSES T
The bill amount computed at the charges specified above shall be increased or decreased in T
accordance with the following: T

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	T
Fuel Adjustment Clause	Sheet No. 85	T
Off-System Sales Adjustment Clause	Sheet No. 88	T
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	T
Home Energy Assistance Program	Sheet No. 92	T
Franchise Fee	Sheet No. 90	T
School Tax	Sheet No. 91	T

RATING PERIODS
The rating periods are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service territory, and shall be as follows:

Summer Months of April through October

	Off-Peak	On-Peak
Weekdays	5 PM - 1 PM	1 PM - 5 PM
Weekends	All Hours	

All Other Months of November continuously through March

	Off-Peak	On-Peak
Weekdays	10 AM - 6 PM and 10 PM - 6 AM	6 AM - 10 AM and 6 PM – 10 PM T
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday.

MINIMUM CHARGE
The Basic Service Charge shall be the Minimum Charge.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

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Lexington, Kentucky

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KU Residential Time-of-Day Energy Service (RTOD-Energy) is now contained on three pages instead of two

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 6.2

Standard Rate **RTOD-Energy**
Residential Time-of-Day Energy Service

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

RTOD-Energy Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional residential rate will not be eligible for Company's Budget Payment Plan. Company shall install metering equipment capable of accommodating the Time-of-Use rate described herein.

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Kentucky Utilities Company

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Canceling P.S.C. No. 19, First Revision of Original Sheet No. 7

Standard Rate **RTOD-Demand**
Residential Time-of-Day Demand Service

APPLICABLE
In the territory served.

AVAILABILITY
Available as an option to Customers otherwise served under Rate RS.

1. Service under this rate schedule is limited to a maximum of five-hundred (500) Customers taking service on Rates RTOD-Demand and RTOD-Energy combined that are eligible for Rate RS. Company will accept Customers on a first-come-first-served basis.
2. This service is also available to Customers on Standard Rate GS (where the Rate GS service is used in conjunction with a Rate RS service to provide service to a detached garage and energy usage is no more than 300 kWh per month) who demonstrate power delivered to such detached garage is consumed, in part, for the powering of low emission vehicles licensed for operation on public streets or highways. Such vehicles include:
   a. battery electric vehicles or plug-in hybrid electric vehicles recharged through a charging outlet at Customer's premises,
   b. natural gas vehicles refueled through an electric-powered refueling appliance at Customer's premises.
3. A Customer electing to take service under this rate schedule who subsequently elects to take service under Rate RS may not be allowed to return to this optional rate for twelve (12) months from the date of exiting this rate schedule.

RATE

Basic Service Charge per day:	$0.53			
Plus an Energy Charge per kWh:	Infrastructure $0.01276	Variable $0.03077	Total $0.04353	R/R
Plus a Demand Charge per kW:				
Base Hours:	$3.44			
Peak Hours:	$8.90			

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Home Energy Assistance Program	Sheet No. 92
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

DATE OF ISSUE: January 7, 2020

DATE EFFECTIVE: With Service Rendered
On and After February 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 7

Standard Rate **RTOD-Demand**
Residential Time-of-Day Demand Service

APPLICABLE
In the territory served.

AVAILABILITY
Available as an option to Customers otherwise served under Rate RS.

1. Service under this rate schedule is limited to a maximum of five-hundred (500) Customers taking service on Rates RTOD-Demand and RTOD-Energy combined that are eligible for Rate RS. Company will accept Customers on a first-come-first-served basis.
2. This service is also available as an option to Customers on Standard Rate GS (where the Rate GS service is used in conjunction with a Rate RS service to provide service to a detached garage and energy usage is no more than 300 kWh per month) who demonstrate power delivered to such detached garage is consumed, in part, for the powering of low emission vehicles licensed for operation on public streets or highways. Such vehicles include: T
   a. battery electric vehicles or plug-in hybrid electric vehicles recharged through a charging outlet at Customer's premises,
   b. natural gas vehicles refueled through an electric-powered refueling appliance at Customer's premises.
3. A Customer electing to take service under this rate schedule who subsequently elects to take service under Rate RS may not be allowed to return to this optional rate for twelve (12) months from the date of exiting this rate schedule.

RATE

Basic Service Charge per day:	$0.61			I
Plus an Energy Charge per kWh:	Infrastructure $0.01276	Variable $0.03200	Total $0.04476	I/I/I
Plus a Demand Charge per kW:				
Base Hours:	$4.01			I
Peak Hours:	$10.37			I

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

T

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 7.1

Standard Rate **RTOD-Demand**
Residential Time-of-Day Demand Service

RATING PERIODS T
The rating periods are established in Eastern Standard Time year-round by season for weekdays T
and weekends throughout Company's service territory, and shall be as follows: T

Summer Months of April through October

	Base	Peak
Weekdays	All Hours	1 PM - 5 PM
Weekends	All Hours	

All Other Months of November continuously through March

	Base	Peak
Weekdays	All Hours	7 AM - 11 AM
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday. N

MINIMUM CHARGE
The Basic Service Charge shall be the minimum charge.

DETERMINATION OF MAXIMUM LOAD
The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the month.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning May 1, 2019, RTOD-Demand Customers in good standing by not having been N
assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving N
one (1) late payment charge upon request. This option may only be used once every twelve (12) N
months as long as the Customer remains in good standing. N

TERMS AND CONDITIONS
Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional residential rate will not be eligible for Company's Budget Payment Plan. Company shall install metering equipment capable of accommodating the Time of Use rate described herein.

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DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 7.1

Standard Rate **RTOD-Demand**
Residential Time-of-Day Demand Service

ADJUSTMENT CLAUSES T
The bill amount computed at the charges specified above shall be increased or decreased in T
accordance with the following: T

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	T
Fuel Adjustment Clause	Sheet No. 85	T
Off-System Sales Adjustment Clause	Sheet No. 88	T
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	T
Home Energy Assistance Program	Sheet No. 92	T
Franchise Fee	Sheet No. 90	T
School Tax	Sheet No. 91	T

RATING PERIODS
The rating periods are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service territory, and shall be as follows:

Summer Months of April through October

	Base	Peak
Weekdays	All Hours	1 PM - 5 PM
Weekends	All Hours	

All Other Months of November continuously through March

	Base	Peak	
Weekdays	All Hours	6 AM - 10 AM and 6 PM – 10 PM	T
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday.

MINIMUM CHARGE
The Basic Service Charge shall be the minimum charge.

DETERMINATION OF MAXIMUM LOAD
The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the month.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

T

DATE OF ISSUE: November 25, 2020

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On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
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KU Residential Time-of-Day Demand Service (RTOD-Demand) is now contained on three pages instead of two

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 7.2

Standard Rate **RTOD-Demand**
Residential Time-of-Day Demand Service

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

RTOD-Demand Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto. Customers served under this optional residential rate will not be eligible for Company's Budget Payment Plan. Company shall install metering equipment capable of accommodating the Time-of-Use rate described herein.

DATE OF ISSUE: November 25, 2020

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 9
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 9

Standard Rate **VFD**
Volunteer Fire Department Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of Customer with Customer determining whether service will be provided under this schedule or any other schedule applicable to this load.

DEFINITION
To be eligible for this rate a volunteer fire department is defined as:
1) having at least 12 members and a chief;
2) having at least one firefighting apparatus; and
3) half the members must be volunteers.

RATE

Basic Service Charge per day:	$0.53			
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total	
	$0.05886	$0.03077	$0.08963	R/R

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

MINIMUM CHARGE
The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

TERMS AND CONDITIONS
Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: January 7, 2020

DATE EFFECTIVE: With Service Rendered
On and After February 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 9

Standard Rate **VFD**
Volunteer Fire Department Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for single-phase delivery, in accordance with the provisions of KRS 278.172, to any volunteer fire department qualifying for aid under KRS 95A.262. Service under this rate schedule is at the option of Customer with Customer determining whether service will be provided under this schedule or any other schedule applicable to this load.

DEFINITION
To be eligible for this rate a volunteer fire department is defined as:
1) having at least 12 members and a chief;
2) having at least one firefighting apparatus; and
3) half the members must be volunteers.

RATE

Basic Service Charge per day:	$0.61			I
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total	
	$0.06750	$0.03200	$0.09950	I/I/I

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

MINIMUM CHARGE
The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. T

DATE OF ISSUE: November 25, 2020

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ISSUED BY: /s/ Robert M. Conroy, Vice President
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Lexington, Kentucky

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KU Volunteer Fire Department Service (VFD) is now contained on two pages instead of one

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 9.1

Standard Rate **VFD**
Volunteer Fire Department Service

LATE PAYMENT CHARGE T
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges. T T

Beginning January 1, 2021, Volunteer Fire Department Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

TERMS AND CONDITIONS T
Service will be furnished under Company's Terms and Conditions applicable hereto. T

DATE OF ISSUE: November 25, 2020

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On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 10
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 10

Standard Rate **GS**
General Service

APPLICABLE
In all territory served.

AVAILABILITY
To general lighting and small power loads for secondary service.

Service under this schedule will be limited to Customers whose twelve (12) month-average monthly maximum loads do not exceed 50 kW. Existing Customers with twelve (12) month-average maximum monthly loads exceeding 50 kW who were receiving service under P.S.C. 13, Fourth Revision of Original Sheet No. 10 as of February 6, 2009, will continue to be served under this rate at their option. If Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule unless and until Customer meets the Availability requirements that would apply to a new Customer.

RATE

Basic Service Charge per day:	$1.04 single-phase service $1.66 three-phase service			
Plus an Energy Charge per kWh:	Infrastructure $0.08111	Variable $0.03114	Total $0.11225	R/R

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

DETERMINATION OF LOAD
Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.

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On and After February 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 10

Standard Rate **GS**
General Service

APPLICABLE
In all territory served.

AVAILABILITY
To general lighting and small power loads for secondary service.

Service under this schedule will be limited to Customers whose twelve (12) month-average monthly maximum loads do not exceed 50 kW. D

GRANDFATHERING N
Any Customer that (a) took service under this rate schedule on January 1, 2021, and (b) took service under P.S.C. 13, Fourth Revision of Original Sheet No. 10 on February 6, 2009, is considered "grandfathered" and may continue to take service under this rate schedule until the Customer ceases to be grandfathered. N N N N

A grandfathered Customer that elects to take service under another rate schedule after January 1, 2021, ceases to be grandfathered. If such Customer later desires to take service under this rate schedule, Customer may do so only if Customer meets the Availability requirements. N N N

A grandfathered Customer that meets the Availability requirements of this rate schedule on January 1, 2021, based on Customer's usage for the 12 months ending January 31, 2020, ceases to be grandfathered and may continue to take service under this rate schedule only if Customer meets the Availability requirements. N N N N

RATE

Basic Service Charge per day:	$1.35 single-phase service $2.15 three-phase service			I I
Plus an Energy Charge per kWh:	Infrastructure $0.09216	Variable $0.03253	Total $0.12469	I/I/I

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

T

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On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 10.1

Standard Rate **GS**
General Service

DETERMINATION OF MAXIMUM LOAD
If Company determines based on Customer's usage history that Customer may be exceeding the maximum load permitted under Rate GS, Company may, at its discretion, equip Customer with a meter capable of measuring demand to determine Customer's continuing eligibility for Rate GS. If Customer is equipped with a demand-measuring meter, Customer's load will be measured and will be the average kW demand delivered to Customer during the 15-minute period of maximum use during the month. T

MINIMUM CHARGE
The Basic Service Charge shall be the Minimum Charge.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

TERMS AND CONDITIONS
Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: May 14, 2019

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 10.1

Standard Rate **GS**
General Service

ADJUSTMENT CLAUSES T
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following: T T

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	T
Fuel Adjustment Clause	Sheet No. 85	T
Off-System Sales Adjustment Clause	Sheet No. 88	T
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	T
Franchise Fee	Sheet No. 90	T
School Tax	Sheet No. 91	T

DETERMINATION OF LOAD T
Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation is more satisfactory. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served. T T T

DETERMINATION OF MAXIMUM LOAD
If Company determines based on Customer's usage history that Customer may be exceeding the maximum load permitted under Rate GS, Company may, at its discretion, equip Customer with a meter capable of measuring demand to determine Customer's continuing eligibility for Rate GS. If Customer is equipped with a demand-measuring meter, Customer's load will be measured and will be the average kW demand delivered to Customer during the 15-minute period of maximum use during the month.

MINIMUM CHARGE
The Basic Service Charge shall be the Minimum Charge.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE
If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, General Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

TERMS AND CONDITIONS
Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: November 25, 2020

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On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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KU General Time-of-Day Energy Service (GTOD-Energy) is a new tariff

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 11

Standard Rate **GTOD-Energy** N

General Time-of-Day Energy Service

APPLICABLE

In all territory served.

AVAILABILITY

Available to GS Customers participating in the Demand-Side Management ("DSM") program titled Non-Residential Advanced Metering Systems Incentive on Sheet No. 86.6.

A Customer electing to take service under this rate schedule who subsequently elects to take service under the standard rate GS will not be allowed to return to this rate for 12 months from the date of exiting this rate schedule.

RATE

Basic Service Charge per day: $1.35 single-phase service
$2.15 three-phase service

Plus an Energy Charge per kWh:	Infrastructure	Variable	Total
Off-Peak Hours	$0.04841	$0.03253	$0.08094
On-Peak Hours	$0.26776	$0.03253	$0.30029

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kW demand delivered to Customer during the 15-minute period of maximum use during the appropriate rating period each month.

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KU General Time-of-Day Energy Service (GTOD-Energy) is a new tariff

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 11.1

Standard Rate **GTOD-Energy** N
General Time-of-Day Energy Service

RATING PERIODS

The rating periods applicable are established in Eastern Standard Time year-round by season for weekdays and weekends, throughout Company's service territory, and shall be as follows:

Summer Months of April through October

	Off-Peak	On-Peak
Weekdays	5 PM – 1 PM	1 PM – 5 PM
Weekends	All Hours	

All other months of November continuously through March

	Off-Peak	On-Peak
Weekdays	10 AM – 6 PM and 10 PM – 6 AM	6 AM – 10 AM and 6 PM – 10 PM
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday.

MINIMUM CHARGE

The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, General Time-of-Day Energy Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
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Lexington, Kentucky

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KU General Time-of-Day Demand Service (GTOD-Demand) is a new tariff

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 12

Standard Rate **GTOD-Demand** N

General Time-of-Day Demand Service

APPLICABLE

In all territory served.

AVAILABILITY

Available to GS Customers participating in the Demand-Side Management ("DSM") program titled Non-Residential Advanced Metering Systems Incentive on Sheet No. 86.6.

A Customer electing to take service under this rate schedule who subsequently elects to take service under the standard rate GS will not be allowed to return to this rate for 12 months from the date of exiting this rate schedule.

RATE

Basic Service Charge per day: $1.35 single-phase service
$2.15 three-phase service

Plus an Energy Charge per kWh:	Infrastructure	Variable	Total
	$0.03663	$0.03253	$0.06916

Plus a Demand Charge per kW:

Base Hours:	$ 5.47
Peak Hours:	$ 14.16

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee Rider	Sheet No. 90
School Tax	Sheet No. 91

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KU General Time-of-Day Demand Service (GTOD-Demand) is a new tariff

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 12.1

Standard Rate **GTOD-Demand** N

General Time-of-Day Demand Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kW demand delivered to Customer during the 15-minute period of maximum use during the appropriate rating period each month.

RATING PERIODS

The rating periods applicable are established in Eastern Standard Time year-round by season for weekdays and weekends, throughout Company's service territory, and shall be as follows:

Summer Months of April through October

	Base	Peak
Weekdays	All Hours	1 PM - 5 PM
Weekends	All Hours	

All Other Months of November continuously through March

	Base	Peak
Weekdays	All Hours	6 AM - 10 AM and 6 PM – 10 PM
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday.

MINIMUM CHARGE

The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, General Time-of-Day Demand Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto. Customer must allow regular access to metering equipment for meter reading purposes.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 12
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 12

Standard Rate **AES**
All Electric School

APPLICABLE
In all territory served.

AVAILABILITY
Service under this rate is available for secondary and primary service to:
1. a complex of school buildings on a central campus;
2. an individual school building; or
3. an addition to an existing school building.

School buildings, as referred to herein, shall be defined as buildings used as classrooms, laboratories, gymnasiums, libraries, cafeterias, school related offices or for other bona fide school purposes by duly constituted school authorities of Kentucky. Served electrically by Kentucky Utilities Company, such energy requirements include, but are not limited to, lighting, heating, cooling, and water heating. School buildings not receiving every energy requirement electrically shall be separately metered from the above defined service and served under the applicable rate. Other fuels may be used as incidental to and for instructional laboratory and other miscellaneous purposes without affecting the availability of this rate.

At those locations where the school owns its distribution system and makes the service connections to the various buildings and/or load centers, Company shall be given the option of providing service by use of the existing Customer-owned distribution system, or of constructing its own facilities in accordance with Company's Overhead Construction Standards. In any event, Company's investment in the facilities it provides may be limited to an amount not exceeding twice the estimated annual revenue from Customer's service. Should Company's investment in the facilities required to provide service to Customer exceed twice the revenue anticipated from the service to Customer and at Customer's option, Customer may make a contribution for the difference in the investment required in facilities necessary to provide service and twice the anticipated revenue, so as to receive service under this schedule.

This rate schedule is not available to privately operated kindergartens or daycare centers and is restricted to those Customers who were qualified for and being served on Rate AES as of July 1, 2011. Because this rate schedule is closed to new Customers, if Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule.

RATE

Basic Service Charge per day:	$ 2.80 single-phase service $ 4.60 three-phase service			
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total	
	$0.05638	$0.03094	$0.08732	R/R

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers.

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge.

DATE OF ISSUE: January 7, 2020

DATE EFFECTIVE: With Service Rendered
On and After February 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 13

Standard Rate **AES**
All Electric School

APPLICABLE
In all territory served.

AVAILABILITY
Service under this rate is available for secondary and primary service to:
1. a complex of school buildings on a central campus;
2. an individual school building; or
3. an addition to an existing school building.

School buildings, as referred to herein, shall be defined as buildings used as classrooms, laboratories, gymnasiums, libraries, cafeterias, school related offices or for other bona fide school purposes by duly constituted school authorities of Kentucky. Served electrically by Kentucky Utilities Company, such energy requirements include, but are not limited to, lighting, heating, cooling, and water heating. School buildings not receiving every energy requirement electrically shall be separately metered from the above defined service and served under the applicable rate. Other fuels may be used as incidental to and for instructional laboratory and other miscellaneous purposes without affecting the availability of this rate.

At those locations where the school owns its distribution system and makes the service connections to the various buildings and/or load centers, Company shall be given the option of providing service by use of the existing Customer-owned distribution system, or of constructing its own facilities in accordance with Company's Overhead Construction Standards. In any event, Company's investment in the facilities it provides may be limited to an amount not exceeding twice the estimated annual revenue from Customer's service. Should Company's investment in the facilities required to provide service to Customer exceed twice the revenue anticipated from the service to Customer and at Customer's option, Customer may make a contribution for the difference in the investment required in facilities necessary to provide service and twice the anticipated revenue, so as to receive service under this schedule.

This rate schedule is not available to privately operated kindergartens or daycare centers and is restricted to those Customers who were qualified for and being served on Rate AES as of July 1, 2011. Because this rate schedule is closed to new Customers, if Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule.

T

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 12.1

Standard Rate **AES**
All Electric School

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	T
Fuel Adjustment Clause	Sheet No. 85	T
Off-System Sales Adjustment Clause	Sheet No. 88	T
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	D/T
School Tax	Sheet No. 91	

MINIMUM CHARGE

The Basic Service Charge shall be the Minimum Charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 13.1

Standard Rate **AES**
All Electric School

RATE

Basic Service Charge per day:	$ 2.80 single-phase service			T
	$ 4.60 three-phase service			T
Plus an Energy Charge per kWh:	Infrastructure	Variable	Total	T
	$0.06856	$0.03223	$0.10079	T/I/I/I

"Variable" shall be the rate comprised of costs, such as fuel, that fluctuate with the production of energy used by customers. T T

"Infrastructure" shall be the rate comprised of costs associated with meeting system demand that do not fluctuate directly with energy usage as well as the portion of fixed customer-related expenses not recovered in the Basic Service Charge. T T T

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

MINIMUM CHARGE

The Basic Service Charge shall be the Minimum Charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, All-Electric School Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 15
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 15

Standard Rate **PS**
Power Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for secondary or primary service and limited to Customers whose twelve (12) month-average monthly minimum secondary loads exceed 50 kW and whose twelve (12) month-average monthly maximum loads do not exceed 250 kW. Secondary or primary Customers receiving service under P.S.C. 13, Fourth Revision of Original Sheet No. 20, Large Power Service, or Fourth Revision of Original Sheet No. 30, Mine Power Service, as of February 6, 2009, with loads not meeting these criteria will continue to be served under this rate at their option. If Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule unless and until Customer meets the Availability requirements that would apply to a new Customer.

RATE	Secondary	Primary	
Basic Service Charge per day:	$2.96	$7.89	
Plus an Energy Charge per kWh:	$0.03249	$0.03190	R/R
Plus a Demand Charge per kW:			
Summer Rate:			
(Five Billing Periods of May through September)	$22.77	$22.84	
Winter Rate:			
(All other months)	$20.39	$20.50	

Where the monthly billing demand is the greater of:
a. the maximum measured load in the current billing period but not less than 50 kW for secondary service or 25 kW for primary service, or
b. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, or
c. if applicable, a minimum of 60% of the contract capacity based on the maximum expected load on the system or on facilities specified by Customer.

DATE OF ISSUE: January 7, 2020

DATE EFFECTIVE: With Service Rendered
On and After February 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 15

Standard Rate **PS**
Power Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for secondary or primary service and limited to Customers whose twelve (12) month-average monthly minimum secondary loads exceed 50 kW and whose twelve (12) month-average monthly maximum loads do not exceed 250 kW. D

GRANDFATHERING N
Any Customer that (a) took service under this rate schedule on January 1, 2021, and (b) took N
service under P.S.C. 13, Fourth Revision of Original Sheet No. 20, Large Power Service, or N
Fourth Revision of Original Sheet No. 30, Mine Power Service, on February 6, 2009, is considered N
"grandfathered" and may continue to take service under this rate schedule until the Customer N
ceases to be grandfathered. N

A grandfathered Customer that elects to take service under another rate schedule after January 1, N
2021, ceases to be grandfathered. If such Customer later desires to take service under this rate N
schedule, Customer may do so only if Customer meets the Availability requirements. N

A grandfathered Customer that meets the Availability requirements of this rate schedule on January N
1, 2021, based on Customer's usage for the 12 months ending January 31, 2020, ceases to be N
grandfathered and may continue to take service under this rate schedule only if Customer meets N
the Availability requirements. N

RATE	Secondary	Primary	
Basic Service Charge per day:	$2.96	$7.89	
Plus an Energy Charge per kWh:	$0.03248	$0.03214	R/I
Plus a Demand Charge per kW:			
Summer Rate:			
(Five Billing Periods of May through September)	$26.57	$26.52	I/I
Winter Rate:			
(All other months)	$23.80	$23.80	I/I

Where the monthly billing demand is the greater of:
a. the maximum measured load in the current billing period but not less than 50 kW for secondary service or 25 kW for primary service, or
b. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, or
c. if applicable, a minimum of 60% of the contract capacity based on the maximum expected load on the system or on facilities specified by Customer.

DATE OF ISSUE: November 25, 2020

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On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 15.1

Standard Rate **PS**
Power Service

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

.....	Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	T
.....	Fuel Adjustment Clause	Sheet No. 85	T
	Off-System Sales Adjustment Clause	Sheet No. 88	T
	Environmental Cost Recovery Surcharge	Sheet No. 87	D/T
	Franchise Fee	Sheet No. 90	T
	School Tax	Sheet No. 91	

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the month.

Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times ninety (90) percent of the applicable kW charge. T

In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when the power factor is less than ninety (90) percent in accordance with the following formula: (based on power factor measured at the time of maximum load). T

$$\text{Adjusted Maximum kW Load for Billing Purposes} = \frac{\text{Maximum kW Load Measured X 90\%}}{\text{Power Factor (in percent)}}$$

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

TERM OF CONTRACT

Contracts under this rate shall be for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 15.1

Standard Rate **PS**
Power Service

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

.....	Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
.....	Fuel Adjustment Clause	Sheet No. 85	
	Off-System Sales Adjustment Clause	Sheet No. 88	
	Economic Relief Surcredit	Sheet No. 89	N
	Environmental Cost Recovery Surcharge	Sheet No. 87	
	Franchise Fee	Sheet No. 90	
	School Tax	Sheet No. 91	

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the month.

Company reserves the right to place a kVA meter and base the billing demand on the measured kVA. The charge will be computed based on the measured kVA times ninety (90) percent of the applicable kW charge.

In lieu of placing a kVA meter, Company may adjust the measured maximum load for billing purposes when the power factor is less than ninety (90) percent in accordance with the following formula: (based on power factor measured at the time of maximum load).

$$\text{Adjusted Maximum kW Load for Billing Purposes} = \frac{\text{Maximum kW Load Measured X 90\%}}{\text{Power Factor (in percent)}}$$

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Power Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

TERM OF CONTRACT

Contracts under this rate may be required for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other. T

T

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

KU Power Service (PS) is now contained on three pages instead of two

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 15.2

Standard Rate **PS**
Power Service

TERMS AND CONDITIONS T
Service will be furnished under Company's Terms and Conditions applicable hereto. T

DATE OF ISSUE: November 25, 2020

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On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 20
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 20

Standard Rate **TODS**
Time-of-Day Secondary Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for secondary service to Customers whose twelve (12) month-average monthly minimum loads exceed 250 kVA, and whose twelve (12) month-average monthly maximum loads do not exceed 5,000 kVA.

RATE

Basic Service Charge per day:	$6.58	
Plus an Energy Charge per kWh:	$0.02658	R
Plus a Maximum Load Charge per kVA:		
Peak Demand Period:	$8.79	
Intermediate Demand Period:	$7.07	
Base Demand Period:	$1.75	

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 250 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 20

Standard Rate **TODS**
Time-of-Day Secondary Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for secondary service to Customers whose twelve (12) month-average monthly minimum loads exceed 250 kVA, and whose twelve (12) month-average monthly maximum loads do not exceed 5,000 kVA.

RATE

Basic Service Charge per day:	$7.32	I
Plus an Energy Charge per kWh:	$0.03210	I
Plus a Maximum Load Charge per kVA:		
Peak Demand Period:	$8.25	R
Intermediate Demand Period:	$6.64	R
Base Demand Period:	$3.25	I

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 250 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 20.1

Standard Rate **TODS**
Time-of-Day Secondary Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kVA demand delivered to Customer during the 15-minute period of maximum use during the appropriate rating period each month. T

D
D

RATING PERIODS

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Intermediate	Peak
Weekdays	All Hours	10 A.M. – 10 P.M.	1 P.M. – 7 P.M.
Weekends	All Hours		

All other months of October continuously through April

	Base	Intermediate	Peak
Weekdays	All Hours	6 A.M. – 10 P.M.	6 A.M. – 12 Noon
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday. N

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

DATE OF ISSUE: May 14, 2019

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 20.1

Standard Rate **TODS**
Time-of-Day Secondary Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kVA demand delivered to Customer during the 15-minute period of maximum use during the appropriate rating period each month.

RATING PERIODS

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Intermediate	Peak
Weekdays	All Hours	10 A.M. – 10 P.M.	1 P.M. – 7 P.M.
Weekends	All Hours		

All other months of October continuously through April

	Base	Intermediate	Peak
Weekdays	All Hours	6 A.M. – 10 P.M.	6 A.M. – 12 Noon
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Time-of-Day Secondary Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 20.2

Standard Rate **TODS**
Time-of-Day Secondary Service

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service. T

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 20.2

Standard Rate **TODS**
Time-of-Day Secondary Service

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 22
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 22

Standard Rate **TODP**
Time-of-Day Primary Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for primary service to Customers whose twelve (12) month-average monthly minimum demands exceed 250 kVA, and whose new or additional load receives any required approval of Company's transmission operator.

RATE

Basic Service Charge per day:	$10.84	
Plus an Energy Charge per kWh:	$0.02573	R
Plus a Maximum Load Charge per kVA:		
Peak Demand Period:	$8.52	
Intermediate Demand Period:	$6.84	
Base Demand Period:	$2.03	

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 250 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

DATE OF ISSUE: January 7, 2020

DATE EFFECTIVE: With Service Rendered
On and After February 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 22

Standard Rate **TODP**
Time-of-Day Primary Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for primary service to Customers whose twelve (12) month-average monthly minimum demands exceed 250 kVA, and whose new or additional load receives any required approval of Company's transmission operator.

RATE

Basic Service Charge per day:	$10.84	
Plus an Energy Charge per kWh:	$0.03128	I
Plus a Maximum Load Charge per kVA:		
Peak Demand Period:	$8.36	R
Intermediate Demand Period:	$6.71	R
Base Demand Period:	$2.79	I

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 250 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum expected load on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

DATE OF ISSUE: November 25, 2020

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On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 22.1

Standard Rate **TODP**
Time-of-Day Primary Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kVA demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

Customers who own and operate onsite generation of one (1) MW or larger that is not for emergency backup will be provided a 60-minute exemption from measuring load for billing purposes following a Company-system fault, but not a Company energy spike, a fault on a Customer's system, or other causes or events that result in the Customer's generation coming offline. The 60-minute exemption will begin after Company's SCADA system indicates service has been restored. T

RATING PERIODS

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Intermediate	Peak
Weekdays	All Hours	10 A.M. – 10 P.M.	1 P.M. – 7 P.M.
Weekends	All Hours		

All other months of October continuously through April

	Base	Intermediate	Peak
Weekdays	All Hours	6 A.M. – 10 P.M.	6 A.M. – 12 Noon
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday. N

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 22.1

Standard Rate **TODP**
Time-of-Day Primary Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kVA demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

Customers who own and operate onsite generation of one (1) MW or larger that is not for emergency backup will be provided a 60-minute exemption from measuring load for billing purposes following a Company-system fault, but not a Company energy spike, a fault on a Customer's system, or other causes or events that result in the Customer's generation coming offline. The 60-minute exemption will begin after Company's SCADA system indicates service has been restored.

RATING PERIODS

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Weekends	All Hours		

All other months of October continuously through April

	Base	Intermediate	Peak
Weekdays	All Hours	6 A.M. – 10 P.M.	6 A.M. – 12 Noon
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Time-of-Day Primary Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N T

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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KU Time-of-Day Primary Service (TODP) is now contained on three pages instead of two

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 22.2

Standard Rate **TODP**
Time-of-Day Primary Service

TERM OF CONTRACT T
Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service. T T T T T T

TERMS AND CONDITIONS T
Service will be furnished under Company's Terms and Conditions applicable hereto. T

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 25
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 25

Standard Rate **RTS**
Retail Transmission Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for transmission service to any Customer: (1) who has a twelve (12) month-average monthly minimum demand exceeding 250 kVA; and (2) whose new or additional load receives any required approval of Company's transmission operator.

RATE

Basic Service Charge per day:	$49.28	
Plus an Energy Charge per kWh:	$0.02513	R
Plus a Maximum Load Charge per kVA:		
Peak Demand Period:	$8.39	
Intermediate Demand Period:	$6.74	
Base Demand Period:	$1.23	

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 250 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

DATE OF ISSUE: January 7, 2020

DATE EFFECTIVE: With Service Rendered
On and After February 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 25

Standard Rate **RTS**
Retail Transmission Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for transmission service to any Customer: (1) who has a twelve (12) month-average monthly minimum demand exceeding 250 kVA; and (2) whose new or additional load receives any required approval of Company's transmission operator.

RATE

Basic Service Charge per day:	$49.28	
Plus an Energy Charge per kWh:	$0.03066	I
Plus a Maximum Load Charge per kVA:		
Peak Demand Period:	$8.04	R
Intermediate Demand Period:	$6.46	R
Base Demand Period:	$2.16	I

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 250 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum expected load on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

DATE OF ISSUE: November 25, 2020

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 25.1

Standard Rate **RTS**
Retail Transmission Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kVA demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

Customers who own and operate onsite generation of one (1) MW or larger that is not for emergency backup will be provided a 60-minute exemption from measuring load for billing purposes following a Company-system fault, but not a Company energy spike, a fault on a Customer's system, or other causes or events that result in the Customer's generation coming offline. The 60-minute exemption will begin after Company's SCADA system indicates service has been restored. N

RATING PERIODS

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Intermediate	Peak
Weekdays	All Hours	10 A.M. – 10 P.M.	1 P.M. – 7 P.M.
Weekends	All Hours		

All other months of October continuously through April

	Base	Intermediate	Peak
Weekdays	All Hours	6 A.M. – 10 P.M.	6 A.M. – 12 Noon
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday. N

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: May 14, 2019

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 25.1

Standard Rate **RTS**
Retail Transmission Service

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kVA demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

Customers who own and operate onsite generation of one (1) MW or larger that is not for emergency backup will be provided a 60-minute exemption from measuring load for billing purposes following a Company-system fault, but not a Company energy spike, a fault on a Customer's system, or other causes or events that result in the Customer's generation coming offline. The 60-minute exemption will begin after Company's SCADA system indicates service has been restored.

RATING PERIODS

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Intermediate	Peak
Weekdays	All Hours	10 A.M. – 10 P.M.	1 P.M. – 7 P.M.
Weekends	All Hours		

All other months of October continuously through April

	Base	Intermediate	Peak
Weekdays	All Hours	6 A.M. – 10 P.M.	6 A.M. – 12 Noon
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Retail Transmission Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

KU Retail Transmission Service (RTS) is now contained on three pages instead of two

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 25.2

Standard Rate **RTS**
Retail Transmission Service

TERM OF CONTRACT

Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

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State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 30
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 30

Standard Rate **FLS**
Fluctuating Load Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for primary or transmission service to Customers up to an aggregate of two hundred (200) MVA for all Customers taking service under this schedule and under the Fluctuating Load Service Rate FLS schedule of Louisville Gas and Electric Company. This schedule is restricted to individual Customers whose monthly demand is twenty (20) MVA or greater. A Customer is defined as a fluctuating load if that Customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month.

Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all Customers whose load is defined as fluctuating and not served on another rate schedule as of July 1, 2004.

BASE RATE

	Primary	Transmission	
Basic Service Charge per day:	$10.84	$49.28	
Plus an Energy Charge per kWh:	$0.02573	$0.02513	R/R
Plus a Maximum Load Charge per kVA:			
Peak Demand Period:	$7.66	$4.42	
Intermediate Demand Period:	$6.06	$3.22	
Base Demand Period:	$2.30	$1.27	

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 20,000 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

DATE OF ISSUE: January 7, 2020

DATE EFFECTIVE: With Service Rendered
On and After February 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 30

Standard Rate **FLS**
Fluctuating Load Service

APPLICABLE
In all territory served.

AVAILABILITY
Available for primary or transmission service to Customers up to an aggregate of two hundred (200) MVA for all Customers taking service under this schedule and under the Fluctuating Load Service Rate FLS schedule of Louisville Gas and Electric Company. This schedule is restricted to individual Customers whose monthly demand is twenty (20) MVA or greater. A Customer is defined as a fluctuating load if that Customer's load either increases or decreases twenty (20) MVA or more per minute or seventy (70) MVA or more in ten (10) minutes when such increases or decreases exceed one (1) occurrence per hour during any hour of the billing month.

Subject to the above aggregate limit of two hundred (200) MVA, this schedule is mandatory for all Customers whose load is defined as fluctuating and not served on another rate schedule as of July 1, 2004.

BASE RATE

	Primary	Transmission	
Basic Service Charge per day:	$10.84	$49.28	
Plus an Energy Charge per kWh:	$0.03128	$0.03051	I/I
Plus a Maximum Load Charge per kVA:			
Peak Demand Period:	$7.51	$4.35	R/R
Intermediate Demand Period:	$5.94	$3.17	R/R
Base Demand Period:	$2.93	$1.49	I/I

Where:
the monthly billing demand for the Peak and Intermediate Demand Periods is the greater of:
1. the maximum measured load in the current billing period, or
2. a minimum of 50% of the highest measured load in the preceding eleven (11) monthly billing periods, and

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the current billing period but not less than 20,000 kVA, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. the contract capacity based on the maximum expected load on the system or on facilities specified by Customer.

DATE OF ISSUE: November 25, 2020

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Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 30.1

Standard Rate **FLS**
Fluctuating Load Service

ADJUSTMENT CLAUSES
The amount computed at the charges specified above shall be increased or decreased in accordance with the following: T

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90 D/T
School Tax	Sheet No. 91

DETERMINATION OF MAXIMUM LOAD
The load will be measured and will be the average kVA demand delivered to the Customer during the 5-minute period of maximum use during the appropriate rating period each month.

RATING PERIODS
The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year-round by season for weekdays and weekends throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Intermediate	Peak
Weekdays	All Hours	10 A.M. – 10 P.M.	1 P.M. – 7 P.M.
Weekends	All Hours		

All other months of October continuously through April

	Base	Intermediate	Peak
Weekdays	All Hours	6 A.M. – 10 P.M.	6 A.M. – 12 Noon
Weekends	All Hours		

If a legal holiday falls on a weekday, it will be considered a weekday. N

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE
If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

DATE OF ISSUE: May 14, 2019

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 30.1

Standard Rate **FLS**
Fluctuating Load Service

ADJUSTMENT CLAUSES
The amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

DETERMINATION OF MAXIMUM LOAD
The load will be measured and will be the average kVA demand delivered to the Customer during the 5-minute period of maximum use during the appropriate rating period each month.

RATING PERIODS
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	Base	Intermediate	Peak
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Weekends	All Hours		

All other months of October continuously through April

	Base	Intermediate	Peak
Weekdays	All Hours	6 A.M. – 10 P.M.	6 A.M. – 12 Noon
Weekends	All Hours		

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DUE DATE OF BILL
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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 30.2

Standard Rate **FLS**
Fluctuating Load Service

TERM OF CONTRACT

Unless terminated by mutual agreement, the initial term of contract for service shall be for a fixed term of five (5) years with successive one (1) year term renewal until canceled by either party giving at least one (1) year written notice to the other prior to the end of the initial term or the then current annual renewal period, as applicable. T

PROTECTION OF SERVICE

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other undesirable electrical characteristics produced by Customer exceed the limits set forth in the IEEE standards for such T
characteristics. In addition, if Customer's use of Company's service under this schedule causes T
such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to Customer in accordance with 807 KAR 5:006, Section 15(1)(b). T
Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at Customer's expense. T

SYSTEM CONTINGENCIES AND INDUSTRY SYSTEM PERFORMANCE CRITERIA

Company reserves the right to interrupt up to 95% of Customer's load to facilitate Company compliance with system contingencies and with industry performance criteria. Customer will permit Company to install electronic equipment and associated real-time metering to permit Company interruption of Customer's load. Such equipment will immediately notify Customer five (5) minutes before an electronically initiated interruption that will begin immediately thereafter and last no longer than ten (10) minutes nor shall the interruptions exceed twenty (20) per month. Such interruptions will not be accumulated nor credited against annual hours, if any, under either Rider CSR-1 or CSR-2. Company's right to interrupt under this provision is

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 30.2

Standard Rate **FLS**
Fluctuating Load Service

LATE PAYMENT CHARGE (Continued) N

Beginning January 1, 2021, Fluctuating Load Service Customers in good standing by not having N
been assessed a Late Payment Charge for the previous eleven (11) months have the option of N
waiving one (1) late payment charge upon request. This option may only be used once every N
twelve (12) months as long as the Customer remains in good standing. N

TERM OF CONTRACT

Unless terminated by mutual agreement, the initial term of contract for service shall be for a fixed term of five (5) years with successive one (1) year term renewal until canceled by either party giving at least one (1) year written notice to the other prior to the end of the initial term or the then current annual renewal period, as applicable.

PROTECTION OF SERVICE

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other undesirable electrical characteristics produced by Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if Customer's use of Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to Customer in accordance with 807 KAR 5:006, Section 15(1)(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at Customer's expense.

T

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On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

restricted to responses to unplanned outage or de-rates of LG&E and KU Energy LLC System (LKE System) owned or purchased generation or when Automatic Reserve Sharing is invoked. LKE System, as used herein, shall consist of KU and LG&E. At Customer's request, Company shall provide documentation of the need for interruption under this provision within sixty (60) days of the end of the applicable billing period.

LIABILITY

In no event shall Company have any liability to Customer or any other party affected by the electrical service to Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to Customer or any other party. In the event that Customer's use of Company's service causes damage to Company's property or injuries to persons, Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith. T T T T

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

SYSTEM CONTINGENCIES AND INDUSTRY SYSTEM PERFORMANCE CRITERIA T

Company reserves the right to interrupt up to 95% of Customer's load to facilitate Company compliance with system contingencies and with electric industry performance criteria. Customer shall permit Company to install electronic equipment and associated real-time metering to permit Company interruption of Customer's load. Such equipment will immediately notify Customer five (5) minutes before an electronically initiated interruption that will begin immediately thereafter and last no longer than ten (10) minutes nor shall the interruptions exceed twenty (20) per month. Such interruptions will not be accumulated nor credited against annual hours, if any, under either Rider CSR-1 or CSR-2. Company's right to interrupt under this provision is restricted to responses to unplanned outage or de-rates of LG&E and KU Energy LLC System ("LKE System") owned or purchased generation or when Automatic Reserve Sharing is invoked. LKE System, as used herein, shall consist of KU and LG&E. At Customer's request, Company shall provide documentation of the need for interruption under this provision within sixty (60) days of the end of the applicable billing period. T T T T T T T T

LIABILITY

In no event shall Company have any liability to Customer or any other party affected by the electrical service to Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to Customer or any other party. In the event that Customer's use of Company's service causes damage to Company's property or injuries to persons, Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

Kentucky Utilities Company

P.S.C. No. 19, First Revision of Original Sheet No. 35
Canceling P.S.C. No. 19, Original Sheet No. 35

Standard Rate **LS**
Lighting Service

APPLICABLE
In all territory served.

AVAILABILITY
Available under the conditions set out hereinafter for lighting applications such as, but not limited to, the illumination of streets, driveways, yards, lots, and other outdoor areas where secondary voltage of 120/240 is available.

Service will be provided under written contract, signed by Customer prior to service commencing, when additional facilities are required.

OVERHEAD SERVICE
Based on Customer's lighting choice, Company will furnish, own, install, and maintain the lighting unit. A basic overhead service includes lamp, fixture, photoelectric control, mast arm, and, if needed, up to 150 feet of conductor per fixture on existing wood poles (fixture only).

RATE

Rate Code	Type of Fixture	Lumen Range	kW Per Light	Monthly Charge Fixture Only	
Light Emitting Diode (LED)					
390	Cobra Head	6,000-8,200	0.071	$ 9.92	R
391	Cobra Head	13,000-16,500	0.122	$11.98	R
392	Cobra Head	22,000-29,000	0.194	$15.22	R
393	Open Bottom	4,500-6,000	0.048	$ 8.57	R
KC1	Cobra Head	2,500-4,000	0.022	$ 8.67	R
KF1	Directional (Flood)	4,500-6,000	0.030	$11.28	R
KF2	Directional (Flood)	14,000-17,500	0.096	$13.10	R
KF3	Directional (Flood)	22,000-28,000	0.175	$15.49	R
KF4	Directional (Flood)	35,000-50,000	0.297	$22.20	R

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On and After February 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 35

Standard Rate **LS**
Lighting Service

APPLICABLE
In all territory served.

AVAILABILITY
Available under the conditions set out hereinafter for lighting applications such as, but not limited to, the illumination of streets, driveways, yards, lots, and other outdoor areas where secondary voltage of 120/240 is available.

Service will be provided under written contract, signed by Customer prior to service commencing, when additional facilities are required, when the installation includes new underground-fed lights, N
when the installation includes three (3) or more overhead-fed lights, or when Customer requests N
conversion to LED. N

OVERHEAD SERVICE
Based on Customer's lighting choice, Company will furnish, own, install, and maintain the lighting unit. A basic overhead service includes lamp, fixture, photoelectric control, mast arm, and, if needed, up to 150 feet of conductor per fixture on existing wood poles (fixture only).

RATE

Rate Code	Type of Fixture	Lumen Range	kW Per Light	Monthly Charge Fixture Only	
Light Emitting Diode (LED)					
390	Cobra Head	6,000-8,200	0.071	$ 9.58	R
391	Cobra Head	13,000-16,500	0.122	$11.55	R
392	Cobra Head	22,000-29,000	0.194	$14.86	R
393	Open Bottom	4,500-6,000	0.048	$ 7.84	R
KC1	Cobra Head	2,500-4,000	0.022	$ 8.25	R
KF1	Directional (Flood)	4,500-6,000	0.030	$10.80	R
KF2	Directional (Flood)	14,000-17,500	0.096	$12.70	R
KF3	Directional (Flood)	22,000-28,000	0.175	$15.06	R
KF4	Directional (Flood)	35,000-50,000	0.297	$21.83	R
Wood Pole					N
PK5				$8.61	N

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, First Revision of Original Sheet No. 35.1
Canceling P.S.C. No. 19, Original Sheet No. 35.1

Standard Rate **LS**
Lighting Service

UNDERGROUND SERVICE

Based on Customer's lighting choice, Company will furnish, own, install, and maintain poles, fixtures, and any necessary circuitry up to 200 feet. All poles and fixtures furnished by Company will be standard stocked materials. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for underground installation.

RATE

Rate Code	Type of Fixture	Lumen Range	kW Per Light	Fixture Charge	
Light Emitting Diode (LED)					
KC2	Cobra Head	2,500-4,000	0.022	$ 4.00	R
396	Cobra Head	6,000-8,200	0.071	$ 5.24	R
397	Cobra Head	13,000-16,500	0.122	$ 7.30	R
398	Cobra Head	22,000-29,000	0.194	$10.54	R
399	Colonial, 4-Sided	4,000-7,000	0.044	$ 7.41	R
KA1	Acorn	4,000-7,000	0.040	$ 8.83	R
KN1	Contemporary	4,000-7,000	0.057	$ 6.87	R
KN2	Contemporary	8,000-11,000	0.087	$ 8.00	R
KN3	Contemporary	13,500-16,500	0.143	$ 9.74	R
KN4	Contemporary	21,000-28,000	0.220	$14.13	R
KN5	Contemporary	45,000-50,000	0.380	$21.32	R
KF5	Directional (Flood)	4,500-6,000	0.030	$ 8.17	R
KF6	Directional (Flood)	14,000-17,500	0.096	$10.00	R
KF7	Directional (Flood)	22,000-28,000	0.175	$12.38	R
KF8	Directional (Flood)	35,000-50,000	0.297	$19.09	R

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Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 35.1

Standard Rate **LS**
Lighting Service

UNDERGROUND SERVICE

Based on Customer's lighting choice, Company will furnish, own, install, and maintain poles, fixtures, and any necessary circuitry up to 200 feet. All poles and fixtures furnished by Company will be standard stocked materials. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for underground installation.

RATE

Rate Code	Type of Fixture	Lumen Range	kW Per Light	Fixture Charge	
Light Emitting Diode (LED)					
KC2	Cobra Head	2,500-4,000	0.022	$ 4.03	I
396	Cobra Head	6,000-8,200	0.071	$ 5.35	I
397	Cobra Head	13,000-16,500	0.122	$ 7.33	I
398	Cobra Head	22,000-29,000	0.194	$10.64	I
399	Colonial, 4-Sided	4,000-7,000	0.044	$ 7.14	R
KA1	Acorn	4,000-7,000	0.040	$ 8.69	R
KN1	Contemporary	4,000-7,000	0.057	$ 6.81	R
KN2	Contemporary	8,000-11,000	0.087	$ 8.16	I
KN3	Contemporary	13,500-16,500	0.143	$10.05	I
KN4	Contemporary	21,000-28,000	0.220	$14.59	I
KN5	Contemporary	45,000-50,000	0.380	$20.29	R
KF5	Directional (Flood)	4,500-6,000	0.030	$ 8.18	I
KF6	Directional (Flood)	14,000-17,500	0.096	$10.09	I
KF7	Directional (Flood)	22,000-28,000	0.175	$12.44	I
KF8	Directional (Flood)	35,000-50,000	0.297	$19.22	I
KV1	Victorian	4,000-7,000	0.079	$21.70	N

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Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 35.2
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 35.2

Standard Rate **LS**
Lighting Service

RATE (continued)

Rate Code	Type of Fixture	Lumen Range	kW Per Light	Monthly Charge	
High Pressure Sodium					
414	Victorian*	5,800	0.083	$35.69	R
415	Victorian*	9,500	0.117	$35.85	R

Units marked with an asterisk (*) are non-LED offerings.

Colonial and Acorn "Post Top" lights must include one of two pole options, a Decorative Smooth pole or a Historic Fluted pole. Underground fed Cobra and Contemporary LEDs must include a Cobra pole charge or Contemporary pole charge, respectively. The Underground fed Directional (Flood) LEDs must include a Cobra or Contemporary pole charge.

Pole Charges

Rate Code	Pole Type	Monthly Pole Charge
PK1	Cobra	$12.12
PK2	Contemporary	$11.64
PK3	Post Top – Decorative Smooth	$ 8.01
PK4	Post Top – Historic Fluted	$15.02

CONVERSION FEE

Customer will be required to pay a monthly conversion fee for 60 months if Customer requests to change current functioning non-LED fixture to an LED fixture. This conversion fee represents the remaining book value of the current working non-LED fixture.

Conversion Fee: $6.03 per month for 60 months

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 35.2

Standard Rate **LS**
Lighting Service

D

Colonial and Acorn "Post Top" lights must include one of two pole options, a Decorative Smooth pole charge or a Historic Fluted pole charge. Underground fed Cobra and Contemporary LEDs must include a Cobra pole charge or Contemporary pole charge, respectively. The Underground fed Directional (Flood) LEDs must include a Cobra or Contemporary pole charge. The Victorian "Post Top" light must include a Histroic Fluted pole charge. T N N

Pole Charges

Rate Code	Pole Type	Monthly Pole Charge	
PK1	Cobra	$12.77	I
PK2	Contemporary	$11.81	I
PK3	Post Top – Decorative Smooth	$ 8.77	I
PK4	Post Top – Historic Fluted	$14.67	R

CONVERSION FEE

Customer will be required to pay either a one-time conversion fee or a monthly conversion fee for 60 months if Customer requests to change current functioning non-LED fixture to an LED fixture. This conversion fee represents the remaining book value of the current working non-LED fixture. T

One-Time Conversion Fee: $197.16 N
Monthly Conversion Fee: $5.01 per month for 60 months T/R

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 35.3

Standard Rate **LS**
Lighting Service

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. Billing for this service to be made a part of bill rendered for other electric service. T

DETERMINATION OF ENERGY CONSUMPTION
The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

TERM OF CONTRACT
For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial five (5) year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term. T

TERMS AND CONDITIONS
1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.

2. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults. Company shall initiate service corrections within two (2) business days after such notification by Customer.

3. Customer shall be responsible for the cost of fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts. Company may decline to provide or continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

4. Company shall have the right to make other attachments and to further extend the conductors, when necessary, for the further extension of its electric service.

5. If any permit is required from any municipal or other governmental authority with respect to installation and use of any of the lighting units provided hereunder, Company will seek such permits, but the ultimate responsibility belongs with Customer. T

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 35.3

Standard Rate **LS**
Lighting Service

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. Billing for this service to be made a part of bill rendered for other electric service.

DETERMINATION OF ENERGY CONSUMPTION
The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89 N
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

TERM OF CONTRACT
For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required, when the installation includes new underground-fed lights, when the installation includes three (3) or more overhead-fed lights, or when Customer requests conversion to LED. Cancellation by Customer prior to the initial five (5) year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term. N N

TERMS AND CONDITIONS
1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.

2. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults. Company shall initiate service corrections within two (2) business days after such notification by Customer.

3. Customer shall be responsible for the cost of fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts. Company may decline to provide or continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

4. Company shall have the right to make other attachments and to further extend the conductors, when necessary, for the further extension of its electric service. T

DATE OF ISSUE: November 25, 2020

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On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 35.4

Standard Rate **LS**
Lighting Service

TERMS AND CONDITIONS (continued)

6. If Customer requests the removal of an existing lighting system, including, but not limited to, fixtures, poles, or other supporting facilities, Customer agrees to pay to Company its cost of labor to remove existing facilities. Customer will be required to pay Conversion Fee if Customer requests installation of LED replacement within five (5) years. T

7. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

8. Should Customer request underground service, Customer shall make a non-refundable cash contribution prior to the time of installation, or, at the option of Company, make a work contribution to Company for the difference in the installed cost of the system requested and the cost of the overhead lighting system. N

   Where the location of existing poles is not suitable or where there are no existing poles for mounting of lights, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 35.4

Standard Rate **LS**
Lighting Service

TERMS AND CONDITIONS (continued)

5. If any permit is required from any municipal or other governmental authority with respect to installation and use of any of the lighting units provided hereunder, Company will seek such permits, but the ultimate responsibility for obtaining the permit belongs with Customer. T T T

6. If Customer requests the removal of an existing Restricted Lighting Service (RLS) lighting system, Customer may be required to pay Conversion Fee if Customer requests installation of LED replacement within five (5) years of the removal. T T T

7. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

8. Should Customer request underground service, Customer shall make a non-refundable cash contribution prior to the time of installation, or, at the option of Company, make a work contribution to Company for the difference in the installed cost of the system requested and the cost of the overhead lighting system.

   Where the location of existing poles is not suitable or where there are no existing poles for mounting of lights, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

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Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 36
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 36

Standard Rate **RLS**
Restricted Lighting Service

APPLICABLE
In all territory served.

AVAILABILITY
Availability is restricted to those lighting fixtures/poles in service as of January 1, 2013, except where a spot replacement maintains the continuity of multiple fixtures/poles in a neighborhood lighting system or continuity is desired for a subdivision being developed in phases. Spot placement of restricted fixtures/poles is contingent on the restricted fixtures/poles being available from manufacturers. Spot replacement of restricted units will be made under the terms and conditions provided for under non-restricted Lighting Service Rate LS. Spot replacements will not be available for Mercury Vapor and Incandescent rate codes.

In the event restricted fixtures/poles fail and replacements are unavailable, Customer will be given the choice of having Company remove the failed fixture/pole or replacing the failed fixture/pole with other available fixture/pole.

Units marked with an asterisk (*) are not available for use in residential neighborhoods except by municipal authorities.

OVERHEAD SERVICE
Based on Customer's lighting choice, Company has furnished, installed, and maintained the lighting unit complete with lamp, fixture, photoelectric control, mast arm, and, if needed, up to 150 feet of conductor per fixture on existing wood poles (fixture only).

RATE

Rate Code	Type of Fixture	Approximate Lumens	kW Per Light	Monthly Charge: Fixture Only	Monthly Charge: Fixture and Pole	
High Pressure Sodium						
461/471	Cobra Head	4,000	0.060	$ 9.42	$ 12.87	R/R
462/472	Cobra Head	5,800	0.083	10.53	14.34	R/R
463/473	Cobra Head	9,500	0.117	10.87	14.90	R/R
464/474	Cobra Head	22,000*	0.242	16.86	21.18	R/R
465/475	Cobra Head	50,000*	0.471	26.57	29.45	R/R
409	Cobra Head	50,000	0.471	14.58		R
426	Open Bottom	5,800	0.083	9.16		R
428	Open Bottom	9,500	0.117	9.34		R
487	Directional (Flood)	9,500	0.117	10.71		R
488	Directional (Flood)	22,000*	0.242	16.19		R
489	Directional (Flood)	50,000*	0.471	22.76		R

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Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 36

Standard Rate **RLS**
Restricted Lighting Service

APPLICABLE
In all territory served.

AVAILABILITY
Availability is restricted to those lighting fixtures/poles in service as of January 1, 2021. Spot replacements will not be available for High Pressure Sodium, Metal Halide, Mercury Vapor and Incandescent rate codes. T/D T/D T/D

In the event restricted fixtures/poles fail, Customer will be given the choice of having Company remove the failed fixture/pole or having Company replace the failed fixture/pole with a comparable LED fixture/pole. T T T

Units marked with an asterisk (*) are not available for use in residential neighborhoods except by municipal authorities.

OVERHEAD SERVICE
Based on Customer's lighting choice, Company has furnished, installed, and maintained the lighting unit complete with lamp, fixture, photoelectric control, mast arm, and, if needed, up to 150 feet of conductor per fixture on existing wood poles (fixture only).

RATE

Rate Code	Type of Fixture	Approximate Lumens	kW Per Light	Monthly Charge: Fixture Only	Monthly Charge: Fixture and Pole	
High Pressure Sodium						
461/471	Cobra Head	4,000	0.060	$ 9.58	$ 13.10	I/I
462/472	Cobra Head	5,800	0.083	10.71	14.59	I/I
463/473	Cobra Head	9,500	0.117	11.06	15.16	I/I
464/474	Cobra Head	22,000*	0.242	17.15	21.55	I/I
465/475	Cobra Head	50,000*	0.471	27.03	29.97	I/I
409	Cobra Head	50,000	0.471	14.84		I
426	Open Bottom	5,800	0.083	9.32		I
428	Open Bottom	9,500	0.117	9.50		I
487	Directional (Flood)	9,500	0.117	10.90		I
488	Directional (Flood)	22,000*	0.242	16.47		I
489	Directional (Flood)	50,000*	0.471	23.16		I

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 36.1
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 36.1

Standard Rate **RLS**
Restricted Lighting Service

OVERHEAD SERVICE (continued)

RATE Rate Code	Type of Fixture	Approximate Lumens	kW Per Light	Monthly Charge Fixture Only	Monthly Charge Fixture and Pole	
Metal Halide						
450/454	Directional (Flood)	12,000*	0.150	$17.10	$22.05	R/R
455	Directional (Flood)	32,000*	0.350		28.81	R
452/459	Directional (Flood)	107,800*	1.080	49.26	54.20	R/R
451	Directional (Flood)	32,000*	0.350	23.86		R
Mercury Vapor						
446/456	Cobra Head	7,000	0.207	$11.61	$13.87	R/R
447/457	Cobra Head	10,000	0.294	13.69	15.60	R/R
448/458	Cobra Head	20,000	0.453	14.88	17.45	R/R
404	Open Bottom	7,000	0.207	12.34		R
Incandescent						
421	Tear Drop	1,000	0.102	$ 3.96		R
422	Tear Drop	2,500	0.201	5.13		R
424	Tear Drop	4,000	0.327	7.82		R
425	Tear Drop	6,000	0.447	10.18		R

Where the location of existing poles was not suitable, or where there were no existing poles for mounting of lights, and Customer requested service under these conditions, Company may have furnished the requested facilities at an additional charge determined under the Excess Facilities Rider.

UNDERGROUND SERVICE

Based on Customer's lighting choice, Company has furnished, installed, and maintained the lighting unit complete with lamp, fixture, photoelectric control, mast arm, and, if needed, up to 200 feet of conductor per fixture on appropriate poles.

RATE Rate Code	Type of Fixture	Approximate Lumens	kW Per Light	Pole Type	Monthly Charge	
Metal Halide						
460	Directional (Flood)	12,000	0.150	Decorative Smooth	$32.79	R
469	Directional (Flood)	32,000	0.350	Decorative Smooth	38.61	R
470	Directional (Flood)	107,800*	1.080	Decorative Smooth	63.76	R

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 36.1

Standard Rate **RLS**
Restricted Lighting Service

OVERHEAD SERVICE (continued)

RATE Rate Code	Type of Fixture	Approximate Lumens	kW Per Light	Monthly Charge Fixture Only	Monthly Charge Fixture and Pole	
Metal Halide						
450/454	Directional (Flood)	12,000*	0.150	$17.40	$22.44	I/I
455	Directional (Flood)	32,000*	0.350		29.31	I
452/459	Directional (Flood)	107,800*	1.080	50.12	55.15	I/I
451	Directional (Flood)	32,000*	0.350	24.28		I
Mercury Vapor						
446/456	Cobra Head	7,000	0.207	$11.81	$14.11	I/I
447/457	Cobra Head	10,000	0.294	13.93	15.87	I/I
448/458	Cobra Head	20,000	0.453	15.14	17.76	I/I
404	Open Bottom	7,000	0.207	12.56		I
Incandescent						
421	Tear Drop	1,000	0.102	$ 4.03		I
422	Tear Drop	2,500	0.201	5.22		I
424	Tear Drop	4,000	0.327	7.96		I
425	Tear Drop	6,000	0.447	10.36		I

Where the location of existing poles was not suitable, or where there were no existing poles for mounting of lights, and Customer requested service under these conditions, Company may have furnished the requested facilities at an additional charge determined under the Excess Facilities Rider.

UNDERGROUND SERVICE

Based on Customer's lighting choice, Company has furnished, installed, and maintained the lighting unit complete with lamp, fixture, photoelectric control, mast arm, and, if needed, up to 200 feet of conductor per fixture on appropriate poles.

RATE Rate Code	Type of Fixture	Approximate Lumens	kW Per Light	Pole Type	Monthly Charge	
Metal Halide						
460	Directional (Flood)	12,000	0.150	Decorative Smooth	$33.36	I
469	Directional (Flood)	32,000	0.350	Decorative Smooth	39.29	I
470	Directional (Flood)	107,800*	1.080	Decorative Smooth	64.88	I

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State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 36.2
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 36.2

Standard Rate **RLS**
Restricted Lighting Service

UNDERGROUND SERVICE (continued)
RATE

Rate Code	Type of Fixture	Approximate Lumens	kW Per Light	Pole Type	Monthly Charge	
Metal Halide (continued)						
490	Contemporary	12,000*	0.150	Fixture Only	$18.48	R
491	Contemporary	32,000*	0.350	Fixture Only	$25.81	R
493	Contemporary	107,800*	1.080	Fixture Only	$53.03	R
494	Contemporary	12,000*	0.150	Decorative Smooth	$32.99	R
495	Contemporary	32,000*	0.350	Contemporary	$40.55	R
496	Contemporary	107,800*	1.080	Decorative Smooth	$67.53	R
High Pressure Sodium						
440	Acorn	4,000	0.060	Decorative Smooth	$17.03	R
410	Acorn	4,000	0.060	Historic Fluted	$24.27	R
401	Acorn	5,800	0.083	Decorative Smooth	$18.14	R
411	Acorn	5,800	0.083	Historic Fluted	$25.76	R
420	Acorn	9,500	0.117	Decorative Smooth	$18.46	R
430	Acorn	9,500	0.117	Historic Fluted	$26.21	R
466	Colonial	4,000	0.060	Decorative Smooth	$11.85	R
412	Coach	5,800	0.083	Decorative Smooth	$35.68	R
413	Coach	9,500	0.117	Decorative Smooth	$35.86	R
467	Colonial	5,800	0.083	Decorative Smooth	$13.38	R
468	Colonial	9,500	0.117	Decorative Smooth	$13.56	R
492	Contemporary	5,800	0.083	Fixture Only	$18.07	R
476	Contemporary	5,800	0.083	Contemporary	$20.40	R
497	Contemporary	9,500	0.117	Fixture Only	$17.78	R
477	Contemporary	9,500	0.117	Contemporary	$25.00	R
498	Contemporary	22,000*	0.242	Fixture Only	$20.78	R
478	Contemporary	22,000*	0.242	Contemporary	$32.21	R
499	Contemporary	50,000*	0.471	Fixture Only	$25.05	R
479	Contemporary	50,000*	0.471	Contemporary	$39.56	R
300	Dark Sky	4,000	0.060	Decorative Smooth	$26.10	R
301	Dark Sky	9,500	0.117	Decorative Smooth	$27.16	R

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 36.2

Standard Rate **RLS**
Restricted Lighting Service

UNDERGROUND SERVICE (continued)
RATE

Rate Code	Type of Fixture	Approximate Lumens	kW Per Light	Pole Type	Monthly Charge	
Metal Halide (continued)						
490	Contemporary	12,000*	0.150	Fixture Only	$18.80	I
491	Contemporary	32,000*	0.350	Fixture Only	$26.26	I
493	Contemporary	107,800*	1.080	Fixture Only	$53.96	I
494	Contemporary	12,000*	0.150	Decorative Smooth	$33.57	I
495	Contemporary	32,000*	0.350	Contemporary	$41.26	I
496	Contemporary	107,800*	1.080	Decorative Smooth	$68.71	I
High Pressure Sodium						
440	Acorn	4,000	0.060	Decorative Smooth	$17.33	I
410	Acorn	4,000	0.060	Historic Fluted	$24.69	I
401	Acorn	5,800	0.083	Decorative Smooth	$18.45	I
411	Acorn	5,800	0.083	Historic Fluted	$26.21	I
420	Acorn	9,500	0.117	Decorative Smooth	$18.78	I
430	Acorn	9,500	0.117	Historic Fluted	$26.67	I
466	Colonial	4,000	0.060	Decorative Smooth	$12.06	I
412	Coach	5,800	0.083	Decorative Smooth	$36.30	I
413	Coach	9,500	0.117	Decorative Smooth	$36.49	I
467	Colonial	5,800	0.083	Decorative Smooth	$13.61	I
468	Colonial	9,500	0.117	Decorative Smooth	$13.80	I
492	Contemporary	5,800	0.083	Fixture Only	$18.39	I
476	Contemporary	5,800	0.083	Contemporary	$20.76	I
497	Contemporary	9,500	0.117	Fixture Only	$18.09	I
477	Contemporary	9,500	0.117	Contemporary	$25.44	I
498	Contemporary	22,000*	0.242	Fixture Only	$21.14	I
478	Contemporary	22,000*	0.242	Contemporary	$32.77	I
499	Contemporary	50,000*	0.471	Fixture Only	$25.49	I
479	Contemporary	50,000*	0.471	Contemporary	$40.25	I
300	Dark Sky	4,000	0.060	Decorative Smooth	$26.56	I
301	Dark Sky	9,500	0.117	Decorative Smooth	$27.64	I
414	Victorian	5,800	0.083	Fixture Only	$36.31	N/I
415	Victorian	9,500	0.117	Fixture Only	$36.48	N/I

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 36.3

Standard Rate **RLS**
Restricted Lighting Service

T

DUE DATE OF BILL
Payment is due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. Billing for this service to be made a part of the bill rendered for other electric service.

DETERMINATION OF ENERGY CONSUMPTION
The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

TERM OF CONTRACT
For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial five (5) year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term.

TERMS AND CONDITIONS
1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.
2. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults. Company shall initiate service corrections within two (2) business days after such notification by Customer.
3. Customer shall be responsible for the cost of fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts. Company may decline to provide or continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.
4. Company shall have the right to make other attachments and to further extend the conductors, when necessary, for the further extension of its electric service.
5. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 36.3

Standard Rate **RLS**
Restricted Lighting Service

DUE DATE OF BILL
Payment is due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill. Billing for this service to be made a part of the bill rendered for other electric service.

DETERMINATION OF ENERGY CONSUMPTION
The kilowatt-hours will be determined as set forth on Sheet No. 67 of this Tariff.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

N

TERM OF CONTRACT
For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial five (5) year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term.

TERMS AND CONDITIONS
1. Service shall be furnished under Company's Terms and Conditions, except as set out herein.
2. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults. Company shall initiate service corrections within two (2) business days after such notification by Customer.
3. Customer shall be responsible for the cost of fixture replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal burnouts. Company may decline to provide or continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.
4. Company shall have the right to make other attachments and to further extend the conductors, when necessary, for the further extension of its electric service.
5. Temporary suspension of lighting service is not permitted. Upon permanent discontinuance of service, lighting units and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 37
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 37

Standard Rate **LE**
Lighting Energy Service

APPLICABLE
In all territory served.

AVAILABILITY
Available to municipalities, county governments, divisions or agencies of the state or Federal governments, civic associations, and other public or quasi-public agencies for service to public street and highway lighting systems, where the municipality or other agency owns and maintains all street lighting equipment and other facilities on its side of the point of delivery of the energy supplied hereunder.

RATE
$0.06998 per kWh R

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

CONDITIONS OF DELIVERY
1. Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.

2. The location of the point of delivery of the energy supplied hereunder and the voltage at which such delivery is effected shall be mutually agreed upon by Company and the Customer in consideration of the type and size of Customer's street lighting system and the voltage which Company has available for delivery.

TERMS AND CONDITIONS
Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: January 7, 2020

DATE EFFECTIVE: With Service Rendered
On and After February 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 37

Standard Rate **LE**
Lighting Energy Service

APPLICABLE
In all territory served.

AVAILABILITY
Available to municipalities, county governments, divisions or agencies of the state or Federal governments, civic associations, and other public or quasi-public agencies for service to public street and highway lighting systems, where the municipality or other agency owns and maintains all street lighting equipment and other facilities on its side of the point of delivery of the energy supplied hereunder.

RATE
$0.07178 per kWh I

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89 N
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

CONDITIONS OF DELIVERY
1. Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption taking into account the types of equipment served.

2. The location of the point of delivery of the energy supplied hereunder and the voltage at which such delivery is effected shall be mutually agreed upon by Company and the Customer in consideration of the type and size of Customer's street lighting system and the voltage which Company has available for delivery.

TERMS AND CONDITIONS
Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 38
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 38

Standard Rate **TE**
Traffic Energy Service

APPLICABLE
In all territory served.

AVAILABILITY
Available to municipalities, county governments, divisions of the state or Federal governments or any other governmental agency for service on a 24-hour all-day every-day basis, where the governmental agency owns and maintains all equipment on its side of the point of delivery of the energy supplied hereunder. In the application of this rate each point of delivery will be considered as a separate Customer.

This service is limited to traffic control devices including, but not limited to, signals, cameras, or other traffic lights, electronic communication devices, emergency sirens, and gunshot triangulation devices.

RATE

Basic Service Charge per day:	$0.13 per delivery point	
Plus an Energy Charge per kWh:	$0.08689	R

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

MINIMUM CHARGE
The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

CONDITIONS OF SERVICE
1. Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption, taking into account the size and characteristics of the load, or on meter readings obtained from a similar installation.

DATE OF ISSUE: January 7, 2020

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 38

Standard Rate **TE**
Traffic Energy Service

APPLICABLE
In all territory served.

AVAILABILITY
Available to municipalities, county governments, divisions of the state or Federal governments or any other governmental agency for service on a 24-hour all-day every-day basis, where the governmental agency owns and maintains all equipment on its side of the point of delivery of the energy supplied hereunder. In the application of this rate each point of delivery will be considered as a separate Customer.

This service is limited to devices including, but not limited to, signals, cameras, or other traffic lights, electronic communication devices, emergency sirens, and gunshot triangulation devices. T

RATE

Basic Service Charge per day:	$0.13 per delivery point	
Plus an Energy Charge per kWh:	$0.08848	I

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

MINIMUM CHARGE
The Basic Service Charge shall be the minimum charge.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

CONDITIONS OF SERVICE
1. Service hereunder will be metered except when, by mutual agreement of Company and Customer, an unmetered installation will be more satisfactory from the standpoint of both parties. In the case of unmetered service, billing will be based on a calculated consumption, taking into account the size and characteristics of the load, or on meter readings obtained from a similar installation.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 38.1

Standard Rate **TE**
Traffic Energy Service

CONDITIONS OF SERVICE (continued)

2. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and Customer. Where attachment of Customer's devices is made to Company facilities, Customer must have an attachment agreement with Company. T

3. Loads not operated on an all-day every-day basis will be served under the appropriate rate.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 38.1

Standard Rate **TE**
Traffic Energy Service

CONDITIONS OF SERVICE (continued)

2. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and Customer. D D

3. Loads not operated on an all-day every-day basis will be served under the appropriate rate.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40

Standard Rate **PSA**

Pole and Structure Attachment Charges

APPLICABLE

In all territory served.

AVAILABILITY

Available to the facilities of Governmental units, Educational Institutions, Cable Television System Operators and Telecommunications Carriers as provided below except: (1) facilities of local exchange carriers ("ILECs") with joint use agreements with Company; (2) facilities subject to a fiber exchange agreement; and (3) Macro Cell Facilities. Nothing in this tariff expands the right to attach to Company's structures beyond the rights otherwise conveyed by law. T

APPLICABILITY OF SCHEDULE TO CURRENT LICENSE AGREEMENTS

Any Telecommunications Carrier that executed a license agreement permitting attachments to Company's Structures prior to the July 1, 2017 shall be subject to the rates, terms, and conditions of this Pole and Structure Attachment Charges Schedule ("this Schedule") upon expiration or termination of its license agreement. Any Governmental Unit or Educational Institution that executed a license agreement permitting attachments to Company's Structures prior to May 1, 2019 shall be subject to the rates, terms and conditions of this Schedule upon expiration or termination of its license agreement, unless such license agreement provides otherwise. T T N N N N

DEFINITIONS

"Affiliate" means, with respect to an entity, any entity controlling, controlled by, or under common control with such entity.

"Approved Contractor" means a contractor approved by Company for a particular purpose.

"Attachment" means the Cable or Wireless Facilities and all associated appliances including without limitation any overlashed cable, guying, small splice panels and vertical overhead to underground risers but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or otherwise conflicts with Company's electric design and construction standards.

"Attachment Customer" means a Customer that attaches its facilities to one or more of Company's Structures and has executed a Contract for Attachment to Company Structures with Company.

"Contract for Attachment to Company Structures" or "Contract" means the written agreement provided by Company and executed between Attachment Customer and Company incorporating the terms and conditions of this Schedule. T T

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 40

Standard Rate **PSA**

Pole and Structure Attachment Charges

APPLICABLE

In all territory served.

AVAILABILITY

Available to the facilities of Governmental units, Educational Institutions, Cable Television System Operators and Telecommunications Carriers as provided below except: (1) facilities of local exchange carriers ("ILECs") with joint use agreements with Company; (2) facilities subject to a fiber exchange agreement; and (3) Macro Cell Facilities. Nothing in this tariff expands the right to attach to Company's structures beyond the rights otherwise conveyed by law.

APPLICABILITY OF SCHEDULE TO CURRENT LICENSE AGREEMENTS

Any Telecommunications Carrier that executed a license agreement permitting attachments to Company's Structures prior to July 1, 2017 shall be subject to the rates, terms, and conditions of this Pole and Structure Attachment Charges Schedule ("this Schedule") upon expiration or termination of its license agreement. Any Governmental Unit or Educational Institution that executed a license agreement permitting attachments to Company's Structures prior to May 1, 2019 shall be subject to the rates, terms and conditions of this Schedule upon expiration or termination of its license agreement, unless such license agreement provides otherwise.

DEFINITIONS

"Affiliate" means, with respect to an entity, any entity controlling, controlled by, or under common control with such entity.

"Approved Contractor" means a contractor approved by Company for a particular purpose.

"Attachment" means the Cable or Wireless Facilities and all associated appliances including without limitation any overlashed cable, guying, small splice panels and vertical overhead to underground risers but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or otherwise conflicts with Company's electric design and construction standards.

"Attachment Customer" means a Customer that attaches its facilities to one or more of Company's Structures and has executed a Contract for Attachment to Company Structures with Company.

"Contract for Attachment to Company Structures" or "Contract" means the written agreement provided by Company and executed between Attachment Customer and Company incorporating the terms and conditions of this Schedule.

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On and After May 1, 2019

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40.1

Standard Rate **PSA**

Pole and Structure Attachment Charges

"Business Day" means a calendar day unless it is a Saturday, a Sunday or a legal holiday.

"Cable" means the fiber optic or coaxial cable, or any other type of cable, as well as any messenger wire or support strand.

"Cable Television System Operator" means a Person who operates a system that transmits television signals, for distribution to subscribers of its services for a fee, by means of wires or cables connecting its distribution facilities with its subscriber's television receiver or other equipment connecting to the subscriber's television receiver, and not by transmission of television signals through the air, and subscription to the system's service is available to the public.

"Communication Space" means the area below the Communication Worker Safety Zone to the limit of allowable NESC clearance, department of transportation or other governmental requirements, and Company's internal construction standards on poles.

"Communication Worker Safety Zone" means the space between the facilities located in the Supply Space and facilities located in the Communications Space on poles.

"Contractor" means any Person employed or engaged by Attachment Customer to perform work or render services upon or in the immediate vicinity of Company's Structures or associated facilities other than Attachment Customer and Attachment Customer's employees.

"Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) by Standard and Poor's Rating Group or its successor ("S&P"), or Moody's Investor Services, Inc. or its successor ("Moody's"), or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as its "corporate credit rating" assigned by S&P, or the "long-term issuer rating" assigned by Moody's. N N N N N N

"Distribution Pole" means a utility pole supporting electric supply facilities, all of which operate at less than 69 kV, but does not include a non-wood street light pole or a wood street light pole that is not located in a public right-of-way.

"Duct" means a pipe, tube, conduit, manhole, or other structure made for supporting and protecting electric and/or communications wires or cables and in which wires, cables and conduits may be placed for support or protection but excluding (1) any pipe now or previously used for the transmission or distribution of natural gas, (2) any duct system supporting electric supply lines operated at 69kV or greater, and (3) any vault.

"Educational Institution" means a public or private, non-profit university, college or community college N N

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Standard Rate **PSA**

Pole and Structure Attachment Charges

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"Communication Worker Safety Zone" means the space between the facilities located in the Supply Space and facilities located in the Communications Space on poles.

"Contractor" means any Person employed or engaged by Attachment Customer to perform work or render services upon or in the immediate vicinity of Company's Structures or associated facilities other than Attachment Customer and Attachment Customer's employees.

"Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) by Standard and Poor's Rating Group or its successor ("S&P"), or Moody's Investor Services, Inc. or its successor ("Moody's"), or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as its "corporate credit rating" assigned by S&P, or the "long-term issuer rating" assigned by Moody's.

"Distribution Pole" means a utility pole supporting electric supply facilities, all of which operate at less than 69 kV, but does not include a non-wood street light pole or a wood street light pole that is not located in a public right-of-way.

"Duct" means a pipe, tube, conduit, manhole, or other structure made for supporting and protecting electric and/or communications wires or cables and in which wires, cables and conduits may be placed for support or protection but excluding (1) any pipe now or previously used for the transmission or distribution of natural gas, (2) any duct system supporting electric supply lines operated at 69kV or greater, and (3) any vault.

"Educational Institution" means a public or private, non-profit university, college or community college.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40.2

Standard Rate **PSA**
Pole and Structure Attachment Charges

"Governmental Unit" means an agency or department of the Federal Government, a department, agency, or other unit of the Commonwealth of Kentucky, a county or city, special district, or other political subdivision of the Commonwealth of Kentucky. N N N

"High Volume Application" means an application or applications for Attachments to more than 300 poles or to place Cable or conduit through more than 10 manholes submitted to Company within a thirty (30) day period.

"Letter(s) of Credit means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch in a form acceptable to the Company. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit. N N N

"Macro Cell Facility" means a wireless communications system site that is typically high-power and high-sited, and capable of covering a large physical area, as distinguished from a distributed antenna system (DAS), small cell, or WiFi attachment, by way of example. Macro Cell Facilities are typically, but not exclusively, co-located on Transmission Poles and communications monopoles and towers.

"Make-Ready Survey" means a survey, in the form prescribed by Company from time to time, prepared by Company or an Approved Contractor describing in reasonable detail the make-ready engineering requirements, and such other information as Company may require, for the installation of an Attachment or group of Attachments on a Structure or group of Structures.

"NEC" means the National Electrical Code.

"NESC" means the National Electrical Safety Code.

"Performance Assurance" means collateral in the form of cash, surety bond, Letter(s) of Credit, or other security acceptable to the Company. N N

"Person" is defined by KRS 278.010(2).

"Service Drop" means a Cable, attached to a pole with a J-hook or other similar hardware that connects the trunk line to an end user's premises.

"Structure" means any Company pole, conduit, duct, or other facility normally used by Company to support or protect its electric conductors but shall not include (1) any Transmission Pole with electric supply lines operated at 138kV or above; (2) any Transmission Pole with electric supply lines operated at less than 138kV other than Transmission Poles to which Company has also attached electric supply lines operated at less than 69kV; (3) any street light pole that is not a wood pole located in a public right-of-way; or (4) any pole that Company has leased to a third party.

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 40.2

Standard Rate **PSA**
Pole and Structure Attachment Charges

"Governmental Unit" means an agency or department of the Federal Government, a department, agency, or other unit of the Commonwealth of Kentucky, a county or city, special district, or other political subdivision of the Commonwealth of Kentucky.

"High Volume Application" means an application or applications for Wireline Attachments to more than 300 poles or for Wireless Attachments to more than 30 poles or to place Cable or conduit through more than 10 manholes submitted to Company within a thirty (30) day period. T T

"Letter(s) of Credit means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch in a form acceptable to the Company. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.

"Macro Cell Facility" means a wireless communications system site that is typically high-power and high-sited, and capable of covering a large physical area, as distinguished from a distributed antenna system (DAS), small cell, or WiFi attachment, by way of example. Macro Cell Facilities are typically, but not exclusively, co-located on Transmission Poles and communications monopoles and towers.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40.3

Standard Rate **PSA**

Pole and Structure Attachment Charges

"Supply Space" means the space above the Communications Worker Safety Zone used for the installation of electric supply lines.

"Telecommunications carrier" means a Person who operates a system that (1) transmits by wire or wireless means, between or among points specified by the user, information of the user's choosing without change in the form or content of the information as sent or received, and (2) provides such transmission services for a fee directly to or for the public, or to such classes of users as to be effectively available directly to or for the public. T

"Transmission Pole" means any utility pole or tower supporting electric supply facilities designed to operate at 69 kV or greater.

"Wireless Facility" means, without limitation, antennas, risers, transmitters, receivers, and all other associated equipment used in connection with Attachment Customer's provision of wireless communications services and the transmission and reception of radiofrequency signals, but shall not include power supplies, equipment cabinets, meter bases, and other equipment that impedes accessibility or that conflicts with Company's electric design and construction standards.

ATTACHMENT CHARGES

$ 7.25 per year for each wireline pole attachment.
$ 0.81 per year for each linear foot of duct.
$36.25 per year for each Wireless Facility located on the top of a Company pole.

The attachment charge for any other Wireless Facility shall be agreed upon by Attachment Customer and Company and set forth in a special contract to be filed with the Commission.

BILLING

All attachment charges for use of Structures will be billed semi-annually based upon the type and number of Attachment Customer's Attachments reflected in Company's records on December 1 and June 1. A bill issued under this Schedule shall be due upon its issuance. Any bill not paid in full within sixty (60) days of its issuance shall be assessed a late payment charge of three (3) percent on the bill's current charges. If Attachment Customer fails to pay all charges and fees billed within six (6) months of the bill's issuance, Company may remove any or all of Attachment Customer's Attachments. In lieu of or in addition to removal of Attachments, Company may exercise any other remedies available under law to address Attachment Customer's failure to make timely payment of any charges assessed under this Schedule. T T T T

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 40.3

Standard Rate **PSA**

Pole and Structure Attachment Charges

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DATE OF ISSUE: November 25, 2020

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40.4

Standard Rate **PSA**
Pole and Structure Attachment Charges

TERM OF SERVICE

An executed Contract shall be for a term of 10 (ten) years and shall thereafter automatically renew for successive one (1) year periods unless Company or Attachment Customer provides the other with written notice of termination at least sixty (60) days prior to the renewal date. T T T

TERMS AND CONDITIONS OF ATTACHMENT

Attachments to Company's Structures that do not interfere with Company's electric service requirements and the Attachments of existing Customers and joint users shall be permitted in accordance with the terms and conditions of this Schedule. The Terms and Conditions set forth in Section 5 of the Company's Electric Service Tariff shall also be applicable to the extent they are not in conflict with or inconsistent with this Schedule's provisions. T

1. **CONTRACT FOR ATTACHMENT TO COMPANY STRUCTURES** T

   No Attachments shall be made to Company's Structures until Attachment Customer has executed a Contract for Attachment to Company Structures. The Contract shall incorporate the terms and conditions set forth in this Schedule. T T

2. **NO PROPERTY RIGHTS**

   No use, however extended, of Company Structures shall create or vest in Attachment Customer any right, title or interest in the Structures. A Contract confers only a non-exclusive right to affix and install Attachments to and on Company's Structures. Company is not required to maintain any Structure for a period longer than demanded by its electric service requirements. T T

3. **USE OF COMPANY'S FACILITIES BY OTHERS**

   Nothing in this Schedule shall affect the rights or privileges previously conferred by Company to others. The rights granted under this Schedule and the Contract shall at all times be subject to such previously conferred privileges and shall not affect the rights or privileges that may be conferred by Company in the future to others. T T T

4. **TRANSFER OF RIGHTS**

   Except as provided in this Schedule, Attachment Customer's rights under the Contract are non-delegable, non-transferable and non-assignable. Any delegation, transfer or assignment of any interest created by the Contract or this Schedule without Company's prior written consent is voidable at Company's option. Company shall not unreasonably withhold its consent to Attachment Customer's delegation, transfer or assignment of rights under the Contract upon notice of the delegation, transfer or assignment and if adequate evidence is provided of transferee's compliance with Term 23 (Insurance) and Term 24 (Performance Assurance). T T T T T

DATE OF ISSUE: May 14, 2019

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Standard Rate **PSA**
Pole and Structure Attachment Charges

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TERMS AND CONDITIONS OF ATTACHMENT

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40.5

Standard Rate **PSA**

Pole and Structure Attachment Charges

Attachment Customer shall not permit a third party to overlash or utilize any Attachment without Company's prior written consent. Company may condition its consent upon such third party's compliance with all provisions of the Contract, this Schedule, and such other terms as Company may reasonably require. T

5. COMPANY'S ABANDONMENT OF STRUCTURE

Company shall provide an Attachment Customer with a minimum of 180 days' notice before abandoning a Structure to which Attachment Customer has made an Attachment unless state or local law, easement provisions, or contractual obligations to a third party requires the Structure to be abandoned in a shorter period, in which case Company shall provide as much notice as is reasonably practicable. T T

6. FRANCHISES AND EASEMENTS

Attachment Customer shall secure at its own expense any right-of-way, easement, license, franchise or permit from any Person that may be required for the construction or maintenance of Attachments by or for Attachment Customer. If requested by Company, Attachment Customer shall submit to Company satisfactory evidence of such right-of-way, easement, license, franchise or permit. Company's approval of Attachments shall not constitute any representation or warranty regarding Attachment Customer's right to occupy or use any public or private right-of-way.

Upon an Attachment Customer's written request, Company may provide to Attachment Customer such non-private information as Company may have regarding the name of the record landowners from which Company obtained easements for Structures. Such information is provided without representation or warranty as to its accuracy or completeness. Company has no obligation to correct or supplement any information so provided. If Company provides assistance to Attachment Customer in obtaining easements or other property rights, Attachment Customer shall reimburse Company's cost of providing such assistance within thirty (30) days of its receipt of an invoice from Company. T T T T T T T T

Attachment Customer shall indemnify and save harmless Company from all claims, including the expenses incurred by Company to defend itself against such claims, resulting from or arising out of the failure of Attachment Customer to secure any right of way, easement, license, franchise or permit.

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Pole and Structure Attachment Charges

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5. COMPANY'S ABANDONMENT OF STRUCTURE

Company shall provide an Attachment Customer with a minimum of 180 days' notice before abandoning a Structure to which Attachment Customer has made an Attachment unless state or local law, easement provisions, or contractual obligations to a third party requires the Structure to be abandoned in a shorter period, in which case Company shall provide as much notice as is reasonably practicable.

6. FRANCHISES AND EASEMENTS

Attachment Customer shall secure at its own expense any right-of-way, easement, license, franchise or permit from any Person that may be required for the construction or maintenance of Attachments by or for Attachment Customer. If requested by Company, Attachment Customer shall submit to Company satisfactory evidence of such right-of-way, easement, license, franchise or permit. Company's approval of Attachments shall not constitute any representation or warranty regarding Attachment Customer's right to occupy or use any public or private right-of-way.

Upon an Attachment Customer's written request, Company may provide to Attachment Customer such non-private information as Company may have regarding the name of the record landowners from which Company obtained easements for Structures. Such information is provided without representation or warranty as to its accuracy or completeness. Company has no obligation to correct or supplement any information so provided. If Company provides assistance to Attachment Customer in obtaining easements or other property rights, Attachment Customer shall reimburse Company's cost of providing such assistance within thirty (30) days of its receipt of an invoice from Company.

Attachment Customer shall indemnify and save harmless Company from all claims, including the expenses incurred by Company to defend itself against such claims, resulting from or arising out of the failure of Attachment Customer to secure any right of way, easement, license, franchise or permit.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40.6

Standard Rate PSA

Pole and Structure Attachment Charges

7. ATTACHMENT APPLICATIONS AND PERMITS

a. Unless waived by Company, Attachment Customer shall make written application, in the form and manner prescribed by Company for permission to install Attachments on or in any Structure. Each application shall include: (1) in the case of poles, the owner, number and location of all Structures for which license to attach is sought and the amount of space required thereon; (2) in the case of Ducts, the number of linear feet of Duct space and the specific location of each such Duct to be utilized, the amount of requested space, the nature of any changes or inner Duct or Ducts proposed to be installed and any other construction that might be required by the proposed Attachments; (3) the physical attributes of all proposed Attachments; (4) the proposed start date for installation of the Attachments; (5) any issues then known to Attachment Customer regarding space, engineering, access or other matters that might require resolution before installation of Attachments; and (6) proposed make ready drawings. Company may request additional information be included with the application at its reasonable discretion. Company may perform a pole loading study or request Attachment Customer to submit such study based upon a visual inspection or other information held by Company. If Company conducts a visual inspection of the pole to ascertain the need for a pole loading analysis, Company may assess the cost of such inspection to the Attachment Customer. If Company determines a pole loading study is required, no application shall be considered completed until submission of such study. Attachment Customer may perform the pole loading study or request Company to perform the study with cost to be borne by Attachment Customer. Nothing contained herein shall preclude Attachment Customer from submitting a pole loading study with its application without Company performing a visual inspection or otherwise requesting such study to expedite Company's review. T T T

b. Attachment Customer shall be responsible for all costs associated with the application, a Make Ready Survey, engineering analysis, and Company's review of the application. Attachment Customer shall reimburse Company upon presentation of an invoice for such costs. If Attachment Customer does not request Attachments to a Transmission Pole or Duct, Company shall complete a Make Ready Survey within sixty (60) days of its receipt of Attachment Customer's completed application. If Attachment Customer's application requests Attachments to a Transmission Pole or Duct, Attachment Customer and Company shall mutually agree to a time period for completion of a Make-Ready Survey. T T T

DATE OF ISSUE: May 14, 2019

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 40.6

Standard Rate PSA

Pole and Structure Attachment Charges

7. ATTACHMENT APPLICATIONS AND PERMITS

a. Unless waived by Company, Attachment Customer shall make written application, in the form and manner prescribed by Company for permission to install Attachments on or in any Structure. Each application shall include: (1) in the case of poles, the owner, number and location of all Structures for which license to attach is sought and the amount of space required thereon; (2) in the case of Ducts, the number of linear feet of Duct space and the specific location of each such Duct to be utilized, the amount of requested space, the nature of any changes or inner Duct or Ducts proposed to be installed and any other construction that might be required by the proposed Attachments; (3) the physical attributes of all proposed Attachments; (4) the proposed start date for installation of the Attachments; (5) any issues then known to Attachment Customer regarding space, engineering, access or other matters that might require resolution before installation of Attachments; and (6) proposed make ready drawings. Company may request additional information be included with the application at its reasonable discretion. Company may perform a pole loading study or request Attachment Customer to submit such study based upon a visual inspection or other information held by Company. If Company conducts a visual inspection of the pole to ascertain the need for a pole loading analysis, Company may assess the cost of such inspection to the Attachment Customer. If Company determines a pole loading study is required, no application shall be considered completed until submission of such study. Attachment Customer may perform the pole loading study or request Company to perform the study with cost to be borne by Attachment Customer. Nothing contained herein shall preclude Attachment Customer from submitting a pole loading study with its application without Company performing a visual inspection or otherwise requesting such study to expedite Company's review.

b. Attachment Customer shall be responsible for all costs associated with the application, a Make Ready Survey, engineering analysis, and Company's review of the application. Attachment Customer shall reimburse Company upon presentation of an invoice for such costs. If Attachment Customer does not request Attachments to a Transmission Pole or Duct, Company shall complete a Make Ready Survey within sixty (60) days of its receipt of Attachment Customer's completed application. If Attachment Customer's application requests Attachments to a Transmission Pole or Duct, Attachment Customer and Company shall mutually agree to a time period for completion of a Make-Ready Survey.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40.7

Standard Rate **PSA**
Pole and Structure Attachment Charges

c. Upon completion of the Make Ready Survey, Company shall notify Attachment Customer in writing whether its application for use of Company's Structures has been granted, of any necessary changes to the proposed construction drawings, and the conditions, if any, imposed on the installation or use of Attachments. Company reserves the right to deny access to any Structure based upon lack of capacity, safety, reliability or engineering standards. Company may deny access to Transmission Poles in its discretion for any reason; provided that such denials shall be determined in a non-discriminatory manner. The following types of Transmission Poles that do not support electric supply lines operated at less than 69kV are not available for Attachments under this Schedule: (1) Transmission Poles that do not support electric supply lines operated at less than 69kV; (2) any Transmission Poles that support electric supply lines operated at 138kV or above. T

d. Within fifteen (15) days of notifying Attachment Customer of the approval of its application, Company shall provide Attachment Customer a written statement of the costs of any necessary Company make-ready work, including but not limited to rearrangement of electric supply facilities and pole change out. Attachment Customer shall indicate its approval of this statement by submitting payment of the statement amount within fifteen (15) days of receipt. If facilities of a third party are required to be rearranged or transferred, Attachment Customer shall coordinate with the third party for such rearrangement or transfer and shall pay the costs related thereto. If Attachment Customer's application requests attachments to a Transmission Pole or Duct, Attachment Customer and Company shall mutually agree to a time period for preparation of a written statement of the costs of any necessary Company make-ready work. T

e. If an existing Structure is replaced or a new Structure is erected solely to provide adequate capacity for Attachment Customer's proposed Attachments, Attachment Customer shall pay a sum equal to the actual material and labor cost of the new Structure, as well as any replaced appurtenances, plus the cost of removal of the existing Structure minus its salvage value, within thirty (30) days of receipt of an invoice. The new Structure shall be Company's property regardless of any Attachment Customer payments toward its cost. Attachment Customer shall acquire no right, title or interest in or to such Structure. T

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P.S.C. No. 20, Original Sheet No. 40.7

Standard Rate **PSA**
Pole and Structure Attachment Charges

c. Upon completion of the Make Ready Survey, Company shall notify Attachment Customer in writing whether its application for use of Company's Structures has been granted, of any necessary changes to the proposed construction drawings, and the conditions, if any, imposed on the installation or use of Attachments. Company reserves the right to deny access to any Structure based upon lack of capacity, safety, reliability or engineering standards. Company may deny access to Transmission Poles in its discretion for any reason; provided that such denials shall be determined in a non-discriminatory manner. The following types of Transmission Poles are not available for Attachments under this Schedule: (1) Transmission Poles that do not support electric supply lines operated at less than 69kV and (2) Transmission Poles that support electric supply lines operated at 138kV or above. D T

d. Within fifteen (15) days of notifying Attachment Customer of the approval of its application, Company shall provide Attachment Customer a written statement of the costs of any necessary Company make-ready work, including but not limited to rearrangement of electric supply facilities and pole change out. Attachment Customer shall indicate its approval of this statement by submitting payment of the statement amount within fifteen (15) days of receipt. If facilities of a third party are required to be rearranged or transferred, Attachment Customer shall coordinate with the third party for such rearrangement or transfer and shall pay the costs related thereto. If Attachment Customer's application requests attachments to a Transmission Pole or Duct, Attachment Customer and Company shall mutually agree to a time period for preparation of a written statement of the costs of any necessary Company make-ready work.

e. If an existing Structure is replaced or a new Structure is erected solely to provide adequate capacity for Attachment Customer's proposed Attachments, Attachment Customer shall pay a sum equal to the actual material and labor cost of the new Structure, as well as any replaced appurtenances, plus the cost of removal of the existing Structure minus its salvage value, within thirty (30) days of receipt of an invoice. The new Structure shall be Company's property regardless of any Attachment Customer payments toward its cost. Attachment Customer shall acquire no right, title or interest in or to such Structure.

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P.S.C. No. 19, Original Sheet No. 40.8

Standard Rate **PSA**
Pole and Structure Attachment Charges

f. If Company is unable to perform the Make Ready Survey and engineering analysis within the time period established under Section 7b, Company shall advise Attachment Customer and promptly meet with Attachment Customer to develop a mutually agreeable plan of performance. T

g. If Company fails to perform the make-ready work within sixty (60) days of receipt of Attachment Customer's payment of the make-ready costs, Attachment Customer may perform such work at its expense using an Approved Contractor, except that Attachment Customer may not perform such work with respect to Transmission Poles or Ducts.. The Approved Contractor shall provide notice to Company at least one week prior to performing any make-ready. During the performance of any make-ready by Approved Contractors, an inspector designated by Company shall accompany the Approved Contractor(s). The inspector, in his or her sole discretion, may direct that work be performed in a manner other than as approved in an application, based on the then-existing circumstances in the field. Company shall refund any unexpended make-ready fees within 30 days of notice that Attachment Customer has performed the work. T T T T T T T T T

h. If Attachment Customer submits to Company within a thirty (30) day period an application or applications for Attachments to more than 300 poles or to place Cable or conduit through more than ten (10) manholes, such application or applications shall be considered a High Volume Application. The provisions set forth in Sections 7b through 7g that relate to time period and cost-reimbursement of Company's performance of application review, engineering analysis, and a Make Ready Survey, and the performance of make-ready work, shall not apply to High Volume Applications. Company and Attachment Customer submitting a High Volume Application shall develop a mutually agreeable plan of performance and cost reimbursement for Company's performance of application review, engineering analysis, and a Make Ready Survey, and the performance of make ready work, shall set this plan to writing and shall file it with the Commission as a special contract. T T T

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f. If Company is unable to perform the Make Ready Survey and engineering analysis within the time period established under Section 7b, Company shall advise Attachment Customer and promptly meet with Attachment Customer to develop a mutually agreeable plan of performance.

g. If Company fails to perform the make-ready work within sixty (60) days of receipt of Attachment Customer's payment of the make-ready costs, Attachment Customer may perform such work at its expense using an Approved Contractor, except that Attachment Customer may not perform such work with respect to Transmission Poles or Ducts.. The Approved Contractor shall provide notice to Company at least one week prior to performing any make-ready. During the performance of any make-ready by Approved Contractors, an inspector designated by Company shall accompany the Approved Contractor(s). The inspector, in his or her sole discretion, may direct that work be performed in a manner other than as approved in an application, based on the then-existing circumstances in the field. Company shall refund any unexpended make-ready fees within 30 days of notice that Attachment Customer has performed the work.

h. If Attachment Customer submits to Company within a thirty (30) day period an application or applications for Wireline Attachments to more than 300 poles, for Wireless Attachments to more than thirty (30) poles, or to place Cable or conduit through more than ten (10) manholes, such application or applications shall be considered a High Volume Application. The provisions set forth in Sections 7b through 7g that relate to time period and cost-reimbursement of Company's performance of application review, engineering analysis, and a Make Ready Survey, and the performance of make-ready work, shall not apply to High Volume Applications. Company and Attachment Customer submitting a High Volume Application shall develop a mutually agreeable plan of performance and cost reimbursement for Company's performance of application review, engineering analysis, and a Make Ready Survey, and the performance of make ready work, shall set this plan to writing and shall file it with the Commission as a special contract. T T

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P.S.C. No. 19, Original Sheet No. 40.9

Standard Rate **PSA**

Pole and Structure Attachment Charges

i. No written application to Company to affix and attach a Service Drop to Company's poles is required but Attachment Customer shall provide notice to Company within sixty (60) days of attachment of such Service Drop. This notice shall include the Service Drop location address (or a description of the location if the address is not available), the date of the attachment, the pole number of the pole to which the Service Drop is affixed or attached, and a statement as to whether the Service Drop constitutes a new Attachment to Company's pole for billing purposes. Any Service Drop affixed to a pole more than six (6) inches above or below a through-bolt shall be considered a separate Attachment for billing purposes. On drop or lift poles only, all Service Drops affixed within one foot of usable space shall be considered a single Attachment for billing purposes. Company may conduct an inspection of any Service Drop Attachments, and Attachment Customer shall reimburse Company within 30 days of presentation of an invoice for such inspections. The provisions of this Pole Structure Attachment Schedule shall not apply to an ILEC service drop if the ILEC has a joint use agreement with the Company and the service drop is located in the area covered by the joint use agreement. T T T T T T T T T T T

8. CONSTRUCTION AND MAINTENANCE REQUIREMENTS AND SPECIFICATIONS

a. Attachment Customer shall not construct or install any Attachments until : (1) Company has approved in writing the design, construction, and installation practices for Attachment Customer's Attachments; (2) all Company make-ready work, if any, has been completed (and, if such make-ready work has been performed by an Approved Contractor pursuant to Section 7g above, inspected by Company); and (3) any necessary third party rearrangements or transfers have been completed. Any Attachment that fails to comply with this provision shall be deemed an Unauthorized Attachment for purposes of Section 19 of this Schedule T N N N N N N

b. All Attachments shall be constructed and installed in a manner reasonably satisfactory to Company and so as not to interfere with Company's present or future use of its Structures. Attachments in Ducts shall not include any splice enclosures or excess cable. Attachment Customer shall maintain, operate and construct all Attachments in such manner as to ensure Company's full and free access to all Company facilities. All Attachments shall conform to Company's electric design and construction standards and applicable requirements of the NESC, NEC, and all other applicable codes and laws. In the event of a conflict, the more stringent standard shall apply. T

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P.S.C. No. 19, Original Sheet No. 40.10

Standard Rate **PSA**

Pole and Structure Attachment Charges

c. Attachment Customer shall identify each of its Attachments with a tag, approved in advance by Company, that includes Attachment Customer's name, 24-hour contact telephone number, and such other information as Company may require. All Cable placed by Attachment Customer within a Company-owned or controlled Duct shall be enclosed within Attachment Customer furnished inner-duct and shall be clearly marked and identified as belonging to Attachment Customer at all access points. Service drops do not need to be tagged. Attachment Customer shall tag an Attachment at the time of construction. Any untagged Attachment existing as of the date of execution of the Contract or the effective date of this Schedule, whichever is earlier, shall be tagged by Attachment Customer when Attachment Customer or its agents perform work on the Attachment. . If the Company is required to relocate or remove an Attachment or otherwise contact the owner of an Attachment to effect repairs and the Attachment is untagged and cannot be readily identified, any expense incurred by Company to identify the Attachment owner shall be borne by the Attachment Customer. Further, the Company shall be considered to have provided notice to the owner of an untagged Attachment required under Section 16 of this Schedule upon inspecting the Attachment and determining that it is untagged. T T T T T T T

d. In the design, installation and maintenance of its Attachments, Attachment Customer shall comply with all Company standards and all federal, state and local government laws, rules, regulations, ordinances, or other lawful directives applicable to the work of constructing and installing the Attachments. All work shall be performed in accordance with the applicable standards of the NESC and the NEC, including amendments thereto adopted. Attachment Customer shall take all necessary precautions, by the installation of protective equipment or other means, to protect all Persons and property of all kinds against injury or damage caused by or occurring by reason of the construction, installation or existence of Attachments.

e. Attachment Customer shall immediately report to Company (1) any damage caused to property of Company or others when installing or maintaining Attachments, (2) any Attachment Customer's failure to meet the requirements set forth in this Schedule for assuring the safety of Persons and property and compliance with laws and regulations of public authorities and standard-setting bodies, and (3) any unsafe condition relating to Company's Structures identified by Attachment Customer.

f. Attachment Customer shall complete installation of its Attachments within sixty (60) days of the later of approval of the application for such Attachments or, if make-ready work is required under such approval, completion of make-ready work, and shall notify Company in writing upon its completion. If Attachment Customer fails to complete the installation within this time period, Company may revoke its permit for the Attachment. Prior to revoking the permit for the Attachment, Company shall provide written notice of the revocation to Attachment Customer. Company may conduct a post-construction inspection of such Attachments. Attachment Customer shall reimburse Company within thirty (30) days of presentation of an invoice for such inspections. T T T T T

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c. Attachment Customer shall identify each of its Attachments with a tag, approved in advance by Company, that includes Attachment Customer's name, 24-hour contact telephone number, and such other information as Company may require. All Cable placed by Attachment Customer within a Company-owned or controlled Duct shall be enclosed within Attachment Customer furnished inner-duct and shall be clearly marked and identified as belonging to Attachment Customer at all access points. Service drops do not need to be tagged. Attachment Customer shall tag an Attachment at the time of construction. Any untagged Attachment existing as of the date of execution of the Contract or the effective date of this Schedule, whichever is earlier, shall be tagged by Attachment Customer when Attachment Customer or its agents perform work on the Attachment. If the Company is required to relocate or remove an Attachment or otherwise contact the owner of an Attachment to effect repairs and the Attachment is untagged and cannot be readily identified, any expense incurred by Company to identify the Attachment owner shall be borne by the Attachment Customer. Further, the Company shall be considered to have provided notice to the owner of an untagged Attachment required under Section 16 of this Schedule upon inspecting the Attachment and determining that it is untagged.

d. In the design, installation and maintenance of its Attachments, Attachment Customer shall comply with all Company standards and all federal, state and local government laws, rules, regulations, ordinances, or other lawful directives applicable to the work of constructing and installing the Attachments. All work shall be performed in accordance with the applicable standards of the NESC and the NEC, including amendments thereto adopted. Attachment Customer shall take all necessary precautions, by the installation of protective equipment or other means, to protect all Persons and property of all kinds against injury or damage caused by or occurring by reason of the construction, installation or existence of Attachments.

e. Attachment Customer shall immediately report to Company (1) any damage caused to property of Company or others when installing or maintaining Attachments, (2) any Attachment Customer's failure to meet the requirements set forth in this Schedule for assuring the safety of Persons and property and compliance with laws and regulations of public authorities and standard-setting bodies, and (3) any unsafe condition relating to Company's Structures identified by Attachment Customer.

f. Attachment Customer shall complete installation of its Attachments within sixty (60) days of the later of approval of the application for such Attachments or, if make-ready work is required under such approval, completion of make-ready work, and shall notify Company in writing upon its completion. If Attachment Customer fails to complete the installation within this time period, Company may revoke its permit for the Attachment. Prior to revoking the permit for the Attachment, Company shall provide written notice of the revocation to Attachment Customer. Company may conduct a post-construction inspection of such Attachments. Attachment Customer shall reimburse Company within thirty (30) days of presentation of an invoice for such inspections.

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Standard Rate **PSA**

Pole and Structure Attachment Charges

g. Attachment Customer may use qualified contractors of its own choice to perform work below the Communication Worker Safety Zone. For any work in or above the Communication Worker Safety Zone that Company allows Attachment Customer to perform, Attachment Customer shall use an Approved Contractor who may, at Company's discretion, be required to be accompanied by a Company-designated inspector. For any work in Company's Ducts, Attachment Customer shall use an Approved Contractor, who must be accompanied by a Company-designated inspector. Company shall schedule a Company-designated inspector to accompany an Approved Contractor within fifteen (15) days of its receipt of such request for such inspector. Attachment Customer shall reimburse Company for the actual cost associated with providing inspection services within 30 days of receipt of an invoice. T T T N

h. Company may also monitor Attachment Customer's construction and installation of Attachments below the Communication Worker Safety Zone. If the need for a monitor is caused by Attachment Customer's failure to comply with the terms of this Schedule, the Contract, or any applicable law or regulation, Attachment Customer shall reimburse Company for the actual cost of any such monitoring within thirty (30) days of receipt of an invoice for such cost. For locations where Attachment Customer's construction and installation are within Company underground facilities, Attachment Customer shall reimburse Company for the actual cost associated with providing inspection services within thirty (30) days of receipt of an invoice. T T T T T

i. Attachment Customer shall comply with all applicable federal, state, and local laws, rules and regulations with respect to environmental practices undertaken pursuant to the construction, installation, operation and maintenance of its Attachments. Attachment Customer shall not bring, store or utilize any hazardous materials on any Company site without Company's prior express written consent. To the extent reasonably practicable, Attachment Customer shall restore any property altered pursuant to this Schedule or the Contract to its condition existing immediately prior to the alteration. Company has no obligation to correct or restore any property altered by Attachment Customer and bears no responsibility for Attachment Customer's compliance with applicable environmental regulations. T T T

j. If Attachment Customer fails to install any Attachment in accordance with the standards and terms set forth in this Schedule and Company provides written notice to Attachment Customer of such failure, Attachment Customer, at its own expense, shall make necessary adjustments within thirty (30) days of receipt of such notice. Subject to Section 15 of this Schedule, if Attachment Customer fails to make such adjustments within such time period, Company may make the repairs or adjustments, and Attachment Customer shall pay Company for the actual cost thereof plus a penalty of 10% of actual costs within thirty (30) days of receipt of an invoice. T I/N N/T

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h. Company may also monitor Attachment Customer's construction and installation of Attachments below the Communication Worker Safety Zone. If the need for a monitor is caused by Attachment Customer's failure to comply with the terms of this Schedule, the Contract, or any applicable law or regulation, Attachment Customer shall reimburse Company for the actual cost of any such monitoring within thirty (30) days of receipt of an invoice for such cost. For locations where Attachment Customer's construction and installation are within Company underground facilities, Attachment Customer shall reimburse Company for the actual cost associated with providing inspection services within thirty (30) days of receipt of an invoice.

i. Attachment Customer shall comply with all applicable federal, state, and local laws, rules and regulations with respect to environmental practices undertaken pursuant to the construction, installation, operation and maintenance of its Attachments. Attachment Customer shall not bring, store or utilize any hazardous materials on any Company site without Company's prior express written consent. To the extent reasonably practicable, Attachment Customer shall restore any property altered pursuant to this Schedule or the Contract to its condition existing immediately prior to the alteration. Company has no obligation to correct or restore any property altered by Attachment Customer and bears no responsibility for Attachment Customer's compliance with applicable environmental regulations.

j. If Attachment Customer fails to install any Attachment in accordance with the standards and terms set forth in this Schedule and Company provides written notice to Attachment Customer of such failure, Attachment Customer, at its own expense, shall make necessary adjustments within thirty (30) days of receipt of such notice. Subject to Section 15 of this Schedule, if Attachment Customer fails to make such adjustments within such time period, Company may make the repairs or adjustments, and Attachment Customer shall pay Company for the actual cost thereof plus a penalty of 10% of actual costs within thirty (30) days of receipt of an invoice.

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Standard Rate **PSA**
Pole and Structure Attachment Charges

k. Attachment Customer is responsible for any damage, fines or penalties resulting from any noncompliance with the construction and maintenance requirements and specifications set forth in this Section 8, except when Attachment Customer demonstrates that noncompliance is due to the actions of Company or another Attachment Customer. Company undertakes no duty to require any specific action by Attachment Customer and assumes no responsibility by requiring such compliance or by requiring Attachment Customer to meet any specifications or to make any corrections, modifications, additions or deletions to any work or planned work by Attachment Customer.

l. Within fifteen (15) days of completion of the installation of the Attachment, Attachment Customer shall furnish Company with complete "as-built" drawings in a computer generated electronic format (or such other format as is agreeable to Company). Hand drawings shall not be submitted. T

9. ADDITIONAL REQUIREMENTS FOR WIRELESS FACILITIES

a. Wireless Facilities Attachments may be attached to Distribution Poles only.

b. Company may require Attachment Customer to furnish with any written application for permission to install a Wireless Facilities Attachment a mock-up of the proposed Attachment.

c. Attachment Customer is solely responsible for ensuring that the radiofrequency ("RF") radiation emitted by its Wireless Facilities, alone and/or in combination with any and all sources of RF radiation in the vicinity, is within the limits permitted under all applicable governmental and industry standard safety codes for general population/uncontrolled exposure. Attachment Customer shall install appropriate signage on the poles to which Wireless Facilities have been attached, to warn line workers or the general public of the presence of RF radiation and the need for precautionary measures. Attachment Customer shall periodically inspect the signage and replace the signage if necessary to ensure that the signage, including text and warning symbols, remains clearly visible.

d. Each Wireless Facility installation shall include a switch that operates to disconnect and de-energize the antenna. In non-emergency circumstances, Company employees or contractors will make reasonable efforts to contact Attachment Customer at a telephone number that Attachment Customer has marked on the Wireless Facility installation to request a temporary power shut-down. Company personnel or those of other entities working on the pole will operate the power disconnect switch to ensure that the antenna is not energized while work on the pole is in progress. In emergency circumstances, Company personnel and those of other entities working on Company poles may accomplish the power-down by operation of the power disconnect switch without advance notice to Attachment Customer. T T T

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Pole and Structure Attachment Charges

k. Attachment Customer is responsible for any damage, fines or penalties resulting from any noncompliance with the construction and maintenance requirements and specifications set forth in this Section 8, except when Attachment Customer demonstrates that noncompliance is due to the actions of Company or another Attachment Customer. Company undertakes no duty to require any specific action by Attachment Customer and assumes no responsibility by requiring such compliance or by requiring Attachment Customer to meet any specifications or to make any corrections, modifications, additions or deletions to any work or planned work by Attachment Customer.

l. Within fifteen (15) days of completion of the installation of the Attachment, Attachment Customer shall furnish Company with complete "as-built" drawings in a computer generated electronic format (or such other format as is agreeable to Company). Hand drawings shall not be submitted.

9. ADDITIONAL REQUIREMENTS FOR WIRELESS FACILITIES

a. Wireless Facilities Attachments may be attached to Distribution Poles only.

b. Company may require Attachment Customer to furnish with any written application for permission to install a Wireless Facilities Attachment a mock-up of the proposed Attachment.

c. Attachment Customer is solely responsible for ensuring that the radiofrequency ("RF") radiation emitted by its Wireless Facilities, alone and/or in combination with any and all sources of RF radiation in the vicinity, is within the limits permitted under all applicable governmental and industry standard safety codes for general population/uncontrolled exposure. Attachment Customer shall install appropriate signage on the poles to which Wireless Facilities have been attached, to warn line workers or the general public of the presence of RF radiation and the need for precautionary measures. Attachment Customer shall periodically inspect the signage and replace the signage if necessary to ensure that the signage, including text and warning symbols, remains clearly visible.

d. Each Wireless Facility installation shall include a switch that operates to disconnect and de-energize the antenna. In non-emergency circumstances, Company employees or contractors will make reasonable efforts to contact Attachment Customer at a telephone number that Attachment Customer has marked on the Wireless Facility installation to request a temporary power shut-down. Company personnel or those of other entities working on the pole will operate the power disconnect switch to ensure that the antenna is not energized while work on the pole is in progress. In emergency circumstances, Company personnel and those of other entities working on Company poles may accomplish the power-down by operation of the power disconnect switch without advance notice to Attachment Customer.

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40.13

Standard Rate **PSA**

Pole and Structure Attachment Charges

e. Attachment Customer is solely responsible for ensuring compliance with all Federal Communication Commission antenna registration requirements, Federal Aviation Administration air hazard requirements, or similar requirements with respect to the location of Attachment Customer's Wireless Facilities on Company's poles.

f. Attachment Customer shall not operate its Wireless Facility in a way that causes interference with Company-owned wireless facilities. Attachment Customer shall, after receiving notice from Company of such interference, immediately cease operating its Wireless Facility until it can be operated without causing such interference

g. All power supplies, equipment cabinets, meter bases and other equipment associated with the Wireless Facilities that are large enough to impede accessibility shall be installed off-pole, consistent with the applicable standards of the NESC, Company standards, and all applicable laws, rules, regulations, ordinances, and other applicable governmental directives.

h. Attachment Customer shall not perform any construction, including but not limited to the initial installation of its Wireless Facilities or any maintenance thereof, above the Communications Space without receiving prior approval from Company as to the design, installation, and construction practices, which approval Company shall not unreasonably withhold.

10. OVERLASHING OF CABLE

An Attachment Customer may make an initial overlash of an existing attachment if the overlash is not greater than one-half inch in diameter without any advance notice or application to the Company. No application or advance notice is required for the replacement of an existing cable with a cable that is no greater than one-half inch in diameter. With all other overlashing, Attachment Customer shall provide Company with advance notice to permit Company to visually inspect its Structures to determine the need for a pole loading analysis. For projects involving more than ten (10) spans, the Attachment Customer must provide at least fifteen (15) business days' advance notice. For projects involving ten (10) spans or less, Attachment Customer shall provide at least seven (7) business days' advance notice. Notwithstanding the foregoing, no bundle of Attachment Customer's Cable shall exceed two inches in diameter without Company's express written approval.

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P.S.C. No. 19, Original Sheet No. 40.14

Standard Rate **PSA**

Pole and Structure Attachment Charges

11. STRAND-MOUNTED WIRELESS COMMUNICATION DEVICES

A strand-mounted wireless communication device shall be considered part of wireline attachment and not subject to permitting or an additional attachment charge if it is located within the one (1) foot vertical space occupied by Attachment Customer's cable and meets all applicable loading, clearance, and RF emission requirements. Before deploying any strand-mounted wireless communications devices other than strand-mounted wi-fi access points, Attachment Customer shall at least sixty (60) days prior to planned deployment notify Company of the proposed deployment and provide sufficient information regarding the nature of device to permit Company to assess the safety and loadbearing implications of the proposed deployment.

12. MAINTENANCE OF ATTACHMENTS AND STRUCTURES

Attachment Customer shall maintain Attachments in safe condition and in good repair, in a manner reasonably suitable to Company and so as not to conflict with any use of Company facilities (including Structures) by Company or any other Person using such facilities pursuant to any license or permit by Company. Attachment Customer shall not interfere with the working use of any other Person's property on or in such facilities or any such property, which may be placed on or near the Structures and other facilities. Company reserves to itself, its successors, Affiliates and assigns, the right to maintain Structures and other Company property and to operate its business and maintain its property in such a manner as will, in its own judgment, best enable it to fulfill its own service requirements. Company shall not be liable to Attachment Customer for any interference with the operation of Attachment Customer's facilities, or loss of business arising in any manner out of the use of Company's Structures or other property.

13. NATIONAL JOINT UTILITIES NOTIFICATION SYSTEM

Within thirty (30) days of executing a Contract, and prior to making application for any Attachment, Attachment Customer will join National Joint Utilities Notification System ("NJUNS"), a web-based system developed to improve joint use communication, and will actively participate during the term of service, by entering field information into the NJUNS system within the times required by the system. Should Attachment Customer fail to actively participate in NJUNS and should such failure cause Company to incur expense or liability to others, Attachment Customer shall reimburse Company its expense and indemnify and hold Company harmless from any damages or liability arising out of such failure. If Company at a later date elects to use a different system for purposes of the communication currently facilitated by NJUNS, Company, shall notify Attachment Customer at least sixty (60) days in advance of such change and Attachment Customer shall make arrangements to participate in that system.

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P.S.C. No. 19, Original Sheet No. 40.15

Standard Rate **PSA**

Pole and Structure Attachment Charges

14. INSPECTIONS/AUDITS

Company may make periodic inspections for the purpose of determining compliance with this Schedule and with the Contract. Neither Company's right to make inspections nor any inspection made by Company shall relieve an Attachment Customer of any responsibility, obligation or liability assumed under this Schedule. T

Upon thirty (30) days' prior notice to Attachment Customer, Company may conduct an audit of its Structures to verify the number, location and type of Attachment Customer's Attachments. Company shall make available to Attachment Customer the report of such audit. Such report shall indicate the location and pole number of all attachments of the Attachment Customer. If the audit reveals that the number of Attachments exceeds the number of Attachments shown in Company's existing records, the excess number of Attachments shall be presumed to be Unauthorized Attachments. Attachment Customer shall have the right to rebut this presumption and demonstrate that the Attachments at issue were authorized. Attachment Customer shall reimburse Company for the expense of such audit, or its pro rata share of such expense if the Attachments of other Attachment Customers are included within the scope of the audit, within thirty (30) days of an invoice for such expenses, provided, however, that no Attachment Customer shall be directly assessed the cost of any system-wide audit that the Company commenced prior to May 1, 2019. N N N N N

15. INTERFERENCE OR HAZARD

If Company notifies Attachment Customer in writing or orally with written confirmation that the Attachment Customer's Attachments or the condition of Attachment Customer's Attachments on or in any Structure (i) interfere with the use of such Structure or the operation of Company facilities or equipment, (ii) constitute a hazard to the service rendered by Company or any other Persons permitted by Company to use such Structures, (iii) cause a danger to employees of Company or other Persons, or (iv) fail to comply with Company's standards and applicable requirements of the NESC, NEC, and all other applicable codes, laws and regulations, Attachment Customer shall, within a reasonable period, remove, rearrange, repair or change its Attachments as needed or as directed by Company. In the case of any immediate hazard or danger, such period shall not exceed twenty-four (24) hours from Attachment Customer's receipt of such notice. In case of a hazardous condition or other emergency which requires the immediate removal or relocation of the Attachment Customer's Attachments, Company may at Attachment Customer's expense, without prior notice and with no liability therefor, remove or relocate such Attachments; provided however, that Company shall notify Attachment Customer of such action as soon as reasonably possible by any appropriate means, including by telephone. T

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P.S.C. No. 19, Original Sheet No. 40.16

Standard Rate **PSA**

Pole and Structure Attachment Charges

16. REARRANGEMENT; RELOCATION OF STRUCTURES; NEW STRUCTURES

a. If Attachment Customer's Attachments can be accommodated on or in existing Structures only by rearranging Company facilities, or if because of Attachment Customer's proposed Attachments, Company rearranges or transfers its facilities on or in any facility not owned by it, Attachment Customer shall reimburse Company for the actual expense incurred in making such rearrangement or transfer.

b. Upon forty-five (45) days prior written notice delivered to Attachment Customer, Company may replace, relocate, or remove any Structure and cause the alteration, relocation or removal of any Attachment, consistent with normal operating, maintenance and development procedures and prudent utility practices. In cases of emergency or dangerous situations, Company shall give only as much prior notice as practical under the circumstances. Likewise, in situations where the Company is required to replace, relocate or remove any Structure in less than 45 days by state or local law, easement provisions, contractual obligations to third parties or to meet the Company's obligation to provide electric service to another customer, Company need provide only as much prior notice as reasonably practical under the circumstances, Company shall bear all costs and expenses of any relocation of the Structures not attributable to or caused by Attachment Customer or its Attachments. Attachment Customer shall bear all costs and expenses of any relocation and removal of the Attachments and all costs and expenses attributable to or caused by Attachment Customer or its Attachments. Attachment Customer shall be solely responsible for any losses occasioned by the interruption of Attachment Customer's business or operations and shall indemnify and hold Company harmless in connection with same. T N N N N N

c. Company may reserve space on its poles in accordance with a bona fide development plan for electric service. Company may direct, by written notice to Attachment Customer, that Attachment Customer's attachments in such reserve space may be removed from the Structures. Company shall use reasonable efforts to make space available as close in proximity as possible to the former Structures or to offer Attachment Customer the option to perform make-ready work to create additional space on the Structure in question. Attachment Customer shall make such relocation within sixty (60) days of Company's request.

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P.S.C. No. 19, Original Sheet No. 40.17

Standard Rate **PSA**
Pole and Structure Attachment Charges

d. In the event a Person other than Attachment Customer applies to make an Attachment to a Structure on which Attachment Customer has placed an Attachment, and such application requires that Attachment Customer rearrange, transfer or relocate its Attachments, then Attachment Customer shall perform such rearrangement, transfer or relocation within sixty (60) days of notice of such need to rearrange, transfer or relocate. Attachment Customer may condition its rearrangement, transfer or relocation upon reimbursement for the cost of such rearrangement, transfer or relocation. In the event Attachment Customer fails to perform such rearrangement, transfer or relocation within the time frame described above, the affected Attachments may be subject to rearrangement, transfer or relocation by the Person whose application necessitated the rearrangement, transfer or relocation to the extent permitted by law. T

17. REMOVAL OF ATTACHMENT T

Attachment Customer may at any time voluntarily remove its Attachments from any Structure, but shall immediately give Company written notice of such removal on Company-prescribed form. Attachment Customer shall bear all cost of removal and any costs that Company incurs as a result of such removal and shall pay such costs within thirty (30) days of receipt of an invoice. T

No refund of any amount paid for use of such Structure will result from Attachment Customer's voluntary removal nor shall such voluntary removal affect any other obligation or liability of Attachment Customer under this Schedule or the Contract. T

18. INDEMNITIES

Attachment Customer shall protect, defend, indemnify and save harmless Company, its Affiliates, their officers, directors, employees and representatives from and against all damage, loss, claim, demand, suit, liability, penalty or forfeiture of every kind and nature, including but not limited to costs and expenses of defending against the same, payment of any settlement or judgment therefor and reasonable attorney's fees that are incurred in such defense, by reason of any claims arising from Attachment Customer's activities under this Schedule, or the Contract, or from Attachment Customer's presence on Company's premises, or from or in connection with the construction, installation, operation, maintenance, presence, replacement, enlargement, use or removal of any facility of Attachment Customer attached or in the process or being attached to or removed from any Company Structure by Attachment Customer, its employees, agents, or other representatives, including but not limited to claims alleging (1) injuries or deaths to Persons; (2) damage to or destruction of property including loss of use thereof; (3) power or communications outage, interruption or degradation; (4) pollution, contamination of or other adverse effects on the environment; (5) violation of governmental laws, regulations or orders; or (6) rearrangement, transfer, or removal of any third party attachment on, from, or to any Company Structure whether suffered directly by Company itself or indirectly by reason of claims, demands or suits against it by third parties, resulting or alleged to have resulted from Attachment Customer's activities under this Schedule, or the Contract, or from Attachment Customer's presence on T T

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P.S.C. No. 19, Original Sheet No. 40.18

Standard Rate **PSA**
Pole and Structure Attachment Charges

Company's premises, or from or in connection with the construction, installation, operation, maintenance, presence, replacement, enlargement, use or removal of any facility of Attachment Customer attached or in the process or being attached to or removed from any Company Structure by Attachment Customer, its employees, agents, or other representatives. The indemnity set forth in this section shall include indemnity for any claims arising out of the joint negligence of Attachment Customer and Company; provided however, the indemnity set forth in this section, but not Attachment Customer's duty to defend, shall be reduced to the extent it is established by final adjudication or mutual agreement of Attachment Customer and Company that the liability to which such indemnity applies was caused by the negligence or willful misconduct of Company. If Attachment Customer is required under this provision to indemnify Company, Attachment Customer shall have the right to select defense counsel and to direct the defense or settlement of any such claim or suit.

19. UNAUTHORIZED ATTACHMENTS

If Attachment Customer makes any Attachment that requires Company approval or advance notice under this Schedule or the Contract and has not obtained such approval or provided such advance notice, such Attachment shall be deemed an "Unauthorized Attachment," and shall be presumed to have been affixed to Company Structures for two years or since completion of the most recent audit if such audit was completed within that two year period. Attachment Customer shall be liable for attachment charges for this time period. In addition to the attachment charges for the period of unauthorized attachment, Attachment Customer shall pay a penalty for each Unauthorized Attachment in the amount of $25.00. The Company, however, may not assess an Attachment Customer the $25.00 penalty for Unauthorized Attachments on the basis of the findings of any system-wide audit the Company commenced prior to May 1, 2019. Attachment Customer shall also submit to Company an application for approval of the Unauthorized Attachment within thirty (30) days of the attachment's discovery. If Attachment Customer fails to submit the required applications or fails to timely remit any necessary payments to Company in connection with the application process (including but not limited to any make-ready fees necessary to accommodate the Unauthorized Attachments), Company may remove any or all such Unauthorized Attachments at Attachment Customer's expense.

20. DEFAULT

a. If Attachment Customer fails to pay any undisputed fee required, perform any material obligations undertaken or satisfy any warranty or representation made under the Contract comply with any of the provisions of this rate schedule or default in any of its obligations under this Schedule, including Section 5 of the Company's Electric Tariff, and shall fail within thirty (30) days after written notice from Company to correct such default or non-compliance, Company may, at its option, terminate the license covering the Structures to which such default or non-compliance is applicable; remove, relocate or rearrange at Attachment Customer's expense the Attachments to which the default or non-compliance relates; or decline to permit additional Attachments until the failure or default is cured. Company shall give written notice to Attachment Customer of said termination. In the event of material or repeated default, Company may terminate the Contract and recover from Attachment Customer all costs and expenses incurred as a result of related to the defaults. No refund of any attachment charge will be due on account of such termination.

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P.S.C. No. 20, Original Sheet No. 40.18

Standard Rate **PSA**
Pole and Structure Attachment Charges

Company's premises, or from or in connection with the construction, installation, operation, maintenance, presence, replacement, enlargement, use or removal of any facility of Attachment Customer attached or in the process or being attached to or removed from any Company Structure by Attachment Customer, its employees, agents, or other representatives. The indemnity set forth in this section shall include indemnity for any claims arising out of the joint negligence of Attachment Customer and Company; provided however, the indemnity set forth in this section, but not Attachment Customer's duty to defend, shall be reduced to the extent it is established by final adjudication or mutual agreement of Attachment Customer and Company that the liability to which such indemnity applies was caused by the negligence or willful misconduct of Company. If Attachment Customer is required under this provision to indemnify Company, Attachment Customer shall have the right to select defense counsel and to direct the defense or settlement of any such claim or suit.

19. UNAUTHORIZED ATTACHMENTS

If Attachment Customer makes any Attachment that requires Company approval or advance notice under this Schedule or the Contract and has not obtained such approval or provided such advance notice, such Attachment shall be deemed an "Unauthorized Attachment," and shall be presumed to have been affixed to Company Structures for two years or since completion of the most recent audit if such audit was completed within that two year period. Attachment Customer shall be liable for attachment charges for this time period. In addition to the attachment charges for the period of unauthorized attachment, Attachment Customer shall pay a penalty for each Unauthorized Attachment in the amount of $25.00. Attachment Customer shall also submit to Company an application for approval of the Unauthorized Attachment within thirty (30) days of the attachment's discovery. If Attachment Customer fails to submit the required applications or fails to timely remit any necessary payments to Company in connection with the application process (including but not limited to any make-ready fees necessary to accommodate the Unauthorized Attachments), Company may remove any or all such Unauthorized Attachments at Attachment Customer's expense.

20. DEFAULT

a. If Attachment Customer fails to (a) pay any undisputed fee required, (b) perform any material obligations undertaken, (c) satisfy any warranty or representation made under the Contract, (d) comply with any of the provisions of this Schedule (including Section 5 of the Company's Electric Tariff), and shall fail within thirty (30) days after written notice from Company to correct such default or non-compliance, then Company may, at its option: (a) terminate the license covering the Structures to which such default or non-compliance is applicable; (b) remove, relocate or rearrange at Attachment Customer's expense the Attachments to which the default or non-compliance relates; or (c) decline to permit additional Attachments until the failure or default is cured. Company shall give written notice to Attachment Customer of said termination. In the event of material or repeated default, Company may terminate the Contract and recover from Attachment Customer all costs and expenses incurred as a result of related to the defaults. No refund of any attachment charge will be due on account of such termination.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40.19

Standard Rate **PSA**

Pole and Structure Attachment Charges

21. TERMINATION

Attachment Customer may terminate a Contract by providing Company written notice of termination at least sixty (60) days prior to the end of the term of service. T T

Upon termination, Attachment Customer shall remove all Attachments from Structures and other Company property within 180 days. Attachment Customer shall bear all costs of such removal and shall exercise precautions to avoid damage to all Persons and to facilities of Company and other parties in so removing Attachments and assumes all responsibility for all damage it causes. If Attachment Customer's Attachments and other property are not removed within 180 days of termination of this Agreement, unless the time is extended by mutual agreement, Company may remove Attachment Customer's Attachments without liability and Attachment Customer shall pay Company the cost of such removal within thirty (30) days of receipt of an invoice. T T

Company may terminate a Contract without liability to Attachment Customer, upon giving sixty (60) days advance written notice to Attachment Customer that it has a reasonable belief that Company's performance under the Contract would be illegal under applicable law or regulation or under any order or ruling issued by the PSC, or any other federal, state or local agency having regulatory jurisdiction over Company and same cannot be cured by Company without unreasonable expense or without materially and substantially altering the terms and conditions of the Contract; or that termination is required to preserve Company's rights under any franchise, right-of-way, permit, easement or other similar right which is material and substantial to Company's business or operations. In the event of such termination, Company and Attachment Customer shall pay and perform obligations that have arisen prior to the effective date of termination, but shall not be obligated to pay and perform obligations, which arise after the effective date of termination. T T T T T T

22. WAIVER

Failure by Company to enforce or insist upon compliance with any of the terms or conditions of this Schedule or the Contract shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect. T

23. INSURANCE

a. Throughout the term of service and so long as Attachment Customer's Attachments are on or in Company Structures, Attachment Customer shall, at its own expense, maintain and carry in full force and effect insurance that meets at least the following requirements (these minimum limits should not be deemed to replace Attachment Customer's full obligation under this Schedule or the Contract): T T T T

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DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 40.19

Standard Rate **PSA**

Pole and Structure Attachment Charges

21. TERMINATION

In addition to the termination rights set out in Section 20 (Default) above, Company may terminate a Contract without liability to Attachment Customer, upon giving sixty (60) days advance written notice to Attachment Customer that it has a reasonable belief that Company's performance under the Contract would be illegal under applicable law or regulation or under any order or ruling issued by the PSC, or any other federal, state or local agency having regulatory jurisdiction over Company and same cannot be cured by Company without unreasonable expense or without materially and substantially altering the terms and conditions of the Contract; or that termination is required to preserve Company's rights under any franchise, right-of-way, permit, easement or other similar right which is material and substantial to Company's business or operations. In the event of such termination, Company and Attachment Customer shall pay and perform obligations that have arisen prior to the effective date of termination, but shall not be obligated to pay and perform obligations, which arise after the effective date of termination. D/T

Upon termination, Attachment Customer shall remove all Attachments from Structures and other Company property within 180 days. Attachment Customer shall bear all costs of such removal and shall exercise precautions to avoid damage to all Persons and to facilities of Company and other parties in so removing Attachments and assumes all responsibility for all damage it causes. If Attachment Customer's Attachments and other property are not removed within 180 days of termination of this Agreement, unless the time is extended by mutual agreement, Company may remove Attachment Customer's Attachments without liability and Attachment Customer shall pay Company the cost of such removal within thirty (30) days of receipt of an invoice. T T T T T T T T T T

22. WAIVER

Failure by Company to enforce or insist upon compliance with any of the terms or conditions of this Schedule or the Contract shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in full force and effect.

23. INSURANCE

a. Throughout the term of service and so long as Attachment Customer's Attachments are on or in Company Structures, Attachment Customer shall, at its own expense, maintain and carry in full force and effect insurance that meets at least the following requirements (these minimum limits should not be deemed to replace Attachment Customer's full obligation under this Schedule or the Contract):

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40.20

Standard Rate **PSA**

Pole and Structure Attachment Charges

(1) Workers' Compensation and Employer's Liability Policy, which shall include: (a) Workers' Compensation (Coverage A); (b) Employer's Liability (Coverage B) with minimum limits of $1,000,000 Bodily Injury by Accident, each Accident, $1,000,000 Bodily Injury by Disease, each Employee; (c) Thirty (30) Day Cancellation Endorsement; and (d) All States Endorsement. T T

(2) Commercial General Liability Policy, which shall have minimum limits of $1,000,000 each occurrence; $1,000,000 Products/Completed Operations Aggregate each occurrence; $1,000,000 Personal and Advertising Injury each occurrence, in all cases subject to $2,000,000 in the General Aggregate for all such claims, and including: (a) Thirty (30) Day Cancellation Endorsement; (b) Blanket Written Contractual Liability to the extent covered by the policy against liability assumed by Company under the Attachment Customer Agreement; (c) Broad Form Property Damage; (d) General Aggregate Limit – Per Project Endorsement (CG2503); (e) Include Additional Insured Endorsement GC 2010 or CG2037, or its equivalent; and (f) Insurance for liability arising out of blasting, collapse, and underground damage (deletion of X, C, U Exclusions). N N N N

(3) Commercial Automobile Liability Insurance covering the use of all owned, non-owned, and hired automobiles, with a bodily injury, including death, and property damage combined single minimum limit of $1,000,000 each occurrence.

(4) Umbrella/Excess Liability Insurance with minimum limits of $5,000,000 per occurrence; $5,000,000 aggregate, to apply to employer's liability, commercial general liability, and commercial automobile liability; including: (a) "Follow Form" provisions; and (b) Note that Total Limits can be met by any combination of primary and umbrella/excess policies. I I T/N N N

(5) Aircraft Public Liability - Required at all times when there will be use of any type of fixed wing, rotor, or any type aircraft to perform any work required under this Schedule or the Contract. Aircraft Public Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a combined single minimum limit for bodily injury and property damage of $5,000,000 including passenger liability coverage. T T T

(6) Drones – Required at all times if any Unmanned Aircraft Systems (UAS) will be used by Contractor or Subcontractor in performing the work required under this Schedule or the Contract, Drone Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a $1,000,000 per occurrence combined single limit for bodily injury, property damage and personal injury. N N N N N N

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 40.20

Standard Rate **PSA**

Pole and Structure Attachment Charges

(1) Workers' Compensation and Employer's Liability Policy, which shall include: (a) Workers' Compensation (Coverage A); (b) Employer's Liability (Coverage B) with minimum limits of $1,000,000 Bodily Injury by Accident, each Accident, $1,000,000 Bodily Injury by Disease, each Employee; (c) Thirty (30) Day Cancellation Endorsement; and (d) All States Endorsement.

(2) Commercial General Liability Policy, which shall have minimum limits of $1,000,000 each occurrence; $1,000,000 Products/Completed Operations Aggregate each occurrence; $1,000,000 Personal and Advertising Injury each occurrence, in all cases subject to $2,000,000 in the General Aggregate for all such claims, and including: (a) Thirty (30) Day Cancellation Endorsement; (b) Blanket Written Contractual Liability to the extent covered by the policy against liability assumed by Company under the Contract; (c) Broad Form Property Damage; (d) General Aggregate Limit – Per Project Endorsement (CG2503); (e) Include Additional Insured Endorsement GC 2010 or CG2037, or its equivalent; and (f) Insurance for liability arising out of blasting, collapse, and underground damage (deletion of X, C, U Exclusions). T

(3) Commercial Automobile Liability Insurance covering the use of all owned, non-owned, and hired automobiles, with a bodily injury, including death, and property damage combined single minimum limit of $1,000,000 each occurrence.

(4) Umbrella/Excess Liability Insurance with minimum limits of $5,000,000 per occurrence; $5,000,000 aggregate, to apply to employer's liability, commercial general liability, and commercial automobile liability; including: (a) "Follow Form" provisions; and (b) Note that Total Limits can be met by any combination of primary and umbrella/excess policies.

(5) Aircraft Public Liability - Required at all times when there will be use of any type of fixed wing, rotor, or any type aircraft to perform any work required under this Schedule or the Contract. Aircraft Public Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a combined single minimum limit for bodily injury and property damage of $5,000,000 including passenger liability coverage.

(6) Drones – Required at all times if any Unmanned Aircraft Systems (UAS) will be used by Contractor or Subcontractor in performing the work required under this Schedule or the Contract, Drone Liability Insurance covering such aircraft whether owned, non-owned, leased, hired or assigned with a $1,000,000 per occurrence combined single limit for bodily injury, property damage and personal injury.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40.21

Standard Rate **PSA**
Pole and Structure Attachment Charges

(7) Professional Liability - To the extent the work required under this Schedule or the Contract includes any professional services that falls within a professional liability exclusion from the policy provided under Section 23a.(2). Coverage required with limits of Five Million Dollars ($5,000,000) per claim and Five Million Dollars ($5,000,000) in the aggregate, which insurance shall be on a claims made basis. Policy to remain in force continuously for three (3) years or an extended discovery period will be exercised for a period of three (3) years beginning from the time the services under this contract are completed.

b. Attachment Customer shall require its Contractors and subcontractors to provide and maintain the same insurance coverage as required of Attachment Customer.

c. Except with regard to workers' compensation and professional liability, each policy required under this Schedule shall name Company and all its Affiliates as an additional insured and shall waive rights of subrogation against Company, all its Affiliates, and Company's insurance carrier(s). All policies shall be primary and non-contributory. Condition applies to Attachment Customer and its Contractors and Subcontractors.

d. All policies shall be written by insurance companies that are either satisfactory to Company or have an A.M. Best Rating of not less than "A-, VII". These policies shall not be materially changed or canceled except with thirty (30) days written notice to Company from Attachment Customer and the insurance carrier. Attention: Manager, Project Manager – Third Party Attachments, LG&E and KU Services Company, P.O. Box 32020, Louisville, Kentucky 40232.

e. Company may request a summary of coverage of any of the required policies or endorsements; but is not obligated to review any of Attachment Customer's certificates of insurance, insurance policies, or endorsements, or to advise Attachment Customer of any deficiencies in such documents. Company's receipt or review of such documents shall not relieve Attachment Customer from or be deemed a waiver of Attachment Customer's obligations to maintain insurance as provided. Attachment Customer shall provide a summary of coverage within (thirty) 30 days of its request by the Company.

f. Attachment Customer shall provide Certificates of Insurance to Company for each policy of insurance required above and evidence the items noted hereafter: (1) Each Certificate shall properly identify the certificate holder as Company; (2) Under no circumstances shall Attachment Customer begin any work (or allow any Subcontractor to begin any work) prior to submitting Certificate(s) (evidencing the required insurance of Contractor or Subcontractor, as applicable) acceptable to Company. Company retains the right to waive this requirement at its sole discretion; (3) Certificate shall evidence (thirty) 30 days prior notice of cancellation; (4) Certificate shall verify additional insured status on all

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 40.21

Standard Rate **PSA**
Pole and Structure Attachment Charges

(7) Professional Liability - To the extent the work required under this Schedule or the Contract includes any professional services that falls within a professional liability exclusion from the policy provided under Section 23a.(2). Coverage required with limits of Five Million Dollars ($5,000,000) per claim and Five Million Dollars ($5,000,000) in the aggregate, which insurance shall be on a claims made basis. Policy to remain in force continuously for three (3) years or an extended discovery period will be exercised for a period of three (3) years beginning from the time the services under this contract are completed.

b. Attachment Customer shall require its Contractors and subcontractors to provide and maintain the same insurance coverage as required of Attachment Customer.

c. Except with regard to workers' compensation and professional liability, each policy required under this Schedule shall name Company and all its Affiliates as an additional insured and shall waive rights of subrogation against Company, all its Affiliates, and Company's insurance carrier(s). All policies shall be primary and non-contributory. Condition applies to Attachment Customer and its Contractors and Subcontractors.

d. All policies shall be written by insurance companies that are either satisfactory to Company or have an A.M. Best Rating of not less than "A-, VII". These policies shall not be materially changed or canceled except with thirty (30) days written notice to Company from Attachment Customer and the insurance carrier. Attention: Manager, Project Manager – Third Party Attachments, LG&E and KU Services Company, P.O. Box 32020, Louisville, Kentucky 40232.

e. Company may request a summary of coverage of any of the required policies or endorsements; but is not obligated to review any of Attachment Customer's certificates of insurance, insurance policies, or endorsements, or to advise Attachment Customer of any deficiencies in such documents. Company's receipt or review of such documents shall not relieve Attachment Customer from or be deemed a waiver of Attachment Customer's obligations to maintain insurance as provided. Attachment Customer shall provide a summary of coverage within (thirty) 30 days of its request by the Company.

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P.S.C. No. 19, Original Sheet No. 40.22

Standard Rate **PSA**
Pole and Structure Attachment Charges

coverage including the endorsements required by Section 23a.(2); (5) Certificate shall verify Blanket Waiver of subrogation - All policies of insurance shall include waivers of subrogation, under subrogation or otherwise, against Company. Except where not applicable by law; (6) Certificate shall verify Primary/Non-contributory wording in favor of Company; and (7) Certificate shall identify policies which are written on a Claims Made coverage form and state the retro date.

g. Attachment Customer shall notify Company, prior to the commencement of any work pursuant to this rate Schedule or the Contract , of any threatened, pending and/or paid off claims to third parties, individually or in the aggregate, which otherwise affects the availability of the limits of such coverage(s) inuring to Company's benefit.

h. Attachment Customer shall provide notice of any accidents, occurences, or claims involving Attachment Customer's Attachment or Attachment Customer's work under this Schedule and the Contract to the LKS Manager, Risk Management at LG&E and KU Services Company, P.O. Box 32030, Louisville, Kentucky 40232.

i. Each policy of insurance required to be maintained by Attachment Customer under this Section 23 (except the Workers' Compensation and Employer's Liability Policy) shall cover all losses and claims of Attachment Customer regardless of whether they arise directly to Attachment Customer or indirectly through Subcontractors (e.g., Attachment Customer's CGL policy must cover Attachment Customer and additional insureds against negligent acts of a Subcontractor, etc.). Section 23 only represents minimum insurance requirements; it does not mitigate or reduce liability required by the indemnity provisions in this Schedule or the Contract. Nor should it be deemed to be the full responsibility of the contractor or subcontractor for liability. Attachment Customer is responsible for their subcontractor's insurance meeting the requirements of Section 23 of this Schedule.

j. Attachment Customer may elect not to comply with sections (a) through (i) of this Section 23 if it provides proof of equivalent levels of self-insurance and:

1. Attachment Customer has been in business at least three (3) years and has a corporate credit rating or a senior unsecured rating of at least Baa2 (Moody's) or BBB (Standard & Poor's); or

2. Attachment Customer has been in business at least three (3) years, and provides its most recent audited financial statements to Company which demonstrates that Attachment Customer meets standards that are at least equivalent to the standards underlying the credit ratings of Baa2 (Moody's) or BBB (Standard and Poor's); or,

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Standard Rate **PSA**
Pole and Structure Attachment Charges

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g. Attachment Customer shall notify Company, prior to the commencement of any work pursuant to this rate Schedule or the Contract , of any threatened, pending and/or paid off claims to third parties, individually or in the aggregate, which otherwise affects the availability of the limits of such coverage(s) inuring to Company's benefit.

h. Attachment Customer shall provide notice of any accidents, occurences, or claims involving Attachment Customer's Attachment or Attachment Customer's work under this Schedule and the Contract to the LKS Manager, Risk Management at LG&E and KU Services Company, P.O. Box 32030, Louisville, Kentucky 40232.

i. Each policy of insurance required to be maintained by Attachment Customer under this Section 23 (except the Workers' Compensation and Employer's Liability Policy) shall cover all losses and claims of Attachment Customer regardless of whether they arise directly to Attachment Customer or indirectly through Subcontractors (e.g., Attachment Customer's CGL policy must cover Attachment Customer and additional insureds against negligent acts of a Subcontractor, etc.). Section 23 only represents minimum insurance requirements; it does not mitigate or reduce liability required by the indemnity provisions in this Schedule or the Contract. Nor should it be deemed to be the full responsibility of the contractor or subcontractor for liability. Attachment Customer is responsible for their subcontractor's insurance meeting the requirements of Section 23 of this Schedule.

j. Attachment Customer may elect not to comply with sections (a) through (i) of this Section 23 if it provides proof of equivalent levels of self-insurance and:

1. Attachment Customer has been in business at least three (3) years and has a corporate credit rating or a senior unsecured rating of at least Baa2 (Moody's) or BBB (Standard & Poor's); or

2. Attachment Customer has been in business at least three (3) years, and provides its most recent audited financial statements to Company which demonstrates that Attachment Customer meets standards that are at least equivalent to the standards underlying the credit ratings of Baa2 (Moody's) or BBB (Standard and Poor's); or,

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Standard Rate **PSA**
Pole and Structure Attachment Charges

3. A corporate entity affiliated with Attachment Customer ("Guarantor") meets the criteria set out in (1) or (2) above, and Guarantor provides a written guarantee (in a form acceptable to Company, that the corporate affiliate will guarantee all financial obligations associated with Attachment Customer's use of Company's Structures.)

24. PERFORMANCE ASSURANCE

a. Attachment Customer shall furnish Performance Assurance in the following amounts to guarantee the payment of any sums which may become due for attachment charges, inspections, or work performed by the Company under this Schedule or the Contract, including the removal of attachments upon termination of the Contract by any of its provisions:

Number of Attachments	Amount per Attachment	Maximum Total
1-5,000	$20/Attachment	$100,000
5,001-10,000	$10/Attachment	$150,000
10,001+	$5/Attachment	$1,000,000

The above-stated amounts are incremental. By way of example, 7,500 Attachments would require Performance Assurance in the amount of $125,000 ($20 per Attachment for the first 5000 Attachments; $10 per Attachment for the next 2,500 Attachments); 15,000 Attachments would require Performance Assurance in the amount of $175,000 ($20 per Attachment for the first 5000 Attachments; $10 per Attachment the next 5,000 Attachments; and $5 per Attachment for the last 5,000 Attachments).

The amount of the Performance Assurance shall be calculated by the Company annually based on the Attachment Customer's then-existing number of Attachments. Attachment Customer shall provide the Performance Assurance within 30 days of its request by the Company.

If Attachment Customer proposes to attach a Wireless Facility or Facilities to a Structure, Attachment Customer shall post Performance Assurance in the amount of $1,500 for each pole to which a wireless attachment is attached. The amount of the Performance Assurance shall not be reduced upon completion of installation or other event.

In the event the Customer provides Performance Assurance in the form of a surety bond or Letter of Credit, each bond or Letter of Credit shall contain the provision that it shall not be terminated prior to six (6) months after Company's receipt of written notice of the desire of the bonding or insurance company, or bank, to terminate such bond or Letter of Credit. Company may waive this requirement if an acceptable replacement is received before the six (6) months has ended. Upon termination of such surety bond or Letter of

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24. PERFORMANCE ASSURANCE

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Number of Attachments	Amount per Attachment	Maximum Total
1-5,000	$20/Attachment	$100,000
5,001-10,000	$10/Attachment	$150,000
10,001+	$5/Attachment	$1,000,000

The above-stated amounts are incremental. By way of example, 7,500 Attachments would require Performance Assurance in the amount of $125,000 ($20 per Attachment for the first 5000 Attachments; $10 per Attachment for the next 2,500 Attachments); 15,000 Attachments would require Performance Assurance in the amount of $175,000 ($20 per Attachment for the first 5000 Attachments; $10 per Attachment the next 5,000 Attachments; and $5 per Attachment for the last 5,000 Attachments).

The amount of the Performance Assurance shall be calculated by the Company annually based on the Attachment Customer's then-existing number of Attachments. Attachment Customer shall provide the Performance Assurance within 30 days of its request by the Company.

If Attachment Customer proposes to attach a Wireless Facility or Facilities to a Structure, Attachment Customer shall post Performance Assurance in the amount of $1,500 for each pole to which a wireless attachment is attached. The amount of the Performance Assurance shall not be reduced upon completion of installation or other event.

In the event the Customer provides Performance Assurance in the form of a surety bond or Letter of Credit, each bond or Letter of Credit shall contain the provision that it shall not be terminated prior to six (6) months after Company's receipt of written notice of the desire of the bonding or insurance company, or bank, to terminate such bond or Letter of Credit. Company may waive this requirement if an acceptable replacement is received before the six (6) months has ended. Upon termination of such surety bond or Letter of

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P.S.C. No. 19, Original Sheet No. 40.24

Standard Rate **PSA**
Pole and Structure Attachment Charges

Credit, , Company shall request Attachment Customer to immediately remove its Cables, Wireless Facilities, Attachments and all other facilities from Company Structures. If Attachment Customer should fail to complete the removal of all of its facilities from Company's Structures within (thirty) 30 days after receipt of such request, then Company may remove Attachment Customer's facilities at Attachment Customer's expense and without liability for any damage to Attachment Customer's facilities.

Each surety bond shall be issued by an entity having a minimum A.M. Best rating of A- and/or Letter of Credit shall be issued by an entity having a minimum Credit Rating of A- by S& P or A3 by Moody's at the time of issuance and at all times the relevant instrument is outstanding.

b. Attachment Customer may elect not to provide Performance Assurance if:

1. Attachment Customer has been in business at least one (1) year and has a corporate credit rating or a senior unsecured rating of at least Baa2 (Moody's) or BBB (S&P's); or

2. Attachment Customer has been in business at least one (1) year, and provides its most recent audited financial statements to Company which demonstrates that Attachment Customer meets standards that are at least equivalent to the standards underlying the credit ratings of Baa2 (Moody's) or BBB (S&P's); or,

3. A corporate affiliate of Attachment Customer ("Guarantor") meets the criteria set out in (1) or (2) above, and Guarantor provides a written guarantee (in a form acceptable to Company, that the corporate affiliate will guarantee all financial obligations associated with Attachment Customer's use of Company's Structures).

Annually, upon the Company's request, an Attachment Customer electing not to provide Performance Assurance under one of the options in c. above shall provide Company with such information as Company requires to determine whether Attachment Customer remains eligible to make such election.

25. CERTIFICATION OF NOTICE REQUIREMENTS

Attachment Customer's highest ranking officer located in Kentucky shall certify under oath on or before January 31 of each year that the Attachment Customer has complied with all notification requirements of this Schedule. The certification shall be in the form prescribed by Company from time to time, and Company shall provide the current version of such form on or after January 1 of each year. If Attachment Customer does not have an officer located in Kentucky, then the certification shall be provided by the officer with responsibility for Attachment Customer's operations in Kentucky.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 40.24

Standard Rate **PSA**
Pole and Structure Attachment Charges

Credit, , Company shall request Attachment Customer to immediately remove its Cables, Wireless Facilities, Attachments and all other facilities from Company Structures. If Attachment Customer should fail to complete the removal of all of its facilities from Company's Structures within thirty (30) days after receipt of such request, then Company may remove Attachment Customer's facilities at Attachment Customer's expense and without liability for any damage to Attachment Customer's facilities.

Each surety bond shall be issued by an entity having a minimum A.M. Best rating of A- and/or Letter of Credit shall be issued by an entity having a minimum Credit Rating of A- by S& P or A3 by Moody's at the time of issuance and at all times the relevant instrument is outstanding.

b. Attachment Customer may elect not to provide Performance Assurance if:

1. Attachment Customer has been in business at least one (1) year and has a corporate credit rating or a senior unsecured rating of at least Baa2 (Moody's) or BBB (S&P's); or

2. Attachment Customer has been in business at least one (1) year, and provides its most recent audited financial statements to Company which demonstrates that Attachment Customer meets standards that are at least equivalent to the standards underlying the credit ratings of Baa2 (Moody's) or BBB (S&P's); or,

3. A corporate affiliate of Attachment Customer ("Guarantor") meets the criteria set out in (1) or (2) above, and Guarantor provides a written guarantee (in a form acceptable to Company) that the corporate affiliate will guarantee all financial obligations associated with Attachment Customer's use of Company's Structures.

Annually, upon the Company's request, an Attachment Customer electing not to provide Performance Assurance under one of the options in b. above shall provide Company with such information as Company requires to determine whether Attachment Customer remains eligible to make such election.

25. CERTIFICATION OF NOTICE REQUIREMENTS

Attachment Customer's highest ranking officer located in Kentucky shall certify under oath on or before January 31 of each year that the Attachment Customer has complied with all notification requirements of this Schedule. The certification shall be in the form prescribed by Company from time to time, and Company shall provide the current version of such form on or after January 1 of each year. If Attachment Customer does not have an officer located in Kentucky, then the certification shall be provided by the officer with responsibility for Attachment Customer's operations in Kentucky.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40.25

Standard Rate PSA

Pole and Structure Attachment Charges

26. NOTICES

Any notice, or request, required by this Schedule or the Attachment Customer Agreement shall be deemed properly given if sent overnight by nationally recognized overnight courier, sent by certified U.S. mail, return receipt requested, postage prepaid, or sent by telecopier with confirmed receipt, to Company's and Attachment Customer's designated representative. The designation of the representative to be notified, his address and/or telecopier number may be changed at any time by similar notice.

27. LIENS

To the extent permitted by law, in the event any construction lien or other encumbrance shall be placed on the Attachments as a result of the actions or omissions of Attachment Customer or its Contractor, Attachment Customer shall promptly, in accordance with applicable laws, discharge such lien or encumbrance without cost or expense to Company. Attachment Customer shall indemnify Company for any and all actual damages that may be suffered or incurred by Company in discharging or releasing said lien or encumbrance.

28. FORCE MAJEURE

In the event Attachment Customer or Company is delayed in or prevented from performing any of its respective obligations under an Attachment Customer Agreement or this Schedule due to acts of God, war, riots, civil insurrection, acts of the public enemy, strikes, lockouts, acts of civil or military authority, government shutdown, fires, floods, earthquakes, storms and other major disruptive events, fiber, cable or other material failures, shortages or unavailability, delay in delivery not resulting from its failure to timely place orders therefor, lack or delay in transportation, or due to any other causes beyond its reasonable control, then such delay or nonperformance shall be excused.

29. LIMITATION OF LIABILITY

IN NO EVENT SHALL COMPANY OR ANY OF ITS REPRESENTATIVES BE LIABLE UNDER A CONTRACT OR THIS SCHEDULE TO ATTACHMENT CUSTOMER FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, OR IN CONNECTION WITH A CONTRACT OR THIS SCHEDULE, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. THE LIMITATIONS SET FORTH IN THIS SECTION 29 SHALL NOT APPLY TO DAMAGES OR LIABILITY ARISING FROM THE GROSSLY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF COMPANY IN PERFORMING ITS OBLIGATIONS UNDER AN ATTACHMENT CUSTOMER AGREEMENT OR THIS SCHEDULE.

DATE OF ISSUE: May 14, 2019

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 40.25

Standard Rate PSA

Pole and Structure Attachment Charges

26. NOTICES

Any notice or request required by this Schedule or the Contract shall be deemed properly given if sent overnight by nationally recognized overnight courier, sent by certified U.S. mail, return receipt requested, postage prepaid, or sent by telecopier with confirmed receipt to Company's and Attachment Customer's designated representative. The designation of the representative to be notified, his address and/or telecopier number may be changed at any time by similar notice.

27. LIENS

To the extent permitted by law, in the event any construction lien or other encumbrance shall be placed on the Attachments as a result of the actions or omissions of Attachment Customer or its Contractor, Attachment Customer shall promptly, in accordance with applicable laws, discharge such lien or encumbrance without cost or expense to Company. Attachment Customer shall indemnify Company for any and all actual damages that may be suffered or incurred by Company in discharging or releasing said lien or encumbrance.

28. FORCE MAJEURE

In the event Attachment Customer or Company is delayed in or prevented from performing any of its respective obligations under an Contract or this Schedule due to acts of God, war, riots, civil insurrection, acts of the public enemy, strikes, lockouts, acts of civil or military authority, government shutdown, fires, floods, earthquakes, storms and other major disruptive events, fiber, cable or other material failures, shortages or unavailability, delay in delivery not resulting from its failure to timely place orders therefor, lack or delay in transportation, or due to any other causes beyond its reasonable control, then such delay or nonperformance shall be excused.

29. LIMITATION OF LIABILITY

IN NO EVENT SHALL COMPANY OR ANY OF ITS REPRESENTATIVES BE LIABLE UNDER A CONTRACT OR THIS SCHEDULE TO ATTACHMENT CUSTOMER FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, OR IN CONNECTION WITH A CONTRACT OR THIS SCHEDULE, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED. THE LIMITATIONS SET FORTH IN THIS SECTION 29 SHALL NOT APPLY TO DAMAGES OR LIABILITY ARISING FROM THE GROSSLY NEGLIGENT ACTS OR OMISSIONS OR WILLFUL MISCONDUCT OF COMPANY IN PERFORMING ITS OBLIGATIONS UNDER A CONTRACT OR THIS SCHEDULE.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 41

Standard Rate **EVSE**
Electric Vehicle Supply Equipment

APPLICABLE
In all territory served.

AVAILABILITY T
Available to Customers to be served or currently being served under Rates GS (with energy usage of 500 kWh or higher per month), AES, PS, TODS, TODP, RTS, and FLS, for the purpose of charging electric vehicles. T T

Charging station is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas.

A basic underground service includes the charging station, existing transformer (or secondary pedestal) and 208/240 volt single-phase service, and necessary conductor and equipment typical of an underground service drop. Said service drop can originate from underground or overhead equipment. Company will furnish, own, install, and maintain the charging unit and cable. Customer will furnish, own and install all duct systems and associated equipment.

Where the location of existing facilities is not suitable, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

Company will coordinate charging station installation with Company's current charging station supplier and Customer. Customer shall be responsible for the charging equipment installation costs. T T

Service will be provided under written contract, signed by Customer prior to service commencing.

RATE	Single Charger	Dual Charger	
Monthly Charging Unit Fee:	$132.09	$193.62	R/R

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 41

Standard Rate **EVSE**
Electric Vehicle Supply Equipment

APPLICABLE
In all territory served.

AVAILABILITY
Available to Customers to be served or currently being served under Rates GS (with energy usage of 500 kWh or higher per month), GTOD-Energy, GTOD-Demand, AES, PS, TODS, TODP, RTS, and FLS, for the purpose of charging electric vehicles. T

Charging station is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas.

A basic underground service includes the charging station, existing transformer (or secondary pedestal) and 208/240 volt single-phase service, and necessary conductor and equipment typical of an underground service drop. Said service drop can originate from underground or overhead equipment. Company will furnish, own, and maintain the charging unit and cable. The Customer will own and maintain duct systems and associated equipment needed to serve the charger. T T

Where the location of existing facilities is not suitable, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

Company may coordinate charging station installation with Company's current charging station suppliers and Customer. Customer shall be responsible for the charging equipment installation costs. T

Service will be provided under written contract, signed by Customer prior to service commencing.

RATE	Single Charger	Dual Charger	
Monthly Charging Unit Fee:			T
Networked Charger:	$132.09	$193.62	T
Non-Networked Charger:	$82.86		N

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 41.1

Standard Rate **EVSE**
Electric Vehicle Supply Equipment

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	D
School Tax	Sheet No. 91	

ENERGY CONSUMPTION

Determination of energy applies to the non-metered charging station. The applicable fuel clause charge or credit will be based on an annual 5,852 kilowatt-hours.

PAYMENT

The EVSE charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

TERM OF CONTRACT

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice. Cancellation by Customer prior to the expiration of the initial term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the initial term of the contract.

TERMS AND CONDITIONS

1. Service shall be furnished under Company's Terms and Conditions in this Tariff Book, except as set out herein. T
2. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for installation.
3. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and Customer. Where attachment of Customer's devices and/or equipment is made to Company facilities, Customer must have an attachment agreement with Company. T
4. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 41.1

Standard Rate **EVSE**
Electric Vehicle Supply Equipment

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

ENERGY CONSUMPTION

Determination of energy applies to the non-metered charging station. The applicable fuel clause charge or credit will be based on an annual 5,004 kilowatt-hours. T

PAYMENT

The EVSE charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

TERM OF CONTRACT

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice. Cancellation by Customer prior to the expiration of the initial term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the initial term of the contract.

TERMS AND CONDITIONS

1. Service shall be furnished under Company's Terms and Conditions in this Tariff Book, except as set out herein.
2. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for installation.
3. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and Customer. Where attachment of Customer's devices and/or equipment is made to Company facilities, Customer must have an attachment agreement with Company.
4. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 41.2

Standard Rate **EVSE**
Electric Vehicle Supply Equipment

TERMS AND CONDITIONS (continued)

5. Customer shall be responsible for the cost of charging station replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal wear and tear. Company may decline to provide or to continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

6. If Customer requests the removal of an existing charging station, including, but not limited to, poles, or other supporting facilities that were in service less than twenty (20) years, and requests installation of replacement facilities within five (5) years of removal, Customer agrees to pay to Company its cost of labor to install the replacement facilities.

7. Temporary suspension of charging station is not permitted. Upon permanent discontinuance of service, charging station and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

8. Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

9. Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for service shall furnish Company with realistic estimates of prospective electricity requirements.

10. Customer shall agree to permit Company to obtain specific charging station usage data directly from the Charging Station Supplier.

MINIMUM CHARGE

The Monthly Charging Unit Fee shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00370 dated June 22, 2017 and modified June 29, 2017

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 41.2

Standard Rate **EVSE**
Electric Vehicle Supply Equipment

TERMS AND CONDITIONS (continued)

5. Customer shall be responsible for the cost of charging station replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal wear and tear. Company may decline to provide or to continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

6. If Customer requests the removal of an existing charging station, including, but not limited to, poles, or other supporting facilities that were in service less than twenty (20) years, and requests installation of replacement facilities within five (5) years of removal, Customer agrees to pay to Company its cost of labor to install the replacement facilities.

7. Temporary suspension of charging station is not permitted. Upon permanent discontinuance of service, charging station and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

8. Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

9. Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for service shall furnish Company with realistic estimates of prospective electricity requirements.

10. Customer shall agree to permit Company to obtain specific charging station usage data directly from the Charging Station Supplier.

MINIMUM CHARGE

The Monthly Charging Unit Fee shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00370 dated June 22, 2017 and modified June 29, 2017

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 42

Standard Rate **EVC**
Electric Vehicle Charging

APPLICABLE
In all territory served.

AVAILABILITY T
Available to operators of licensed electric vehicles (EV). EV Customer is defined as the party who owns/operates a licensed electric vehicle, connects that vehicle for the purpose of receiving vehicle charging service to a Company-owned charging station providing service under this schedule, and willingly accepts Company's fee structure for the vehicle charging service. EVC is T
offered under the conditions set out hereinafter for the purpose of charging EVs via street parking, parking lots, and other outdoor areas. EV Customers' charging systems must meet applicable charging standards. Service under this rate schedule is limited to a maximum of ten stations. N
Company will accept Customers on a first-come-first-served basis N

Company assumes no liability or responsibility for any potential automotive-related incidents that occur at specific charging locations. EV Customer accepts all restrictions related to the temporary parking space.

RATE
Fee for First Two (2) Hours: $0.75 per Hour T/R

Fee for Every Hour After First Two (2) Hours: $1.00 per Hour N/R

Charging Unit Fee includes an Energy Charge, adjustment clauses, and applicable franchise fee and tax. T T

Charging sessions of less than a full hour will be prorated.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above includes the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87

The bill amount specified above will be increased or decreased in accordance with the following: D

Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 42

Standard Rate **EVC-L2** T
Electric Vehicle Charging Service - Level 2 T

APPLICABLE
In all territory served.

AVAILABILITY
Available to operators of licensed electric vehicles (EV). EV Customer is defined as the party who owns/operates a licensed electric vehicle, connects that vehicle for the purpose of receiving vehicle charging service to a Company-owned charging station providing service under this schedule, and willingly accepts Company's fee structure for the vehicle charging service. EVC-L2 T
is offered under the conditions set out hereinafter for the purpose of charging EVs via street parking, parking lots, and other outdoor areas for stations rated at AC Level 2 speeds. EV T
Customers' charging systems must meet applicable charging standards. Service under this rate schedule is limited to a maximum of ten stations. Company will accept Customers on a first-come-first-served basis.

Company assumes no liability or responsibility for any potential automotive-related incidents that occur at Company-owned public charging locations. EV Customer accepts all restrictions related to the temporary parking space. T

RATE
Fee for First Two (2) Hours $0.75 per Hour

Fee for Every Hour After First Two (2) Hours $1.00 per Hour

Charging Unit Fee includes an Energy Charge, adjustment clauses, and applicable franchise fee and tax.

Charging sessions of less than a full hour will be prorated.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above includes the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89 N
Environmental Cost Recovery Surcharge	Sheet No. 87

The bill amount specified above will be increased or decreased in accordance with the following:

Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 42.1

Standard Rate **EVC**
Electric Vehicle Charging

TERMS AND CONDITIONS

1. Service shall be furnished under the following Terms and Conditions and excludes Company's Terms and Conditions set out in this Tariff Book. T

2. EV Customer is required to pay by means of credit card or Charging Station Supplier account.
   a. Credit Card must be chip enabled (if card is not chip enabled, Customer must call the Charging Station Supplier at toll-free number provided at station), or
   b. EV Customer is required to open a Charging Station Supplier account and accepts all terms and conditions of Charging Station Supplier.

3. Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay, or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

4. Company is merely a supplier of electricity delivered to the point of connection of Company's and charging station facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of EV Customer or of third persons resulting from the presence, use or abuse of electricity or resulting from defects in or accidents to any of EV Customer's wiring, equipment, or vehicle, or resulting from any cause whatsoever other than the negligence of Company.

5. In no event shall Company have any liability to EV Customer, the owner of a vehicle receiving charging service, or any other party affected by the electrical service to EV Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to EV Customer, the owner of a vehicle receiving charging service, or any other party. In the event that EV Customer's use of Company's service causes damage to Company's property or injuries to persons, EV Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

6. By connecting a vehicle to the Charging Station, the EV Customer represents that the EV Customer is authorized to operate that vehicle and to connect it to the Charging Station for the purpose of receiving vehicle charging service.

7. All service and maintenance will be performed only during regular scheduled working hours of Company.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 42.1

Standard Rate **EVC-L2**
Electric Vehicle Charging Service - Level 2 T T

TERMS AND CONDITIONS

1. Service shall be furnished under the following Terms and Conditions and excludes Company's Terms and Conditions set out in this Tariff Book.

2. EV Customer is required to pay by means of credit card or Charging Station Supplier account.
   a. Credit Card must be chip enabled (if card is not chip enabled, Customer must call the Charging Station Supplier at toll-free number provided at station), or
   b. EV Customer is required to open a Charging Station Supplier account and accepts all terms and conditions of Charging Station Supplier.

3. Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay, or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

4. Company is merely a supplier of electricity delivered to the point of connection of Company's and charging station facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of EV Customer or of third persons resulting from the presence, use or abuse of electricity or resulting from defects in or accidents to any of EV Customer's wiring, equipment, or vehicle, or resulting from any cause whatsoever other than the negligence of Company.

5. In no event shall Company have any liability to EV Customer, the owner of a vehicle receiving charging service, or any other party affected by the electrical service to EV Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to EV Customer, the owner of a vehicle receiving charging service, or any other party. In the event that EV Customer's use of Company's service causes damage to Company's property or injuries to persons, EV Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

6. By connecting a vehicle to the Charging Station, the EV Customer represents that the EV Customer is authorized to operate that vehicle and to connect it to the Charging Station for the purpose of receiving vehicle charging service.

7. All service and maintenance will be performed only during regular scheduled working hours of Company.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

KU Electric Vehicle Fast Charging Service (EVC-FAST) is a new tariff

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 43

Standard Rate **EVC-FAST**

Electric Vehicle Fast Charging Service

N

APPLICABLE

In all territory served.

AVAILABILITY

Available to operators of licensed electric vehicles (EV). EV Customer is defined as the party who owns/operates a licensed electric vehicle, connects that vehicle for the purpose of receiving vehicle charging service to a Company-owned charging station providing service under this schedule, and willingly accepts Company's fee structure for the vehicle charging service. EVC-FAST is offered under the conditions set out hereinafter for the purpose of charging EVs via street parking, parking lots, and other outdoor areas using chargers with an output of 50 kW or greater. EV Customers' charging systems must meet applicable charging standards. Company will accept EV Customers on a first-come-first-served basis.

Company assumes no liability or responsibility for any potential automotive-related incidents that occur at Company-owned public charging locations. EV Customer accepts all restrictions related to the temporary parking space.

RATE

Fee for use	$0.25 per kWh

Charging Unit Fee includes an Energy Charge, adjustment clauses, and applicable franchise fee and tax.

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above includes the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87

The bill amount specified above will be increased or decreased in accordance with the following:

Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

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KU Electric Vehicle Fast Charging Service (EVC-FAST) is a new tariff

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 43.1

Standard Rate **EVC-FAST** N
Electric Vehicle Fast Charging Service

TERMS AND CONDITIONS

1. Service shall be furnished under the following Terms and Conditions and excludes Company's Terms and Conditions set out in this Tariff Book.

2. EV Customer is required to pay by means of credit card or Charging Station Supplier account.
   a. Credit Card must be chip enabled (if card is not chip enabled, Customer must call the Charging Station Supplier at toll-free number provided at station), or
   b. EV Customer is required to open a Charging Station Supplier account and accepts all terms and conditions of Charging Station Supplier.

3. Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay, or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

4. Company is merely a supplier of electricity delivered to the point of connection of Company's and charging station facilities and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of EV Customer or of third persons resulting from the presence, use or abuse of electricity or resulting from defects in or accidents to any of EV Customer's wiring, equipment, or vehicle, or resulting from any cause whatsoever other than the negligence of Company.

5. In no event shall Company have any liability to EV Customer, the owner of a vehicle receiving charging service, or any other party affected by the electrical service to EV Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to EV Customer, the owner of a vehicle receiving charging service, or any other party. In the event that EV Customer's use of Company's service causes damage to Company's property or injuries to persons, EV Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

6. By connecting a vehicle to the Charging Station, the EV Customer represents that the EV Customer is authorized to operate that vehicle and to connect it to the Charging Station for the purpose of receiving vehicle charging service.

7. All service and maintenance will be performed only during regular scheduled working hours of Company.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 45

Standard Rate

Special Charges

The following charges will be applied uniformly throughout Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to cover associated expenses.

RETURNED PAYMENT CHARGE

In those instances where a Customer renders payment to Company which is not honored upon deposit by Company, the Customer will be charged $3.00 to cover the additional processing costs. R

METER TEST CHARGE

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter is within the limits allowed by 807 KAR 5:041, Section 17(1), the Customer will be charged $75.00 to cover the test and transportation costs.

DISCONNECT/RECONNECT SERVICE CHARGE

A charge of $28.00 will be made to cover disconnection and reconnection of electric service when discontinued for non-payment of bills or for violation of Company's Terms and Conditions, such charge to be made before reconnection occurs. No charge will be made for Customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection. T

Residential and general service Customers may request and be granted temporary suspension of electric service. In the event of such temporary suspension, Company will make a charge of $28.00 to cover disconnection and reconnection of electric service, such charge to be made before reconnection occurs. T

METER PULSE CHARGE

Where a Customer desires and Company is willing to provide data meter pulses, a charge of $24.00 per month per installed set of pulse-generating equipment will be made to those data pulses. Time pulses will not be supplied. I

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 45

Standard Rate

Special Charges

The following charges will be applied uniformly throughout Company's service territory. Each charge, as approved by the Public Service Commission, reflects only that revenue required to cover associated expenses.

RETURNED PAYMENT CHARGE

In those instances where a Customer renders payment to Company which is not honored upon deposit by Company, the Customer will be charged $3.50 to cover the additional processing costs. I

METER TEST CHARGE

Where the test of a meter is performed during normal working hours upon the written request of a Customer, pursuant to 807 KAR 5:006, Section 19, and the results show the meter is within the limits allowed by 807 KAR 5:041, Section 17(1), the Customer will be charged $79.00 to cover the test and transportation costs. I

DISCONNECT/RECONNECT SERVICE CHARGE

A charge of $37.00 will be made to cover disconnection and reconnection of electric service when the Customer has no "remote disconnection and reconnection" capability as defined below and is discontinued for non-payment of bills or for violation of Company's Terms and Conditions, such charge to be made before reconnection occurs. "Remote disconnection and reconnection" is defined as Customer having an advanced meter with a remote service switch as well as Company having implemented the requisite systems functionality to enable such activity. Customers who have meters capable of "remote disconnection and reconnection" will not be charged a disconnect/reconnect service charge. No charge will be made for Customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection. I N N N N N

Residential and general service Customers may request and be granted temporary suspension of electric service. In the event of such temporary suspension, Company will make a charge of $37.00 to cover disconnection and reconnection of electric service, such charge to be made before reconnection occurs. Customers who have meters capable of "remote disconnection and reconnection" will not be charged a disconnect/reconnect service charge. I N N

METER PULSE CHARGE

Where a Customer desires and Company is willing to provide data meter pulses, a charge of $21.00 per month per installed set of pulse-generating equipment will be made to those data pulses. Time pulses will not be supplied. R

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 45.1

Standard Rate

Special Charges

UNAUTHORIZED RECONNECT CHARGE T

When Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service:

1. A charge of $70.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter;

2. A charge of $90.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase standard meter;

3. A charge of $110.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Automatic Meter Reading (AMR) meter;

4. A charge of $174.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Advanced Metering System (AMS) meter; or T

5. A charge of $177.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a three-phase meter.

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 45.1

Standard Rate

Special Charges

METER PULSE CHARGE (continued) N

Service to provide data meter pulses will be furnished only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. N N N

In no event shall Company's meter pulse data have any liability to Customer or any other party affected by the electrical service to Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to Customer or any other party. In the event that Customer's use of Company's service causes damage to Company's property or injuries to persons, Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith. N N N N N N N N N N N

UNAUTHORIZED CONNECTION CHARGE T

When Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service:

1. A charge of $45.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter; R

2. A charge of $66.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase standard meter; R

3. A charge of $87.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Automatic Meter Reading (AMR) meter; R

4. A charge of $149.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Advanced Metering Infrastructure (AMI) meter; or R T

5. A charge of $154.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a three-phase meter. R

Company may, in its sole discretion, require Customer to take service using a non-AMI meter and pay AMI Opt Out Charges (see Sheet No. 45.2) if Customer engages in particularly dangerous or repeated instances of tampering with an AMI meter. If there are no additional instances of tampering after twelve (12) months of having an AMI meter removed, Customer may request to have an AMI meter reinstalled and end AMI Opt Out Charges. N N N N N N N N N N N

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KU Special Charges is now contained on three pages instead of two

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 45.2

Standard Rate

Special Charges

N

AMI OPT OUT CHARGES

Customer may opt out of having an AMI meter by contacting Company to request a non-AMI meter. If Company has a non-AMI meter available, Company will honor Customer's opt-out request and assess the following charges:

1. A one-time opt-out set-up fee of $39.00 per service delivery point. During Company's AMI project deployment phase, if Customer requests a non-AMI meter prior to an AMI meter being installed at Customer's premise, Company will not charge the one-time set-up fee.
2. A monthly opt-out charge of $15.00 per service delivery point.

If Customer chooses to opt out any meter on a single premise, Customer must opt out all Company meters on that premise. Company has sole discretion to determine the alternative metering to be used for opted-out meters.

TERMS AND CONDITIONS

Company has the right to refuse an opt-out request if:

(a) Customer has a history of meter tampering or unauthorized use of electricity at the current or any prior location;

(b) The service creates a safety hazard to consumers or their premises, the public, or the electric utility's personnel or facilities; or

(c) Customer prevents the electric utility's employees or agents access to the meter at the customer's premises for maintenance, connection/disconnection, or meter-reading.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 50

Standard Rate Rider **CSR-1**
Curtailable Service Rider-1

APPLICABLE
In all territory served.

AVAILABILITY T
Availability limited to Customers served under applicable rate schedules who contract for not less than 1,000 kVA individually, and executed a contract under this rider prior to July 1, 2017. Company will not enter into contracts for additional curtailable demand, even with Customers already participating in this rider, on or after July 1, 2017. T

CONTRACT OPTION
Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed 375 hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. A curtailment is a continuous event with a start and stop time. Company may request or cancel a curtailment at any time during any hour of the year, but shall give no less than sixty (60) minutes notice when either requesting or canceling a curtailment. T

Company may request at its sole discretion up to 100 hours of physical curtailment per year. Company will request physical curtailment only when (1) all available units have been dispatched or are being dispatched and (2) all off-system sales have been or are being curtailed. Company may also request at its sole discretion up to 275 hours of curtailment per year with a buy-through option, whereby Customer may, at its option, choose either to curtail service in accordance with this Rider or to continue to purchase its curtailable requirements by paying the Automatic Buy-Through Price, as set forth below, for all kilowatt hours of curtailable requirements. Customers choosing to curtail rather than buy through during any of the 275 hours of Company-requested curtailment with a buy-through option each year shall not reduce, diminish, or detract from the 100 hours of physical curtailment Company may request each year.

Curtailable load and compliance with a request for curtailment shall be measured in one of the following ways:

Option A -- Customer may contract for a given amount of firm demand in kVA. During a request for physical curtailment, Customer shall reduce its demand to the firm demand designated in the contract. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price, as applicable, shall apply to the difference in the actual kWh during any requested curtailment and the contracted firm demand multiplied by the time period (hours) of curtailment [Actual kWh – (firm kVA x hours curtailed)]. The measured kVA demand in excess of the firm load during each requested physical curtailment in the billing period shall be the measure of non-compliance.

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 50

Standard Rate Rider **CSR-1**
Curtailable Service Rider-1

APPLICABLE
In all territory served.

AVAILABILITY
Availability limited to Customers served under applicable rate schedules who contract for not less than 1,000 kVA individually, and executed a contract under this rider prior to July 1, 2017. Company will not enter into contracts for additional curtailable demand, even with Customers already participating in this rider, on or after July 1, 2017.

CONTRACT OPTION
Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed 375 hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. A curtailment is a continuous event with a start and stop time. Company may request or cancel a curtailment at any time during any hour of the year, but shall give no less than sixty (60) minutes notice when either requesting or canceling a curtailment.

Company may request at its sole discretion up to 100 hours of physical curtailment per year. Company will request physical curtailment only when (1) all available units have been dispatched or are being dispatched and (2) all off-system sales have been or are being curtailed. Company may also request at its sole discretion up to 275 hours of curtailment per year with a buy-through option, whereby Customer may, at its option, choose either to curtail service in accordance with this Rider or to continue to purchase its curtailable requirements by paying the Automatic Buy-Through Price, as set forth below, for all kilowatt hours of curtailable requirements. Customers choosing to curtail rather than buy through during any of the 275 hours of Company-requested curtailment with a buy-through option each year shall not reduce, diminish, or detract from the 100 hours of physical curtailment Company may request each year.

Curtailable load and compliance with a request for curtailment shall be measured in one of the following ways:

Option A -- Customer may contract for a given amount of firm demand in kVA. During a request for physical curtailment, Customer shall reduce its demand to the firm demand designated in the contract. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price, as applicable, shall apply to the difference in the actual kWh during any requested curtailment and the contracted firm demand multiplied by the time period (hours) of curtailment [Actual kWh – (firm kVA x hours curtailed)]. The measured kVA demand in excess of the firm load during each requested physical curtailment in the billing period shall be the measure of non-compliance.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 50.1

Standard Rate Rider **CSR-1**
Curtailable Service Rider-1

Option B -- Customer may contract for a given amount of curtailable load in kVA by which Customer shall agree to reduce its demand at any time by such Designated Curtailable Load. During a request for physical curtailment, Customer shall reduce its demand to a level equal to the maximum demand in kVA immediately prior to the curtailment less the designated curtailable load. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price shall apply to the difference in the actual kWh during any requested curtailment and the product of Customer's maximum load immediately preceding curtailment less Customer's designated curtailable load designated in the contract multiplied by the time period (hours) of a requested curtailment {Actual kWh – [(Max kVA preceding – Designated Curtailable kVA) x hours of requested curtailment]}.

Non-compliance for each requested physical curtailment shall be the measured positive value in kVA determined by subtracting (i) Customer's designated curtailable load from (ii) Customer's maximum demand immediately preceding the curtailment and then subtracting such difference from (iii) Customer's maximum demand during such curtailment. T

RATE

Customer will receive the following credits for curtailable service during the month:

Transmission Voltage Service:	$3.20 per kVA of Curtailable Billing Demand
Primary Voltage Service:	$3.31 per kVA of Curtailable Billing Demand

Non-Compliance Charge: $16.00 per kVA

Failure of Customer to curtail when requested to do so may result in termination of service under this rider. Customer will be charged for the portion of each requested curtailment not met at the applicable standard charges. Company and Customer may arrange to have installed, at T
Customer's expense, the necessary telecommunication and control equipment to allow Company T
to control Customers' curtailable load. Non-compliance charges will be waived if failure to curtail is a result of failure of Company's equipment; however, non-compliance charges will not be waived if failure to curtail is a result of Customer's equipment. If arrangements are made to have telecommunication and control equipment installed, then backup arrangements must also be established in the event either Company's or Customer's equipment fails.

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 50.1

Standard Rate Rider **CSR-1**
Curtailable Service Rider-1

Option B -- Customer may contract for a given amount of curtailable load in kVA by which Customer shall agree to reduce its demand at any time by such Designated Curtailable Load. During a request for physical curtailment, Customer shall reduce its demand to a level equal to the maximum demand in kVA immediately prior to the curtailment less the designated curtailable load. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price shall apply to the difference in the actual kWh during any requested curtailment and the product of Customer's maximum load immediately preceding curtailment less Customer's designated curtailable load designated in the contract multiplied by the time period (hours) of a requested curtailment {Actual kWh – [(Max kVA preceding – Designated Curtailable kVA) x hours of requested curtailment]}.

Non-compliance for each requested physical curtailment shall be the measured positive value in kVA determined by subtracting (i) Customer's designated curtailable load from (ii) Customer's maximum demand immediately preceding the curtailment and then subtracting such difference from (iii) Customer's maximum demand during such curtailment.

RATE

Customer will receive the following credits for curtailable service during the month:

Transmission Voltage Service:	$3.20 per kVA of Curtailable Billing Demand
Primary Voltage Service:	$3.31 per kVA of Curtailable Billing Demand

Non-Compliance Charge: $16.00 per kVA

Failure of Customer to curtail when requested to do so may result in termination of service under this rider. Customer will be charged for the portion of each requested curtailment not met at the applicable standard charges. Company and Customer may arrange to have installed, at Customer's expense, the necessary telecommunication and control equipment to allow Company to control Customers' curtailable load. Non-compliance charges will be waived if failure to curtail is a result of failure of Company's equipment; however, non-compliance charges will not be waived if failure to curtail is a result of Customer's equipment. If arrangements are made to have telecommunication and control equipment installed, then backup arrangements must also be established in the event either Company's or Customer's equipment fails.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 50.2

Standard Rate Rider **CSR-1**
Curtailable Service Rider-1

CURTAILABLE BILLING DEMAND

For a Customer electing Option A, Curtailable Billing Demand shall be the difference between (a) Customer's measured maximum demand during the billing period for any billing interval during the following time periods: (i) for the summer peak months of May through September, from 10 A.M. to 10 P.M,(EST) and (ii) for the months October continuously through April, from 6 A.M. to 10 P.M, (EST) and (b) the firm contract demand. T

For a Customer electing Option B, Curtailable Billing Demand shall be the Customer Designated Curtailable Load, as described above.

AUTOMATIC BUY-THROUGH PRICE

The Automatic Buy-Through Price per kWh shall be determined daily in accordance with the following formula:

Automatic Buy-Through Price = NGP x .012000 MMBtu/kWh

Where: NGP is the Cash Price for "Natural Gas, Henry Hub" for the most recent day for which a price is posted that precedes the day in which the buy-through occurred.

CERTIFICATION

Upon commencement of service hereunder, Customer shall be required to demonstrate or certify to Company's satisfaction the ability to comply with physical curtailment. On an annual basis, T
Customer will be required to certify continued capability to reduce its demand pursuant to the T
amount designated in the contract in the event of a request for curtailment. Failure to demonstrate or certify the capability to reduce demand pursuant to the amount designated in the contract may result in termination of service under this rider.

TERM OF CONTRACT

The minimum original contract period shall be one (1) year and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed reasonably necessary by the size of the load or other conditions.

TERMS AND CONDITIONS

When Company requests curtailment, upon request by Customer, Company shall provide a good-faith, non-binding estimate of the duration of requested curtailment. In addition, upon request by T
Company, Customer shall provide to Company a good-faith, non-binding short-term operational schedule for their facility. T

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 50.2

Standard Rate Rider **CSR-1**
Curtailable Service Rider-1

CURTAILABLE BILLING DEMAND

For a Customer electing Option A, Curtailable Billing Demand shall be the difference between (a) Customer's measured maximum demand during the billing period for any billing interval during the following time periods: (i) for the summer peak months of May through September, from 10 A.M. to 10 P.M,(EST) and (ii) for the months October continuously through April, from 6 A.M. to 10 P.M, (EST) and (b) the firm contract demand.

For a Customer electing Option B, Curtailable Billing Demand shall be the Customer Designated Curtailable Load, as described above.

AUTOMATIC BUY-THROUGH PRICE

The Automatic Buy-Through Price per kWh shall be determined daily in accordance with the following formula:

Automatic Buy-Through Price = NGP x .012000 MMBtu/kWh

Where: NGP is the Cash Price for "Natural Gas, Henry Hub" for the most recent day for which a price is posted that precedes the day in which the buy-through occurred.

CERTIFICATION

Upon commencement of service hereunder, Customer shall be required to demonstrate or certify to Company's satisfaction the ability to comply with physical curtailment. On an annual basis, Customer will be required to certify continued capability to reduce its demand pursuant to the amount designated in the contract in the event of a request for curtailment. Failure to demonstrate or certify the capability to reduce demand pursuant to the amount designated in the contract may result in termination of service under this rider.

TERM OF CONTRACT

The minimum original contract period shall be one (1) year and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed reasonably necessary by the size of the load or other conditions.

TERMS AND CONDITIONS

When Company requests curtailment, upon request by Customer, Company shall provide a good-faith, non-binding estimate of the duration of requested curtailment. In addition, upon request by Company, Customer shall provide to Company a good-faith, non-binding short-term operational schedule for their facility.

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 51

Standard Rate Rider **CSR-2**
Curtailable Service Rider-2

APPLICABLE
In all territory served.

AVAILABILITY T
Availability limited to Customers served under applicable rate schedules who contract for not less T
than 1,000 kVA individually, and executed a contract under this rider prior to July 1, 2017. Company will not enter into contracts for additional curtailable demand, even with Customers already participating in this rider, on or after July 1, 2017.

CONTRACT OPTION
Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed 375 hours per year nor shall any single T
request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. A curtailment is a continuous event with a start and stop time. Company may request or cancel a curtailment at any time during any hour of the year.

Company may request at its sole discretion physical curtailment no more than twenty (20) times T
per calendar year totaling no more than 100 hours. Company will request physical curtailment only T
when more than ten (10) of the Companies' primary combustion turbines (CTs) (those with a capacity greater than 100 MW) are being dispatched, irrespective of whether the Companies are making off-system sales. However, to avoid a physical curtailment a CSR Customer may buy through a requested curtailment at the Automatic Buy-Through Price. Any buy-through of a physical curtailment request will not count toward the 100-hour limit or 20-curtailment-request limit, but will count toward the 275 hours under the buy-through option discussed below. If all available units have been dispatched or are being dispatched, Company may request physical curtailment without T
a buy-through option. After receiving a physical curtailment request from Company where a buy- T
through option is available, a CSR Customer will have 10 minutes to inform Company whether the Customer elects to buy through or physically curtail. If the Customer elects to physically curtail, the Customer will have 30 minutes to carry out the required physical curtailment (i.e., a total of 40 minutes from the time Company requests curtailment to the time the Customer must implement the curtailment). If a Customer does not respond within 10 minutes of notice of a curtailment request from Company, the Customer will be assumed to have elected to buy through the requested curtailment, subject to any prior written agreement with the Customer. After receiving a physical curtailment request from Company when no buy-through option is available, a CSR Customer will T
have 40 minutes to carry out the required physical curtailment.

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 51

Standard Rate Rider **CSR-2**
Curtailable Service Rider-2

APPLICABLE
In all territory served.

AVAILABILITY
Availability limited to Customers served under applicable rate schedules who contract for not less than 1,000 kVA individually, and executed a contract under this rider prior to July 1, 2017. Company will not enter into contracts for additional curtailable demand, even with Customers already participating in this rider, on or after July 1, 2017.

CONTRACT OPTION
Customer may, at Customer's option, contract with Company to curtail service upon notification by Company. Requests for curtailment shall not exceed 375 hours per year nor shall any single request for curtailment be for less than thirty (30) minutes or for more than fourteen (14) hours per calendar day, with no more than two (2) requests for curtailment per calendar day within these parameters. A curtailment is a continuous event with a start and stop time. Company may request or cancel a curtailment at any time during any hour of the year.

Company may request at its sole discretion physical curtailment no more than twenty (20) times per calendar year totaling no more than 100 hours. Company will request physical curtailment only when more than ten (10) of the Companies' primary combustion turbines (CTs) (those with a capacity greater than 100 MW) are being dispatched, irrespective of whether the Companies are making off-system sales. However, to avoid a physical curtailment a CSR Customer may buy through a requested curtailment at the Automatic Buy-Through Price. Any buy-through of a physical curtailment request will not count toward the 100-hour limit or 20-curtailment-request limit, but will count toward the 275 hours under the buy-through option discussed below. If all available units have been dispatched or are being dispatched, Company may request physical curtailment without a buy-through option. After receiving a physical curtailment request from Company where a buy-through option is available, a CSR Customer will have 10 minutes to inform Company whether the Customer elects to buy through or physically curtail. If the Customer elects to physically curtail, the Customer will have 30 minutes to carry out the required physical curtailment (i.e., a total of 40 minutes from the time Company requests curtailment to the time the Customer must implement the curtailment). If a Customer does not respond within 10 minutes of notice of a curtailment request from Company, the Customer will be assumed to have elected to buy through the requested curtailment, subject to any prior written agreement with the Customer. After receiving a physical curtailment request from Company when no buy-through option is available, a CSR Customer will have 40 minutes to carry out the required physical curtailment.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 51.1

Standard Rate Rider **CSR-2**
Curtailable Service Rider-2

Company may also request at its sole discretion up to 275 hours of curtailment per year with a buy-through option, whereby Customer may, at its option, choose either to curtail service in accordance with this Rider or to continue to purchase its curtailable requirements by paying the Automatic Buy-Through Price, as set forth below, for all kilowatt hours of curtailable requirements. Customers choosing to curtail rather than buy through during any of the 275 hours of Company-requested curtailment with a buy-through option each year shall not reduce, diminish, or detract from the 100 hours of physical curtailment Company may request each year. For such curtailments, Company will give no less than sixty (60) minutes notice when either requesting or canceling a curtailment.

Curtailable load and compliance with a request for curtailment shall be measured in one of the following ways:

Option A -- Customer may contract for a given amount of firm demand in kVA. During a request for physical curtailment, Customer shall reduce its demand to the firm demand designated in the contract. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price, as applicable, shall apply to the difference in the actual kWh during any requested curtailment and the contracted firm demand multiplied by the time period (hours) of curtailment [Actual kWh – (firm kVA x hours curtailed)]. The measured kVA demand in excess of the firm load during each requested physical curtailment in the billing period shall be the measure of non-compliance.

Option B -- Customer may contract for a given amount of curtailable load in kVA by which Customer shall agree to reduce its demand at any time by such Designated Curtailable Load. During a request for physical curtailment, Customer shall reduce its demand to a level equal to the maximum demand in kVA immediately prior to the curtailment less the designated curtailable load. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price shall apply to the difference in the actual kWh during any requested curtailment and the product of Customer's maximum load immediately preceding curtailment less Customer's designated curtailable load designated in the contract multiplied by the time period (hours) of a requested curtailment {Actual kWh – [(Max kVA preceding – Designated Curtailable kVA) x hours of requested curtailment]}.

Non-compliance for each requested physical curtailment shall be the measured positive value in kVA determined by subtracting (i) Customer's designated curtailable load from (ii) Customer's maximum demand immediately preceding the curtailment and then subtracting such difference from (iii) Customer's maximum demand during such curtailment. T

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ISSUED BY: /s/ Robert M. Conroy, Vice President
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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 51.1

Standard Rate Rider **CSR-2**
Curtailable Service Rider-2

Company may also request at its sole discretion up to 275 hours of curtailment per year with a buy-through option, whereby Customer may, at its option, choose either to curtail service in accordance with this Rider or to continue to purchase its curtailable requirements by paying the Automatic Buy-Through Price, as set forth below, for all kilowatt hours of curtailable requirements. Customers choosing to curtail rather than buy through during any of the 275 hours of Company-requested curtailment with a buy-through option each year shall not reduce, diminish, or detract from the 100 hours of physical curtailment Company may request each year. For such curtailments, Company will give no less than sixty (60) minutes notice when either requesting or canceling a curtailment.

Curtailable load and compliance with a request for curtailment shall be measured in one of the following ways:

Option A -- Customer may contract for a given amount of firm demand in kVA. During a request for physical curtailment, Customer shall reduce its demand to the firm demand designated in the contract. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price, as applicable, shall apply to the difference in the actual kWh during any requested curtailment and the contracted firm demand multiplied by the time period (hours) of curtailment [Actual kWh – (firm kVA x hours curtailed)]. The measured kVA demand in excess of the firm load during each requested physical curtailment in the billing period shall be the measure of non-compliance.

Option B -- Customer may contract for a given amount of curtailable load in kVA by which Customer shall agree to reduce its demand at any time by such Designated Curtailable Load. During a request for physical curtailment, Customer shall reduce its demand to a level equal to the maximum demand in kVA immediately prior to the curtailment less the designated curtailable load. During a request for curtailment with a buy-through option, the Automatic Buy-Through Price shall apply to the difference in the actual kWh during any requested curtailment and the product of Customer's maximum load immediately preceding curtailment less Customer's designated curtailable load designated in the contract multiplied by the time period (hours) of a requested curtailment {Actual kWh – [(Max kVA preceding – Designated Curtailable kVA) x hours of requested curtailment]}.

Non-compliance for each requested physical curtailment shall be the measured positive value in kVA determined by subtracting (i) Customer's designated curtailable load from (ii) Customer's maximum demand immediately preceding the curtailment and then subtracting such difference from (iii) Customer's maximum demand during such curtailment.

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 51.2

Standard Rate Rider **CSR-2**
Curtailable Service Rider-2

RATE

Customer will receive the following credits for curtailable service during the month:

Transmission Voltage Service:	$ 5.90 per kVA of Curtailable Billing Demand
Primary Voltage Service:	$ 6.00 per kVA of Curtailable Billing Demand

Non-Compliance Charge: $16.00 per kVA

Failure of Customer to curtail when requested to do so may result in termination of service under this rider. Customer will be charged for the portion of each requested curtailment not met at the applicable standard charges. Company and Customer may arrange to have installed, at Customer's expense, the necessary telecommunication and control equipment to allow Company to control Customer's curtailable load. Non-compliance charges will be waived if failure to curtail is a result of failure of Company's equipment; however, non-compliance charges will not be waived if failure to curtail is a result of Customer's equipment. If arrangements are made to have telecommunication and control equipment installed, then backup arrangements must also be established in the event either Company's or Customer's equipment fails. T T

CURTAILABLE BILLING DEMAND

For a Customer electing Option A, Curtailable Billing Demand shall be the difference between (a) Customer's measured maximum demand during the billing period for any billing interval during the following time periods: (i) for the summer peak months of May through September, from 10 A.M. to 10 P.M., (EST) and (ii) for the months October continuously through April, from 6 A.M. to 10 P.M., (EST) and (b) the firm contract demand. T

For a Customer electing Option B, Curtailable Billing Demand shall be the Customer Designated Curtailable Load, as described above.

AUTOMATIC BUY-THROUGH PRICE

The Automatic Buy-Through Price per kWh shall be determined daily in accordance with the following formula:

Automatic Buy-Through Price = NGP x .012000 MMBtu/kWh

Where: NGP is the Cash Price for "Natural Gas, Henry Hub" for the most recent day for which a price is posted that precedes the day in which the buy-through occurred.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 51.2

Standard Rate Rider **CSR-2**
Curtailable Service Rider-2

RATE

Customer will receive the following credits for curtailable service during the month:

Transmission Voltage Service:	$ 5.90 per kVA of Curtailable Billing Demand
Primary Voltage Service:	$ 6.00 per kVA of Curtailable Billing Demand

Non-Compliance Charge: $16.00 per kVA

Failure of Customer to curtail when requested to do so may result in termination of service under this rider. Customer will be charged for the portion of each requested curtailment not met at the applicable standard charges. Company and Customer may arrange to have installed, at Customer's expense, the necessary telecommunication and control equipment to allow Company to control Customer's curtailable load. Non-compliance charges will be waived if failure to curtail is a result of failure of Company's equipment; however, non-compliance charges will not be waived if failure to curtail is a result of Customer's equipment. If arrangements are made to have telecommunication and control equipment installed, then backup arrangements must also be established in the event either Company's or Customer's equipment fails.

CURTAILABLE BILLING DEMAND

For a Customer electing Option A, Curtailable Billing Demand shall be the difference between (a) Customer's measured maximum demand during the billing period for any billing interval during the following time periods: (i) for the summer peak months of May through September, from 10 A.M. to 10 P.M., (EST) and (ii) for the months October continuously through April, from 6 A.M. to 10 P.M., (EST) and (b) the firm contract demand.

For a Customer electing Option B, Curtailable Billing Demand shall be the Customer Designated Curtailable Load, as described above.

AUTOMATIC BUY-THROUGH PRICE

The Automatic Buy-Through Price per kWh shall be determined daily in accordance with the following formula:

Automatic Buy-Through Price = NGP x .012000 MMBtu/kWh

Where: NGP is the Cash Price for "Natural Gas, Henry Hub" for the most recent day for which a price is posted that precedes the day in which the buy-through occurred.

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Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 51.3

Standard Rate Rider **CSR-2**
Curtailable Service Rider-2

CERTIFICATION

Upon commencement of service hereunder, Customer shall be required to demonstrate or certify to Company's satisfaction the ability to comply with physical curtailment. On an annual basis, Customer will be required to certify continued capability to reduce its demand pursuant to the amount designated in the contract in the event of a request for curtailment. Failure to demonstrate or certify the capability to reduce demand pursuant to the amount designated in the contract may result in termination of service under this rider. T T

TERM OF CONTRACT

The minimum original contract period shall be two (2) years and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed reasonably necessary by the size of the load or other conditions.

TERMS AND CONDITIONS

When Company requests curtailment, upon request by Customer, Company shall provide a good-faith, non-binding estimate of the duration of requested curtailment. In addition, upon request by Company, Customer shall provide to Company a good-faith, non-binding short-term operational schedule for their facility. T T T

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 51.3

Standard Rate Rider **CSR-2**
Curtailable Service Rider-2

CERTIFICATION

Upon commencement of service hereunder, Customer shall be required to demonstrate or certify to Company's satisfaction the ability to comply with physical curtailment. On an annual basis, Customer will be required to certify continued capability to reduce its demand pursuant to the amount designated in the contract in the event of a request for curtailment. Failure to demonstrate or certify the capability to reduce demand pursuant to the amount designated in the contract may result in termination of service under this rider.

TERM OF CONTRACT

The minimum original contract period shall be two (2) years and thereafter until terminated by giving at least six (6) months previous written notice, but Company may require that contract be executed for a longer initial term when deemed reasonably necessary by the size of the load or other conditions.

TERMS AND CONDITIONS

When Company requests curtailment, upon request by Customer, Company shall provide a good-faith, non-binding estimate of the duration of requested curtailment. In addition, upon request by Company, Customer shall provide to Company a good-faith, non-binding short-term operational schedule for their facility.

Except as specified above, all other provisions of the power rate to which this schedule is a rider shall apply.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 19, First Revision of Original Sheet No. 55
Canceling P.S.C. No. 19, Original Sheet No. 55

Standard Rate Rider **SQF**
Small Capacity Cogeneration and Small Power Production Qualifying Facilities

APPLICABLE
In all territory served.

AVAILABILITY
This rate and the terms and conditions set out herein are available for and applicable to Company's purchases of energy only from the owner of qualifying cogeneration or small power production facilities of 100 kW or less (such owner being hereafter called "Seller") installed on Seller's property to provide all or part of its requirements of electrical energy, or from which facilities Seller may elect to sell to Company all or part of such output of electrical energy.

Company will permit Seller's generating facilities to operate in parallel with Company's system under conditions set out below under Parallel Operation.

Company will purchase such energy from Seller at the Rate, A or B, set out below and selected as hereafter provided, and under the terms and conditions stated herein. Company reserves the right to change the said Rates, upon proper filing with and acceptance by the jurisdictional Commission.

RATE A: TIME-DIFFERENTIATED RATE

1. For summer billing months of June, July, August and September (on-peak hours)	$0.02282 per kWh	R
2. For winter billing months of December, January and February (on-peak hours)	$0.02236 per kWh	R
3. During all other hours (off-peak hours)	$0.02145 per kWh	R

On-peak hours for summer billing months of June through September are defined as weekdays (exclusive of holidays) from 8:01 A.M. to 9:00 P.M., Eastern Standard Time (under 1 above).

On-peak hours for winter billing months of December through February are defined as weekdays (exclusive of holidays) from 6:01 A.M. to 9:00 P.M., Eastern Standard Time (under 2 above).

Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above).

Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.

RATE B: NON-TIME-DIFFERENTIATED RATE

For all kWh purchased by Company	$0.02173 per kWh	R

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 55

Standard Rate Rider **SQF**
Small Capacity Cogeneration and Small Power Production Qualifying Facilities

APPLICABLE
In all territory served.

AVAILABILITY
This rate and the terms and conditions set out herein are available for and applicable to Company's purchases of energy only from the owner of qualifying cogeneration or small power production facilities of 100 kW or less (such owner being hereafter called "Seller") installed on Seller's property to provide all or part of its requirements of electrical energy, or from which facilities Seller may elect to sell to Company all or part of such output of electrical energy.

Company will permit Seller's generating facilities to operate in parallel with Company's system under conditions set out below under Parallel Operation.

Company will purchase such energy from Seller at the Rate, A or B, set out below and selected as hereafter provided, and under the terms and conditions stated herein. Company reserves the right to change the said Rates, upon proper filing with and acceptance by the jurisdictional Commission.

RATE A: TIME-DIFFERENTIATED RATE

1. For summer billing months of June, July, August and September (on-peak hours)	$0.02282 per kWh	
2. For winter billing months of December, January and February (on-peak hours)	$0.02236 per kWh	
3. During all other hours (off-peak hours)	$0.02145 per kWh	

On-peak hours for summer billing months of June through September are defined as weekdays from 8:01 A.M. to 9:00 P.M., Eastern Standard Time (under 1 above). D

On-peak hours for winter billing months of December through February are defined as weekdays from 6:01 A.M. to 9:00 P.M., Eastern Standard Time (under 2 above). D

Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above).

Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.

If a legal holiday falls on a weekday, it will be considered a weekday. N

RATE B: NON-TIME-DIFFERENTIATED RATE

For all kWh purchased by Company	$0.02173 per kWh

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On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 55.1

Standard Rate Rider SQF
Small Capacity Cogeneration and Small Power Production Qualifying Facilities

SELECTION OF RATE AND METERING

Subject to provisions hereafter in this Section relative to payment of costs of metering equipment, either Seller or Company may select Rate A, the Time-Differentiated Rate, for application to Company's said purchases of energy from Seller. If neither Seller nor Company selects Rate A, then Rate B, the Non-Time-Differentiated Rate, shall apply.

If neither Seller nor Company selects Rate A, and Rate B therefore is to apply to such purchases, Company, at Seller's cost, will install, own and operate a non-time-differentiated meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system. Such meter will be tested at intervals prescribed by Commission Regulation, with Seller having a right to witness all such tests; and Seller will pay to Company its fixed cost on such meter and equipment, expense of such periodic tests of the meter and any other expenses (all such costs and expenses, together, being hereafter called "costs of non-time-differentiated metering").

If either Seller or Company selects Rate A to apply to Company's said purchases of energy from Seller, the party (Seller or Company) so selecting Rate A shall pay (a) the cost of a time-differentiated recording meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system, required for the application of Rate A, in excess of (b) the costs of non-time-differentiated metering which shall continue to be paid by Seller.

In addition to metering referred to above, Company at its option and cost may install, own and operate, on Seller's generator, a recording meter to record the capacity, energy and reactive output of such generator at specified time intervals.

Company shall have access to all such meters at reasonable times during Seller's normal business hours, and shall regularly provide to Seller copies of all information provided by such meters.

PAYMENT

Any payment due from Company to Seller will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from date of Company's reading of meter; provided, however, that, if Seller is a Customer of Company, in lieu of such payment Company may offset its payment due to Seller hereunder, against Seller's next bill and payment due to Company for Company's service to Seller as Customer.

PARALLEL OPERATION

Company hereby permits Seller to operate its generating facilities in parallel with Company's system, under the following conditions and any other conditions required by Company where unusual conditions not covered herein arise:

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 55.1

Standard Rate Rider SQF
Small Capacity Cogeneration and Small Power Production Qualifying Facilities

SELECTION OF RATE AND METERING

Subject to provisions hereafter in this Section relative to payment of costs of metering equipment, either Seller or Company may select Rate A, the Time-Differentiated Rate, for application to Company's said purchases of energy from Seller. If neither Seller nor Company selects Rate A, then Rate B, the Non-Time-Differentiated Rate, shall apply.

If neither Seller nor Company selects Rate A, and Rate B therefore is to apply to such purchases, Company, at Seller's cost, will install, own and operate a non-time-differentiated meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system. Such meter will be tested at intervals prescribed by Commission Regulation, with Seller having a right to witness all such tests; and Seller will pay to Company its fixed cost on such meter and equipment, expense of such periodic tests of the meter and any other expenses (all such costs and expenses, together, being hereafter called "costs of non-time-differentiated metering").

If either Seller or Company selects Rate A to apply to Company's said purchases of energy from Seller, the party (Seller or Company) so selecting Rate A shall pay (a) the cost of a time-differentiated recording meter and associated equipment, at a location selected by Company, measuring energy, produced by Seller's generator, flowing into Company's system, required for the application of Rate A, in excess of (b) the costs of non-time-differentiated metering which shall continue to be paid by Seller.

In addition to metering referred to above, Company at its option and cost may install, own and operate, on Seller's generator, a recording meter to record the capacity, energy and reactive output of such generator at specified time intervals.

Company shall have access to all such meters at reasonable times during Seller's normal business hours, and shall regularly provide to Seller copies of all information provided by such meters.

PAYMENT

Any payment due from Company to Seller will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from date of Company's reading of meter; provided, however, that, if Seller is a Customer of Company, in lieu of such payment Company may offset its payment due to Seller hereunder, against Seller's next bill and payment due to Company for Company's service to Seller as Customer.

PARALLEL OPERATION

Company hereby permits Seller to operate its generating facilities in parallel with Company's system, under the following conditions and any other conditions required by Company where unusual conditions not covered herein arise:

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 55.2

Standard Rate Rider SQF
Small Capacity Cogeneration and Small Power Production Qualifying Facilities

1. Prior to installation in Seller's system of any generator and associated facilities which are intended to be interconnected and operated in parallel with Company's system, or prior to the inter-connection to Company's system of any such generator and associated facilities already installed in Seller's system, Seller will provide to Company plans for such generator and facilities. Company may, but shall have no obligation to, examine such plans and disapprove them in whole or in part, to the extent Company believes that such plans and proposed facilities will not adequately assure the safety of Company's facilities or system. Seller acknowledges and agrees that the sole purpose of any Company examination of such plans is the satisfaction of Company's interest in the safety of Company's own facilities and system, and that Company shall have no responsibility of any kind to Seller or to any other party in connection with any such examination. If Seller thereafter proposes any change from such plans submitted to Company, prior to the implementation thereof Seller will provide to Company new plans setting out such proposed change(s).

2. Seller will own, install, operate and maintain all generating facilities on its plant site, such facilities to include, but not be limited to, (a) protective equipment between the systems of Seller and Company and (b) necessary control equipment to synchronize frequency and voltage between such two systems. Seller's voltage at the point of interconnection will be the same as Company's system voltage. Suitable circuit breakers or similar equipment, as specified by Company, will be furnished by Seller at a location designated by Company to enable the separation or disconnection of the two electrical systems. Except in emergencies, the circuit breakers, or similar equipment, will be operated only by, or at the express direction of, Company personnel and will be accessible to Company at all times. In addition, a circuit breaker or similar equipment shall be furnished and installed by Seller to separate or disconnect Seller's generator.

3. Seller will be responsible for operating the generator and all facilities owned by Seller, except as hereafter specified. Seller will maintain its system in synchronization with Company's system.

4. Seller will (a) pay Company for all damage to Company's equipment, facilities or system, and (b) save and hold Company harmless from all claims, demands and liabilities of every kind and nature for injury or damage to, or death of, persons and/or property of others, including costs and expenses of defending against the same, arising in any manner in connection with Seller's generator, equipment, facilities or system or the operation thereof.

5. Seller will construct any additional facilities, in addition to generating and associated (interface) facilities, required for interconnection unless Company and Seller agree to Company's constructing such facilities, at Seller's expense, where Seller is not a Customer of Company. When Seller is a Customer of Company and Company is required to construct facilities different than otherwise required to permit interconnection, Seller shall pay such additional cost of facilities. Seller agrees to reimburse Company, at the time of installation,

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00548 dated July 30, 2010

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 55.2

Standard Rate Rider SQF
Small Capacity Cogeneration and Small Power Production Qualifying Facilities

1. Prior to installation in Seller's system of any generator and associated facilities which are intended to be interconnected and operated in parallel with Company's system, or prior to the inter-connection to Company's system of any such generator and associated facilities already installed in Seller's system, Seller will provide to Company plans for such generator and facilities. Company may, but shall have no obligation to, examine such plans and disapprove them in whole or in part, to the extent Company believes that such plans and proposed facilities will not adequately assure the safety of Company's facilities or system. Seller acknowledges and agrees that the sole purpose of any Company examination of such plans is the satisfaction of Company's interest in the safety of Company's own facilities and system, and that Company shall have no responsibility of any kind to Seller or to any other party in connection with any such examination. If Seller thereafter proposes any change from such plans submitted to Company, prior to the implementation thereof Seller will provide to Company new plans setting out such proposed change(s).

2. Seller will own, install, operate and maintain all generating facilities on its plant site, such facilities to include, but not be limited to, (a) protective equipment between the systems of Seller and Company and (b) necessary control equipment to synchronize frequency and voltage between such two systems. Seller's voltage at the point of interconnection will be the same as Company's system voltage. Suitable circuit breakers or similar equipment, as specified by Company, will be furnished by Seller at a location designated by Company to enable the separation or disconnection of the two electrical systems. Except in emergencies, the circuit breakers, or similar equipment, will be operated only by, or at the express direction of, Company personnel and will be accessible to Company at all times. In addition, a circuit breaker or similar equipment shall be furnished and installed by Seller to separate or disconnect Seller's generator.

3. Seller will be responsible for operating the generator and all facilities owned by Seller, except as hereafter specified. Seller will maintain its system in synchronization with Company's system.

4. Seller will (a) pay Company for all damage to Company's equipment, facilities or system, and (b) save and hold Company harmless from all claims, demands and liabilities of every kind and nature for injury or damage to, or death of, persons and/or property of others, including costs and expenses of defending against the same, arising in any manner in connection with Seller's generator, equipment, facilities or system or the operation thereof.

5. Seller will construct any additional facilities, in addition to generating and associated (interface) facilities, required for interconnection unless Company and Seller agree to Company's constructing such facilities, at Seller's expense, where Seller is not a Customer of Company. When Seller is a Customer of Company and Company is required to construct facilities different than otherwise required to permit interconnection, Seller shall pay such additional cost of facilities. Seller agrees to reimburse Company, at the time of installation,

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 55.3

Standard Rate Rider SQF
Small Capacity Cogeneration and Small Power Production Qualifying Facilities

or, if agreed to by both parties, over a period of up to three (3) years, for any facilities including any hereafter required (but exclusive of metering equipment, elsewhere herein provided for) constructed by Company to permit Seller to operate interconnected with Company's system. When interconnection costs are repaid over a period of time, such payments will be made monthly and include interest on the unpaid balance at the percentage rate equal to the capital costs that Company would experience at such time by new financing, based on Company's then existing capital structure, with return on equity to be at the rate allowed in Company's immediately preceding rate case.

6. Company will have the continuing right to inspect and approve Seller's facilities, described herein, and to request and witness any tests necessary to determine that such facilities are installed and operating properly; but Company will have no obligation to inspect or approve facilities, or to request or witness tests; and Company will not in any manner be responsible for Seller's facilities or any operation thereof.

7. Seller assumes all responsibility for the electric service upon Seller's premises at and from the point of any delivery or flow of electricity from Company, and for the wires and equipment used in connection therewith; and Seller will protect and save Company harmless from all claims for injury or damage to persons or property, including but not limited to property of Seller, occurring on or about Seller's premises or at and from the point of delivery or flow of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage is proved to have been caused solely by the negligence of Company.

8. Each, Seller and Company, will designate one or more Operating Representatives for the purpose of contacts and communications between the parties concerning operations of the two systems.

9. Seller will notify Company's Energy Control Center prior to each occasion of Seller's generator being brought into or (except in cases of emergencies) taken out of operation.

10. Company reserves the right to curtail a purchase from Seller when:
    (a) the purchase will result in costs to Company greater than would occur if the purchase were not made but instead Company, itself, generated an equivalent amount of energy; or
    (b) Company has a system emergency and purchases would (or could) contribute to such emergency.

    Seller will be notified of each curtailment.

TERMS AND CONDITIONS

Except as provided herein, conditions or operations will be as provided in Company's Terms and Conditions.

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 55.3

Standard Rate Rider SQF
Small Capacity Cogeneration and Small Power Production Qualifying Facilities

or, if agreed to by both parties, over a period of up to three (3) years, for any facilities including any hereafter required (but exclusive of metering equipment, elsewhere herein provided for) constructed by Company to permit Seller to operate interconnected with Company's system. When interconnection costs are repaid over a period of time, such payments will be made monthly and include interest on the unpaid balance at the percentage rate equal to the capital costs that Company would experience at such time by new financing, based on Company's then existing capital structure, with return on equity to be at the rate allowed in Company's immediately preceding rate case.

6. Company will have the continuing right to inspect and approve Seller's facilities, described herein, and to request and witness any tests necessary to determine that such facilities are installed and operating properly; but Company will have no obligation to inspect or approve facilities, or to request or witness tests; and Company will not in any manner be responsible for Seller's facilities or any operation thereof.

7. Seller assumes all responsibility for the electric service upon Seller's premises at and from the point of any delivery or flow of electricity from Company, and for the wires and equipment used in connection therewith; and Seller will protect and save Company harmless from all claims for injury or damage to persons or property, including but not limited to property of Seller, occurring on or about Seller's premises or at and from the point of delivery or flow of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage is proved to have been caused solely by the negligence of Company.

8. Each, Seller and Company, will designate one or more Operating Representatives for the purpose of contacts and communications between the parties concerning operations of the two systems.

9. Seller will notify Company's Energy Control Center prior to each occasion of Seller's generator being brought into or (except in cases of emergencies) taken out of operation.

10. Company reserves the right to curtail a purchase from Seller when:
    (a) the purchase will result in costs to Company greater than would occur if the purchase were not made but instead Company, itself, generated an equivalent amount of energy; or
    (b) Company has a system emergency and purchases would (or could) contribute to such emergency.

    Seller will be notified of each curtailment.

TERMS AND CONDITIONS

Except as provided herein, conditions or operations will be as provided in Company's Terms and Conditions.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 56

Standard Rate Rider **LQF**
Large Capacity Cogeneration and Small Power Production Qualifying Facilities

APPLICABLE T
In all territory served.

AVAILABILITY T
Available to any small power production or cogeneration "qualifying facility" with capacity over 100 kW as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to Company. T

RATES FOR PURCHASES FROM QUALIFYING FACILITIES

Energy Component Payments

The hourly avoided energy cost (AEC) in $ per MWh, which is payable to a QF for delivery of energy, shall be equal to Company's actual variable fuel expenses, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to [AEC x E_{QF}], where E_{QF} is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.

Capacity Component Payments

The hourly avoided capacity cost (ACC) in $ per MWh, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to Company from the inter-utility market (which includes both energy and capacity charges) less Company's actual variable fuel expense (AEC). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to [ACC x CAP_i], where CAP_i, the capacity delivered by the QF, is determined on the basis of the system demand (D_i) and Company's need for capacity in that hour to adequately serve the load.

Determination of CAP_i

For the following determination of CAP_i, C_{KU} represents Company's installed or previously arranged capacity at the time a QF signs a contract to deliver capacity; C_{QF} represents the actual capacity provided by a QF, but no more than the contracted capacity; and C_M represents capacity purchased from the inter-utility market.

1. System demand is less than or equal to Company's capacity:
   $D_1 \leq C_{KU}$; $CAP_i = 0$
2. System demand is greater than Company's capacity but less than or equal to the total of Company's capacity and the capacity provided by a QF:

   $C_{KU} < D_i \leq [C_{KU} + C_{QF}]$; $CAP_i = C_M$

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 56

Standard Rate Rider **LQF**
Large Capacity Cogeneration and Small Power Production Qualifying Facilities

APPLICABLE
In all territory served.

AVAILABILITY
Available to any small power production or cogeneration "qualifying facility" with capacity over 100 kW as defined by the Kentucky Public Service Commission Regulation 807 KAR 5:054, and which contracts to sell energy or capacity or both to Company.

RATES FOR PURCHASES FROM QUALIFYING FACILITIES

Energy Component Payments

The hourly avoided energy cost (AEC) in $ per MWh, which is payable to a QF for delivery of energy, shall be equal to Company's actual fuel expenses, excluding those that are fixed and non-avoidable, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to [AEC x E_{QF}], where E_{QF} is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering. T T

Capacity Component Payments

The hourly avoided capacity cost (ACC) in $ per MWh, which is payable to a QF for delivery of capacity, shall be equal to the effective purchase price for power available to Company from the inter-utility market (which includes both energy and capacity charges) less Company's actual variable fuel expense (AEC). The total amount of the avoided capacity cost payment to be made to a QF in an hour is equal to [ACC x CAP_i], where CAP_i, the capacity delivered by the QF, is determined on the basis of the system demand (D_i) and Company's need for capacity in that hour to adequately serve the load.

Determination of CAP_i

For the following determination of CAP_i, C_{KU} represents Company's installed or previously arranged capacity at the time a QF signs a contract to deliver capacity; C_{QF} represents the actual capacity provided by a QF, but no more than the contracted capacity; and C_M represents capacity purchased from the inter-utility market.

1. System demand is less than or equal to Company's capacity:
   $D_1 \leq C_{KU}$; $CAP_i = 0$
2. System demand is greater than Company's capacity but less than or equal to the total of Company's capacity and the capacity provided by a QF:

   $C_{KU} < D_i \leq [C_{KU} + C_{QF}]$; $CAP_i = C_M$

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 56.1

Standard Rate Rider LQF
Large Capacity Cogeneration and Small Power Production Qualifying Facilities

3. System demand is greater than the total of Company's capacity and the capacity provided by a QF:

   $D_i > [C_{KU} + C_{QF}]$; $CAP_i = C_{QF}$

PAYMENT

Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within sixteen (16) business days (no less than twenty-two (22) calendar days) of the date the bill is rendered. In lieu of such payment plan, Company will, upon written request, credit Customer's account for such purchases. T

TERM OF CONTRACT

For contracts which cover the purchase of energy only, the term shall be one (1) year, and shall be self-renewing from year-to-year thereafter, unless canceled by either party on one (1) year's written notice.

For contracts which cover the purchase of capacity and energy, the term shall be five (5) years.

TERMS AND CONDITIONS

1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that Company would have incurred if the qualifying facility's output had not been purchased.

2. A qualifying facility operating in parallel with Company must demonstrate that its equipment is designed, installed, and operated in a manner that insures safe and reliable interconnected operation. A qualifying facility should contact Company for assistance in this regard.

3. The purchasing, supplying and billing for service, and all conditions applying hereto, shall be specified in the contract executed by the parties, and are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Terms and Conditions currently in effect, as filed with the Commission.

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 56.1

Standard Rate Rider LQF
Large Capacity Cogeneration and Small Power Production Qualifying Facilities

3. System demand is greater than the total of Company's capacity and the capacity provided by a QF:

   $D_i > [C_{KU} + C_{QF}]$; $CAP_i = C_{QF}$

PAYMENT

Company shall pay each bill for electric power rendered to it in accordance with the terms of the contract, within sixteen (16) business days (no less than twenty-two (22) calendar days) of the date the bill is rendered. In lieu of such payment plan, Company will, upon written request, credit Customer's account for such purchases.

TERM OF CONTRACT

For contracts which cover the purchase of energy only, the term shall be one (1) year, and shall be self-renewing from year-to-year thereafter, unless canceled by either party on one (1) year's written notice.

For contracts which cover the purchase of capacity and energy, the term shall be five (5) years.

TERMS AND CONDITIONS

1. Qualifying facilities shall be required to pay for any additional interconnection costs, to the extent that such costs are in excess of those that Company would have incurred if the qualifying facility's output had not been purchased.

2. A qualifying facility operating in parallel with Company must demonstrate that its equipment is designed, installed, and operated in a manner that insures safe and reliable interconnected operation. A qualifying facility should contact Company for assistance in this regard.

3. The purchasing, supplying and billing for service, and all conditions applying hereto, shall be specified in the contract executed by the parties, and are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Terms and Conditions currently in effect, as filed with the Commission.

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Kentucky Utilities Company

P.S.C. No. 19, First Revision of Original Sheet No. 57
Canceling P.S.C. No. 19, Original Sheet No. 57

Standard Rate Rider **NMS**
Net Metering Service

APPLICABLE
In all territory served.

AVAILABILITY
Available to any Customer-generator who owns and operates a generating facility located on Customer's premises that generates electricity using solar, wind, biomass or biogas, or hydro energy in parallel with Company's electric distribution system to provide all or part of Customer's electrical requirements, and who executes Company's written Application for Interconnection and Net Metering. The generation facility shall be limited to a maximum rated capacity of 45 kilowatts. T
This Standard Rate Rider NMS is intended to comply with all provisions of the Interconnection and T
Net Metering Guidelines approved by the Kentucky Public Service Commission, which can be found on-line at www.psc.ky.gov as Appendix A to the January 8, 2009 Order in Administrative Case No. 2008-00169.

DEFINITIONS
"Billing period" shall be the time period between the dates on which Company issues the Customer's bills.

"Billing Period Credit" shall be the electricity generated by the Customer that flows into the electric system and which exceeds the electricity supplied to the Customer from the electric system during any billing period. A billing period credit is a kWh-denominated electricity credit only, not a monetary credit.

METERING AND BILLING
Net metering service shall be measured using a single meter or, as determined by Company, additional meters and shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. This net metering equipment shall be provided without any cost to Customer. This provision does not relieve Customer's responsibility to pay metering costs embedded in Company's Commission-approved base rates. Additional meters, requested by Customer, will be provided at Customer's expense.

If electricity generated by Customer and fed back to Company's system exceeds the electricity supplied to Customer from the system during a billing period, Customer shall receive a billing-period credit for the net delivery on Customer's bill for the succeeding billing periods. If Customer takes service under a time-of-use or time-of-day rate schedule, Company will apply billing-period credits Customer creates in a particular time-of-day or time-of-use block only to offset net energy consumption in the same time-of-day or time-of-use block; such credits will not be used to offset net energy consumption in other time-of-day or time-of-use blocks in any billing period. Any such unused excess billing-period credits will be carried forward and drawn on by Customer as needed. Unused excess billing-period credits existing at the time Customer's service is terminated end with Customer's account and are not transferrable between Customers or locations.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 57

Standard Rate Rider **NMS-1**
Net Metering Service-1

APPLICABLE
In all territory served.

AVAILABILITY
Available for service for any eligible electric generating facility as defined in KRS 278.465(2) owned and operated by a Customer-generator located on Customer's premises that generates electricity using solar, wind, biomass or biogas, or hydro energy in parallel with Company's electric distribution system to provide all or part of Customer's electrical requirements, and for which the Customer has executed Company's written Application for Interconnection and Net Metering before January 1, 2021. The generation facility shall be limited to a maximum rated capacity of 45 kilowatts. T T T T T/D

Company will cease to provide service under this Standard Rate Rider on January 1, 2046. At that time, Company will transfer all customers taking service under this Standard Rate Rider to Standard Rate Rider NMS-2. N N N

DEFINITIONS
"Billing period" shall be the time period between the dates on which Company issues the Customer's bills.

"Billing Period Credit" shall be the electricity generated by the Customer that flows into the electric system and which exceeds the electricity supplied to the Customer from the electric system during any billing period. A billing period credit is a kWh-denominated electricity credit only, not a monetary credit.

METERING AND BILLING
If electricity generated by Customer and fed back to Company's system exceeds the electricity supplied to Customer from the system during a billing period, Customer shall receive a billing-period credit for the net delivery on Customer's bill for the succeeding billing periods. If Customer takes service under a time-of-use or time-of-day rate schedule, Company will apply billing-period credits Customer creates in a particular time-of-day or time-of-use block only to offset net energy consumption in the same time-of-day or time-of-use block; such credits will not be used to offset net energy consumption in other time-of-day or time-of-use blocks in any billing period. Any such unused excess billing-period credits will be carried forward and drawn on by Customer as needed. Unused excess billing-period credits existing at the time Customer's service is terminated end with Customer's account and are not transferrable between locations. D

TERMS AND CONDITIONS D T
Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto. The Net Metering Service Interconnection Guidelines applicable to this Rider are at Sheet Nos. 108 *et seq.* T T/N N

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 57.1

Standard Rate Rider **NMS**
Net Metering Service

NET METERING SERVICE INTERCONNECTION GUIDELINES

General – Customer shall operate the generating facility in parallel with Company's system under the following conditions and any other conditions required by Company where unusual circumstances arise not covered herein:

1. Customer to own, operate, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between Customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as Company's system voltage.
2. Customer will be responsible for operating all generating facilities owned by Customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
3. Customer will be responsible for any damage done to Company's equipment due to failure of Customer's control, safety, or other equipment.
4. Customer agrees to inform Company of any changes it wishes to make to its generating or associated facilities that differ from those initially installed and described to Company in writing and obtain prior approval from Company.
5. Company will have the right to inspect and approve Customer's facilities described herein, and to conduct any tests necessary to determine that such facilities are installed and operating properly; however, Company will have no obligation to inspect, witness tests, or in any manner be responsible for Customer's facilities or operation thereof.
6. Customer assumes all responsibility for the electric service on Customer's premises at and from the point of delivery of electricity from Company and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence or willful misconduct of Company.

Level 1 – A Level 1 installation is defined as an inverter-based generator certified as meeting the requirements of Underwriters Laboratories Standard 1741 and meeting the following conditions:

1. The aggregated net metering generation on a radial distribution circuit will not exceed 15% of the line section's most recent one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.
2. The aggregated net metering generation on a shared singled-phase secondary will not exceed 20 kVA or the nameplate rating of the service transformer.
3. A single-phase net metering generator interconnected on the center tap neutral of a 240 volt service shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.

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KU Net Metering Service-1 (NMS-1) is now contained on one page instead of eight

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 57.2

Standard Rate Rider **NMS**
Net Metering Service

NET METERING SERVICE INTERCONNECTION GUIDELINES (continued)

4. A net metering generator interconnected to Company's three-phase, three-wire primary distribution lines, shall appear as a phase-to-phase connection to Company's primary distribution line.
5. A net metering generator interconnected to Company's three-phase, four-wire primary distribution lines, shall appear as an effectively grounded source to Company's primary distribution line.
6. A net metering generator will not be connected to an area or spot network.
7. There are no identified violations of the applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems".
8. Company will not be required to construct any facilities on its own system to accommodate the net metering generator.

Customer desiring a Level 1 interconnection shall submit a "LEVEL 1 - Application for Interconnection and Net Metering." Company shall notify Customer within 20 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 20 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company. T

Level 2 – A Level 2 installation is defined as generator that is not inverter-based; that uses equipment not certified as meeting the requirements of Underwriters Laboratories Standard 1741, or that does not meet one or more of the conditions required of a Level 1 net metering generator. A Level 2 Application will be approved if the generating facility meets Company's technical interconnection requirements. Those requirements are available on line at www.lge-ku.com and upon request. T

Customer desiring a Level 2 interconnection shall submit a "LEVEL 2 - Application for Interconnection and Net Metering." Company shall notify Customer within 30 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 30 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company. T T

Customer submitting a "Level 2 - Application for Interconnection and Net Metering" will provide a non-refundable inspection and processing fee of $100, and in the event that Company determines an impact study to be necessary, shall be responsible for any reasonable costs of up to $1,000 of documented costs for the initial impact study. T

Additional studies requested by Customer shall be at Customer's expense.

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State Regulation and Rates
Lexington, Kentucky

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KU Net Metering Service-1 (NMS-1) is now contained on one page instead of eight

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 57.3

Standard Rate Rider **NMS**
Net Metering Service

CONDITIONS OF INTERCONNECTION

Customer may operate his net metering generator in parallel with Company's system when complying with the following conditions:

1. Customer shall install, operate, and maintain, at Customer's sole cost and expense, any control, protective, or other equipment on Customer's system required by Company's technical interconnection requirements based on IEEE 1547, NEC, accredited testing laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the net metering generating facility in parallel with Company's system. Customer bears full responsibility for the installation, maintenance and safe operation of the net metering generating facility. Upon reasonable request from Company, Customer shall demonstrate compliance.
2. Customer shall represent and warrant compliance of the net metering generator with:
   a. any applicable safety and power standards established by IEEE and accredited testing laboratories;
   b. NEC, as may be revised from time-to-time;
   c. Company's rules and regulations and Terms and Conditions, as may be revised by time-to-time by the Kentucky Public Service Commission;
   d. the rules and regulations of the Kentucky Public Service Commission, as may be revised by time-to-time by the Kentucky Public Service Commission:
   e. all other local, state, and federal codes and laws, as may be in effect from time-to-time.
3. Any changes or additions to Company's system required to accommodate the net metering generator shall be Customer's financial responsibility and Company shall be reimbursed for such changes or additions prior to construction.
4. Customer shall operate the net metering generator in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. Customer shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Company to any of its other Customers or to any electric system interconnected with Company's electric system.
5. Customer shall be responsible for protecting, at Customer's sole cost and expense, the net metering generating facility from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Company shall be responsible for repair of damage caused to the net metering generator resulting solely from the negligence or willful misconduct on the part of Company. T T T
6. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to Customer, Company shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the net metering generator comply with the requirements of this rider. T

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

KU Net Metering Service-1 (NMS-1) is now contained on one page instead of eight

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 57.4

Standard Rate Rider **NMS**
Net Metering Service

CONDITIONS OF INTERCONNECTION (continued)

7. Where required by Company, Customer shall furnish and install on Customer's side of the point of interconnection a safety disconnect switch which shall be capable of fully disconnecting Customer's net metering generator from Company's electric service under the full rated conditions of Customer's net metering generator. The external disconnect switch (EDS) shall be located adjacent to Company's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, Customer shall be responsible for ensuring the location of the EDS is properly and legibly identified for so long as the net metering generator is operational. T

   The disconnect switch shall be accessible to Company personnel at all times. Company may waive the requirement for an external disconnect switch for a net metering generator at its sole discretion, and on a case by case basis.
8. Company shall have the right and authority at Company's sole discretion to isolate the generating facility or require Customer to discontinue operation of the net metering generator if Company believes that: T
   a. continued interconnection and parallel operation of the net metering generator with Company's electric system creates or contributes (or may create or contribute) to a system emergency on either Company's or Customer's electric system;
   b. the net metering generator is not in compliance with the requirements of this rider, and the non-compliance adversely affects the safety, reliability or power quality of Company's electric system; or T
   c. the net metering generator interferes with the operation of Company's electric system.

   In non-emergency situations, Company shall give Customer notice of noncompliance including a description of the specific noncompliance condition and allow Customer a reasonable time to cure the noncompliance prior to isolating the Generating Facilities. In emergency situations, where Company is unable to immediately isolate or cause Customer to isolate only the net metering generator, Company may isolate Customer's entire facility. T
9. Customer agrees that, without the prior written permission from Company, no changes shall be made to the generating facility as initially approved. Increases in net metering generator capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in net metering generator capacity is allowed without approval.
10. Customer shall protect, indemnify and hold harmless Company and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys' fees, for or on account of any injury or death

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State Regulation and Rates
Lexington, Kentucky

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KU Net Metering Service-1 (NMS-1) is now contained on one page instead of eight

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 57.5

Standard Rate Rider **NMS**
Net Metering Service

CONDITIONS OF INTERCONNECTION (continued)

of persons or damage to property caused by Customer or Customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining or operating Customer's net metering generator or any related equipment or any facilities owned by Company except where such injury, death or damage was caused or contributed to by the fault or negligence of Company or its employees, agents, representatives or contractors. The liability of Company to Customer for injury to person and property shall be governed by the tariff(s) for the class of service under which Customer is taking service.

11. Customer shall maintain general liability insurance coverage (through a standard homeowner's, commercial or other policy) for generating facilities. Customer shall upon request provide Company with proof of such insurance at the time that application is made for net metering.
12. By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
13. Customer's generating facility is transferable to other persons or service locations only after notification to Company has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, Customer, or location, Company will verify that the installation is in compliance with this tariff and provide written notification to the Customer(s) within 20 business days. If the installation is no longer in compliance with this tariff, Company will notify Customer in writing and list what must be done to place the facility in compliance. T T T
14. Customer shall retain any and all Renewable Energy Credits (RECs) generated by Customer's generating facilities.

TERMS AND CONDITIONS

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: May 14, 2019

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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KU Net Metering Service-1 (NMS-1) is now contained on one page instead of eight

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 57.6

Standard Rate Rider **NMS**
Net Metering Service

LEVEL 1

Application for Interconnection and Net Metering

Use this application form only for a generating facility that is inverter based and certified by a nationally recognized testing laboratory to meet the requirements of ***UL*** *1741.*

Submit this Application to:

Kentucky Utilities Company, Attn: Customer Commitment, P. O. Box 32010, Louisville, KY 40232

If you have questions regarding this Application or its status, contact KU at:

502-627-2202 or Customer.commitment@lge-ku.com

Customer Name: _____ Account Number: _____

Customer Address: _____

Customer Phone No.: _____ Customer E-mail Address: _____

Project Contact Person: _____

Phone No.: _____ E-mail Address (Optional): _____

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

_____

Energy Source: ___Solar ___Wind ___Hydro ___Biogas ___Biomass

Inverter Manufacturer and Model #: _____

Inverter Power Rating: _____ Inverter Voltage Rating: _____

Power Rating of Energy Source (i.e., solar panels, wind turbine): _____

Is Battery Storage Used: ___No ____Yes If Yes, Battery Power Rating: _____

Attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of **UL** 1741.

Attach site drawing or sketch showing location of Utility's meter, energy source, ***(optional: Utility accessible disconnect switch)*** and inverter.

Attach single line drawing showing all electrical equipment from the Utility's metering location to the energy source including switches, fuses, breakers, panels, transformers, inverters, energy source, wire size, equipment ratings, and transformer connections.

Expected Start-up Date: _____

DATE OF ISSUE: May 14, 2019

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On and After November 1, 2010

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00548 dated July 30, 2010 and 2010-00204 dated September 30, 2010

KU Net Metering Service-1 (NMS-1) is now contained on one page instead of eight

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 57.7

Standard Rate Rider **NMS**
Net Metering Service

LEVEL 2

Application for Interconnection and Net Metering

Use this application form when a generating facility is not inverter-based or is not certified by a nationally recognized testing laboratory to meet the requirements of ***UL*** *1741 or does not meet any of the additional conditions under Level 1.*

Submit this Application, along with an application fee of $100, to:

Kentucky Utilities Company, Attn: Customer Commitment, P. O. Box 32010, Louisville, KY 40232

If you have questions regarding this Application or its status, contact KU at:

502-627-2202 or Customer.commitment@lge-ku.com

Customer Name: _____ Account Number: _____

Customer Address: _____

Project Contact Person: _____

Phone No.: _____ E-mail Address (Optional): _____

Provide names and contact information for other contractors, installers, or engineering firms involved in the design and installation of the generating facilities:

_____

_____

_____

Total Generating Capacity of Generating Facility: ___

Type of Generator: ____Inverter-Based ____Synchronous ____Induction

Power Source: ____Solar ____Wind ____Hydro ____Biogas ____Biomass

Adequate documentation and information must be submitted with this application to be considered complete. Typically this should include the following:

1. Single-line diagram of Customer's system showing all electrical equipment from the generator to the point of interconnection with the Utility's distribution system, including generators, transformers, switchgear, switches, breakers, fuses, voltage transformers, current transformers, wire sizes, equipment ratings, and transformer connections.
2. Control drawings for relays and breakers.
3. Site Plans showing the physical location of major equipment.
4. Relevant ratings of equipment. Transformer information should include capacity ratings, voltage ratings, winding arrangements, and impedance.
5. If protective relays are used, settings applicable to the interconnection protection. If programmable relays are used, a description of how the relay is programmed to operate as applicable to interconnection protection.
6. A description of how the generator system will be operated including all modes of operation.
7. For inverters, the manufacturer name, model number, and AC power rating. For certified inverters, attach documentation showing that inverter is certified by a nationally recognized testing laboratory to meet the requirements of **UL** 1741.
8. For synchronous generators, manufacturer and model number, nameplate ratings, and impedance data (Xd, Xd, & Xd).
9. For induction generators, manufacturer and model number, nameplate ratings, and locked rotor current.

Customer Signature: _____ Date: _____

T

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

KU Net Metering Service-1 (NMS-1) is now contained on one page instead of eight

KU Net Metering Service-2 is a new tariff

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 58

Standard Rate Rider **NMS-2**
Net Metering Service-2

N

APPLICABLE
In all territory served.

AVAILABILITY
Available to any Customer-generator who owns and operates a generating facility located on Customer's premises that generates electricity using solar, wind, biomass or biogas, or hydro energy in parallel with Company's electric distribution system to provide all or part of Customer's electrical requirements, and who executes Company's Application for Interconnection and Net Metering on or after January 1, 2021. The generation facility shall be limited to a maximum rated capacity of 45 kilowatts.

Company's Application for Interconnection and Net Metering is available online at https://lge-ku.com/residential/net-metering. Company will provide a paper application to Customer upon request.

BILLING
All Customer bills will be calculated in accordance with the Customer's standard rate schedule

ENERGY RATES & CREDITS
For each billing period, Company will (a) bill Customer for all energy consumed in accordance with Customer's standard rate and (b) Company will provide a dollar denominated bill credit for each kWh of production. The dollar denominated bill credit will be calculated by multiplying the total kWh of production within the billing period by the Non-Time-Differentiated SQF rate within tariff Sheet No. 55. Any bill credits greater than the Customer's total bill will be carried forward to future bills.

Unused credits existing at the time Customer's service is terminated, end with Customer's account, have no monetary value, and are not transferrable between locations.

TERMS AND CONDITIONS
Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto. The Net Metering Service Interconnection Guidelines applicable to this Rider are at Sheet Nos. 108 *et seq.*

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 60

Standard Rate Rider **EF**
Excess Facilities

APPLICABLE T
In all territory served.

AVAILABILITY T
Available for non-standard service facilities which are considered to be in excess of the standard T
facilities that would normally be provided by Company. This rider does not apply to line extensions or to other facilities which are necessary to provide basic electric service. Company reserves the right to decline to provide service hereunder for any project (a) that exceeds $100,000 or (b) where Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term.

DEFINITION OF EXCESS FACILITIES
Excess facilities are lines and equipment which are installed in addition to or in substitution for the normal facilities required to render basic electric service and where such facilities are dedicated to a specific Customer. Applications of excess facilities include, but are not limited to, emergency backup feeds, automatic transfer switches, redundant transformer capacity, and duplicate or check meters.

EXCESS FACILITIES CHARGE
Company shall provide normal operation and maintenance of the excess facilities. Should the facilities suffer failure, Company will provide for replacement of such facilities and the monthly charge will be adjusted to reflect the installed cost of the replacement facilities. No adjustment in the monthly charge for a replacement of facilities will be made during the initial five (5) year term of contract.

Customer shall pay for excess facilities by:

a. making a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage With No Contribution–in-Aid-of-Construction	1.16%	R

b. making a one-time Contribution-in-Aid-of-Construction equal to the installed cost of the excess facilities plus a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage With Contribution-in-Aid of-Construction	0.47%	R

DATE OF ISSUE: May 14, 2019

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ISSUED BY: /s/ Robert M. Conroy, Vice President
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Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 60

Standard Rate Rider **EF**
Excess Facilities

APPLICABLE
In all territory served.

AVAILABILITY
Available for non-standard service facilities which are considered to be in excess of the standard facilities that would normally be provided by Company. This rider does not apply to line extensions or to other facilities which are necessary to provide basic electric service. Company reserves the right to decline to provide service hereunder for any project (a) that exceeds $100,000 or (b) where Company does not have sufficient expertise to install, operate, or maintain the facilities or (c) where the facilities do not meet Company's safety requirements, or (d) where the facilities are likely to become obsolete prior to the end of the initial contract term.

DEFINITION OF EXCESS FACILITIES
Excess facilities are lines and equipment which are installed in addition to or in substitution for the normal facilities required to render basic electric service and where such facilities are dedicated to a specific Customer. Applications of excess facilities include, but are not limited to, emergency backup feeds, automatic transfer switches, redundant transformer capacity, and duplicate or check meters.

EXCESS FACILITIES CHARGE
Company shall provide normal operation and maintenance of the excess facilities. Should the facilities suffer failure, Company will provide for replacement of such facilities and the monthly charge will be adjusted to reflect the installed cost of the replacement facilities. No adjustment in the monthly charge for a replacement of facilities will be made during the initial five (5) year term of contract.

Customer shall pay for excess facilities by:

a. making a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage With No Contribution–in-Aid-of-Construction	1.17%	I

b. making a one-time Contribution-in-Aid-of-Construction equal to the installed cost of the excess facilities plus a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:

Percentage With Contribution-in-Aid of-Construction	0.47%

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 60.1

Standard Rate Rider **EF**
Excess Facilities

PAYMENT

The Excess Facilities Charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

TERM OF CONTRACT

The initial term of contract to Customer under this schedule shall be not less than five (5) years. The term shall continue automatically until terminated by either party upon at least one (1) month's written notice. T

DATE OF ISSUE: May 14, 2019

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 60.1

Standard Rate Rider **EF**
Excess Facilities

PAYMENT

The Excess Facilities Charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

TERM OF CONTRACT

The initial term of contract to Customer under this schedule shall be not less than five (5) years. The term shall continue automatically until terminated by either party upon at least one (1) month's written notice. Customer may be responsible for removal cost of facilities upon termination of the contract. N N

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 61

Standard Rate Rider **RC**
Redundant Capacity

APPLICABLE
In all territory served. T

AVAILABILITY
Available to customers served under Company's rate schedules which include a demand charge or a special contract including a demand charge. T T

Available to Customers requesting the reservation of capacity on Company's facilities which are shared by other Customers when Company has and is willing to reserve such capacity. Such facilities represent a redundant delivery to provide electric service to Customer's facility in the event that an emergency or unusual occurrence renders Customer's principal delivery unavailable for providing service. Where Customer desires to split a load between multiple meters on multiple feeds and contract for Redundant Capacity on those feeds, service is contingent on the practicality of metering to measure any transferred load to the redundant feed. T T

RATE:

Capacity Reservation Charge

Secondary Distribution	$1.16 per kW/kVA per month	I
Primary Distribution	$0.99 per kW/kVA per month	I

Applicable to the greater of: T T
1. the highest average load in kW/kVA (as is appropriate for the demand basis of the rate schedule on which Customer is billed) recorded at either the principal distribution feed metering point or at the redundant distribution feed metering point during any 15-minute interval in the monthly billing period;
2. 50% of the maximum demand similarly determined for any of the eleven (11) preceding months; or
3. the contracted capacity reservation.

TERM OF CONTRACT
The minimum contract term shall be five (5) years, and shall be renewed for one (1) year periods until either party provides the other with ninety (90) days written notice of a desire to terminate the arrangement. Company may require that a contract be executed for a longer initial term when deemed necessary by the difficulty and/or high cost associated with providing the redundant feed or other special conditions. T

DATE OF ISSUE: May 14, 2019

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 61

Standard Rate Rider **RC**
Redundant Capacity

APPLICABLE
In all territory served.

AVAILABILITY
Available to customers served under Company's rate schedules which include a demand charge or a special contract including a demand charge.

Available to Customers requesting the reservation of capacity on Company's facilities which are shared by other Customers when Company has and is willing to reserve such capacity. Such facilities represent a redundant delivery to provide electric service to Customer's facility in the event that an emergency or unusual occurrence renders Customer's principal delivery unavailable for providing service. Where Customer desires to split a load between multiple meters on multiple feeds and contract for Redundant Capacity on those feeds, service is contingent on the practicality of metering to measure any transferred load to the redundant feed.

RATE:

Capacity Reservation Charge

Secondary Distribution	$1.36 per kW/kVA per month	I
Primary Distribution	$0.92 per kW/kVA per month	R

Applicable to the greater of:
1. the highest average load in kW/kVA (as is appropriate for the demand basis of the rate schedule on which Customer is billed) recorded at either the principal distribution feed metering point or at the redundant distribution feed metering point during any 15-minute interval in the monthly billing period;
2. 50% of the maximum demand similarly determined for any of the eleven (11) preceding months; or
3. the contracted capacity reservation.

TERM OF CONTRACT
The minimum contract term shall be five (5) years, and shall be renewed for one (1) year periods until either party provides the other with ninety (90) days written notice of a desire to terminate the arrangement. Company may require that a contract be executed for a longer initial term when deemed necessary by the difficulty and/or high cost associated with providing the redundant feed or other special conditions.

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Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 65

Standard Rate Rider **IL**
Intermittent Loads

APPLICABLE
In all territory served.

AVAILABILITY T
This schedule applies to all loads having a detrimental effect upon the electric service rendered to other Customers of Company or upon Company's facilities.

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company, in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other desirable electrical characteristics produced by Customer exceed T
the limits set forth in the IEEE standards for such characteristics. In addition, if Customer's use of T
Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to Customer in accordance with T
807 KAR 5:006, Section 15(1)(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at Customer's expense. T

RATE
1. A contribution in aid of construction or an excess facilities charge shall be required for all special or added facilities, if any, necessary to serve such loads, as provided under the Excess Facilities Rider.

2. Plus the charges provided for under the rate schedule applicable, including any Basic Service Charge if applicable, Energy Charge, Maximum Load Charge (if load charge rate is used), Fuel Adjustment Clause and the Minimum Charge under such rate adjusted in accordance with (a) or (b) herein. T

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 65

Standard Rate Rider **IL**
Intermittent Loads

APPLICABLE
In all territory served.

AVAILABILITY
This schedule applies to all loads having a detrimental effect upon the electric service rendered to other Customers of Company or upon Company's facilities.

Where Customer's use of service is intermittent, subject to violent or extraordinary fluctuations, or produces unacceptable levels of harmonic current, in each case as determined by Company, in its reasonable discretion, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable equipment (as approved by Company in its reasonable discretion) to meter and limit such intermittence, fluctuation, or harmonics to the extent reasonably requested by Company. Without limiting the foregoing, Company may require such equipment if, at any time, the megavars, harmonics, and other desirable electrical characteristics produced by Customer exceed the limits set forth in the IEEE standards for such characteristics. In addition, if Customer's use of Company's service under this schedule causes such undesirable electrical characteristics in an amount exceeding those IEEE standards, such use shall be deemed to cause a dangerous condition which could subject any person to imminent harm or result in substantial damage to the property of Company or others, and Company shall therefore terminate service to Customer in accordance with 807 KAR 5:006, Section 15(1)(b). Such a termination of service shall not be considered a cancellation of the service agreement or relieve Customer of any minimum billing or other guarantees. Company shall be held harmless for any damages or economic loss resulting from such termination of service. If requested by Company, Customer shall provide all available information to Company that aids Company in enforcing its service standards. If Company at any time has a reasonable basis for believing that Customer's proposed or existing use of the service provided will not comply with the service standards for interference, fluctuations, or harmonics, Company may engage such experts and/or consultants as Company shall determine are appropriate to advise Company in ensuring that such interference, fluctuations, or harmonics are within acceptable standards. Should such experts and/or consultants determine Customer's use of service is unacceptable, Company's use of such experts and/or consultants will be at Customer's expense.

RATE
1. A contribution in aid of construction or an excess facilities charge shall be required for all special or added facilities, if any, necessary to serve such loads, as provided under the Excess Facilities Rider.

2. Plus the charges provided for under the rate schedule applicable, including any Basic Service Charge if applicable, Energy Charge, Maximum Load Charge (if load charge rate is used), Fuel Adjustment Clause and the Minimum Charge under such rate adjusted in accordance with (a) or (b) herein.

DATE OF ISSUE: November 25, 2020

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 65.1

Standard Rate Rider **IL**
Intermittent Loads

RATE (continued)

a. If rate schedule calls for a minimum based on the total kW of connected load, each kVA of such special equipment shall be counted as one kW connected load for minimum billing purposes.
b. If rate schedule calls for a minimum based on the 15-minute integrated load, and such loads operate only intermittently so that the kW registered on a standard 15-minute integrated demand meter is small in comparison to the instantaneous load such equipment is capable of imposing, each kVA of such special equipment shall be counted as one-third kW load for minimum billing purposes.

MINIMUM CHARGE
As determined by this rider and the rate schedule to which it is attached.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00370 dated June 22, 2017 and modified June 29, 2017

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 65.1

Standard Rate Rider **IL**
Intermittent Loads

RATE (continued)

a. If rate schedule calls for a minimum based on the total kW of connected load, each kVA of such special equipment shall be counted as one kW connected load for minimum billing purposes.
b. If rate schedule calls for a minimum based on the 15-minute integrated load, and such loads operate only intermittently so that the kW registered on a standard 15-minute integrated demand meter is small in comparison to the instantaneous load such equipment is capable of imposing, each kVA of such special equipment shall be counted as one-third kW load for minimum billing purposes.

MINIMUM CHARGE
As determined by this rider and the rate schedule to which it is attached.

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Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 66

Standard Rate Rider TS

Temporary-to-Permanent and Seasonal Service T

APPLICABLE

In all territory served.

AVAILABILITY T

This rider is available at the option of Company where:

1. Customer's business requires service provided for construction of permanent delivery points for residences and commercial buildings; or N N
2. Customer's business does not require permanent installation of Company's facilities and is of such nature to require only seasonal service or temporary service; or T
3. Customer's service is over 50 kW, provided for construction purposes, and where in the judgment of Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other Customers; or T
4. Customer has need for temporary intermittent use of Company facilities and Company has facilities it is willing to provide Customer for installation and operational testing of Customer's equipment. T

This service is available for not less than one (1) month (approximately thirty (30) days), but when service is used longer than one (1) month, any fraction of a month's use will be prorated for billing purposes. Where this service is provided under 3 or 4 above, Company will determine the term of service, which shall not exceed three (3) years. T T

CONDITIONS

Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a yearly contract and minimum, substituting therefore the following conditions and agreements:

1. For Temporary-to-Permanent service which requires service for construction of permanent delivery points for residences and commercial buildings, the Company will provide a temporary electric service upon request by the customer for a non-refundable charge. This charge, which will be subject to an annual review and revision, shall depend on the facilities which must be installed (and removed) by the Company in order to connect service. D N

   The standard charge shall be 15% of the estimated installation and removal cost where the facilities to provide service are already in place. It also applies where all of the installed facilities will be utilized, without modification, as part of a future permanent service.

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DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 66

Standard Rate Rider TS

Temporary-to-Permanent and Seasonal Service

APPLICABLE

In all territory served.

AVAILABILITY

This rider is available at the option of Company where:

1. Customer's business requires service provided for construction of permanent delivery points for residences and commercial buildings; or
2. Customer's business does not require permanent installation of Company's facilities and is of such nature to require only seasonal service or temporary service; or
3. Customer's service is over 50 kW, provided for construction purposes, and where in the judgment of Company the local and system electrical facility capacities are adequate to serve the load without impairment of service to other Customers; or
4. Customer has need for temporary intermittent use of Company facilities and Company has facilities it is willing to provide Customer for installation and operational testing of Customer's equipment.

This service is available for not less than one (1) month (approximately thirty (30) days), but when service is used longer than one (1) month, any fraction of a month's use will be prorated for billing purposes. Where this service is provided under 3 or 4 above, Company will determine the term of service, which shall not exceed three (3) years.

CONDITIONS

Company may permit such electric loads to be served on the rate schedule normally applicable, but without requiring a yearly contract and minimum, substituting therefore the following conditions and agreements:

1. For Temporary-to-Permanent service which requires service for construction of permanent delivery points for residences and commercial buildings, the Company will provide a temporary electric service upon request by the customer for a non-refundable charge. This charge, which will be subject to an annual review and revision, shall depend on the facilities which must be installed (and removed) by the Company in order to connect service.

   The standard charge shall be 15% of the estimated installation and removal cost where the facilities to provide service are already in place. It also applies where all of the installed facilities will be utilized, without modification, as part of a future permanent service.

DATE OF ISSUE: November 25, 2020

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 66.1

Standard Rate Rider **TS**
Temporary-to-Permanent and Seasonal Service

CONDITIONS (continued)

2. For Seasonal Service where facilities are installed for temporary service that will not be utilized as part of a future permanent service, the customer shall pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased.

Temporary services for underground or overhead installations are to be constructed as specified by Company standards. Customer will furnish and install material and equipment, including mast for service entrance, conductors, meter base, main disconnect, breaker assembly and grounding. Once the temporary service is no longer needed, the Customer must contact the Company for removal.

For such cases where a temporary service is written upon a refundable contract, the customer will be refunded back the deposit paid for the temporary service after three years of continuous service.

N

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 66.1

Standard Rate Rider **TS**
Temporary-to-Permanent and Seasonal Service

CONDITIONS (continued)

2. For Seasonal Service where facilities are installed for temporary service that will not be utilized as part of a future permanent service, the customer shall pay Company for all costs of making temporary connections, including cost of installing necessary transformers, meters, poles, wire and any other material, and any cost of material which cannot be salvaged, and the cost of removing such facilities when load has ceased.

Temporary services for underground or overhead installations are to be constructed as specified by Company standards. Customer will furnish and install material and equipment, including mast for service entrance, conductors, meter base, main disconnect, breaker assembly and grounding. Once the temporary service is no longer needed, the Customer must contact the Company for removal.

For such cases where a temporary service is written upon a refundable contract, the customer will be refunded back the deposit paid for the temporary service after three years of continuous service.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 67

Standard Rate Rider

Kilowatt-Hours Consumed By Lighting Units

APPLICABLE

In all territory served to determine energy consumption applied to Company's non-metered lighting rate schedules. T

DETERMINATION OF ENERGY CONSUMPTION

The applicable Fuel Adjustment Clause charge or credit will be based on the kilowatt-hours calculated by multiplying the kilowatt load of each light times the number of hours that light is in use during the billing month. The kilowatt load of each light is shown in the section titled RATE. The number of hours a light will be in use during a given month is from dusk to dawn as shown in the following Hours Use Table. T

HOURS USE TABLE

Month	Hours Light Is In Use
JAN	407
FEB	344
MAR	347
APR	301
MAY	281
JUN	257
JUL	273
AUG	299
SEP	322
OCT	368
NOV	386
DEC	415
TOTAL FOR YEAR	4,000 HRS.

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 67

Standard Rate Rider

Kilowatt-Hours Consumed By Lighting Units

APPLICABLE

In all territory served to determine energy consumption applied to Company's non-metered lighting rate schedules.

DETERMINATION OF ENERGY CONSUMPTION

The applicable Fuel Adjustment Clause charge or credit will be based on the kilowatt-hours calculated by multiplying the kilowatt load of each light times the number of hours that light is in use during the billing month. The kilowatt load of each light is shown in the section titled RATE. The number of hours a light will be in use during a given month is from dusk to dawn as shown in the following Hours Use Table.

HOURS USE TABLE

Month	Hours Light Is In Use
JAN	407
FEB	344
MAR	347
APR	301
MAY	281
JUN	257
JUL	273
AUG	299
SEP	322
OCT	368
NOV	386
DEC	415
TOTAL FOR YEAR	4,000 HRS.

DATE OF ISSUE: November 25, 2020

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Kentucky Utilities Company

P.S.C. No. 19, First Revision of Original Sheet No. 69
Canceling P.S.C. No. 19, Original Sheet No. 69

Standard Rate Rider **GT**
Green Tariff

APPLICABLE
In all territory served.

AVAILABILITY
Option #1: Renewable Energy Certificates (RECs)

Available as a rider to customers receiving service under Company's standard RS, RTOD-Energy, RTOD-Demand, GS, PS, TODS, TODP, RTS, or FLS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates. T T

Participation in this option may be limited by the ability of the Company to procure RECs from Renewable Resources at a price equal to $13 or less per REC. If the total of all kWh under contract under this tariff equals or exceeds the Company's ability to economically procure RECs (more than $13 per REC), the Company may suspend the availability of this tariff to new participants.

Option #2: Business Solar

Available as a rider to customers receiving service under Company's standard GS, PS, TODS, TODP, RTS, or FLS rate schedules. Service under Option #2 requires Company and Customer to enter into a special contract, which must be filed with and approved by the Kentucky Public Service Commission.

Participation in this option will be limited to Customers who wish to have the Company develop, procure, construct, maintain, manage, and own a solar array. The electrical energy produced by the array will be assigned to the Customer.

Option #3: Renewable Power Agreement

Available as a rider to customers to be served under Company's Standard Rate Schedules TODS, TODP, RTS and FLS. Service under Option #3 requires Company and Customer to enter into a special contract, which must be filed with and approved by the Kentucky Public Service Commission. T

Customers who wish to purchase the electrical output and all associated environmental attributes from a renewable energy generator may contract bilaterally with the Company. In addition this option is limited to:

1. A customer contracting for a minimum monthly billing load of 10 MVA (or MW as is appropriate).
2. Any agreement must be greater than 10 MW nameplate AC, capped at a system cumulative 125 MW name plate AC and for a term that equals the generation purchase agreement for a minimum period of 5 years. T
3. A Customer with multiple accounts may aggregate those accounts for the sole purpose of meeting the 10 MVA requirement. N N
4. Agreement must be for energy delivered to the Company's transmission system. T

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Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 69

Standard Rate Rider **GT**
Green Tariff

APPLICABLE
In all territory served.

AVAILABILITY
Option #1: Renewable Energy Certificates (RECs)

Available as a rider to customers receiving service under Company's standard RS, RTOD-Energy, RTOD-Demand, GS, GTOD-Energy, GTOD-Demand, PS, TODS, TODP, RTS, or FLS rate schedules as an option to participate in Company's "Green Energy Program" whereby Company will aggregate the resources provided by the participating customers to develop green power, purchase green power, or purchase Renewable Energy Certificates. T T

Participation in this option may be limited by the ability of the Company to procure RECs from Renewable Resources at a price equal to $13 or less per REC. If the total of all kWh under contract under this tariff equals or exceeds the Company's ability to economically procure RECs (more than $13 per REC), the Company may suspend the availability of this tariff to new participants.

Option #2: Business Solar

Available as a rider to customers receiving service under Company's standard GS, GTOD-Energy, GTOD-Demand, PS, TODS, TODP, RTS, or FLS rate schedules. Service under Option #2 requires Company and Customer to enter into a special contract, which must be filed with and approved by the Kentucky Public Service Commission. T T

Participation in this option will be limited to Customers who wish to have the Company develop, procure, construct, maintain, manage, and own a solar array. The electrical energy produced by the array will be assigned to the Customer.

Option #3: Renewable Power Agreement

Available as a rider to customers to be served under Company's Standard Rate Schedules TODS, TODP, RTS and FLS. Service under Option #3 requires Company and Customer to enter into a special contract, which must be filed with and approved by the Kentucky Public Service Commission.

Customers who wish to purchase the electrical output and all associated environmental attributes from a renewable energy generator may contract bilaterally with the Company. In addition this option is limited to:

1. A customer contracting for a minimum monthly billing load of 10 MVA (or MW as is appropriate).
2. Any agreement must be greater than 10 MW nameplate AC, capped at a system cumulative 125 MW name plate AC and for a term that equals the generation purchase agreement for a minimum period of 5 years.
3. A Customer with multiple accounts may aggregate those accounts for the sole purpose of meeting the 10 MVA requirement.
4. Agreement must be for energy delivered to the Company's transmission system.

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, First Revision of Original Sheet No. 69.1
Canceling P.S.C. No. 19, Original Sheet No. 69.1

Standard Rate Rider GT
Green Tariff

AVAILABILITY – continued

5. Energy serving this option must be generated from a renewable resource developed on or after the Kentucky Public Service Commission special contract approval date.
6. Customer will have the opportunity to request the type of renewable resource (e.g., solar or wind) but not the specific facility or generation source.

DEFINITIONS

1. Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources. The locations of these sources are limited to Kentucky, Indiana, Tennessee, Ohio, West Virginia, Virginia, Missouri, and Illinois that are certified for the creation of Renewable Energy Credits by definition 2 and 3 below.
2. A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental benefits and attributes of one MWh of green power. RECs may only be purchased from facilities located in Kentucky, Indiana, Tennessee, Ohio, West Virginia, Virginia, Missouri, and Illinois.
3. Eligible RECs are created from renewable facilities verified and approved by the proven renewable asset tracking systems associated with the major regional Independent System Operators (ISO) operators, PJM's Generation Attribute Tracking System (GATS) or MISO's Midwest Renewable Energy Tracking System (MRETS). The legal ownership of every REC so created is recorded and tracked by GATS or MRETS to assure its authenticity and single ownership.

RATE

Option #1: RECs

Customers who wish to support the development of electricity generated by Renewable Resources may contract to purchase each month a specific number of incremental blocks. All RECs purchased to support Option #1 of this tariff shall be retired by the Company on behalf of the customers.

Rate Schedules RS, RTOD-Energy, RTOD-Demand, and GS:
Voluntary monthly contributions of any amount in $5.00 increments

Rate Schedules PS, TODS, TODP, RTS, or FLS:
Voluntary monthly contributions of any amount in $13.00 increments

Option #2: Business Solar

Charges and energy credits for this service will be set forth in the written agreement between the Company and the Customer and will reflect a combination of the firm service rates otherwise available to the Customer and the cost of the business solar facility being directly contracted for by the Customer.

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 69.1

Standard Rate Rider GT
Green Tariff

AVAILABILITY – continued

5. Energy serving this option must be generated from a renewable resource developed on or after the Kentucky Public Service Commission special contract approval date.
6. Customer will have the opportunity to request the type of renewable resource (e.g., solar or wind) but not the specific facility or generation source.

DEFINITIONS

1. Green power is that electricity generated from renewable sources including but not limited to: solar, wind, hydroelectric, geothermal, landfill gas, biomass, biodiesel used to generate electricity, agricultural crops or waste, all animal and organic waste, all energy crops and other renewable resources. The locations of these sources are limited to Kentucky, Indiana, Tennessee, Ohio, West Virginia, Virginia, Missouri, and Illinois that are certified for the creation of Renewable Energy Credits by definition 2 and 3 below.
2. A Renewable Energy Certificate ("REC") is the tradable unit which represents the commodity formed by unbundling the environmental-benefit attributes of a unit of green power from the underlying electricity. One REC is equivalent to the environmental benefits and attributes of one MWh of green power. RECs may only be purchased from facilities located in Kentucky, Indiana, Tennessee, Ohio, West Virginia, Virginia, Missouri, and Illinois.
3. Eligible RECs are created from renewable facilities verified and approved by the proven renewable asset tracking systems associated with the major regional Independent System Operators (ISO) operators, PJM's Generation Attribute Tracking System (GATS) or MISO's Midwest Renewable Energy Tracking System (MRETS). The legal ownership of every REC so created is recorded and tracked by GATS or MRETS to assure its authenticity and single ownership.

RATE

Option #1: RECs

Customers who wish to support the development of electricity generated by Renewable Resources may contract to purchase each month a specific number of incremental blocks. All RECs purchased to support Option #1 of this tariff shall be retired by the Company on behalf of the customers.

Rate Schedules RS, RTOD-Energy, RTOD-Demand, GS, GTOD-Energy, and GTOD-Demand:
Voluntary monthly contributions of any amount in $5.00 increments

Rate Schedules PS, TODS, TODP, RTS, or FLS:
Voluntary monthly contributions of any amount in $13.00 increments

Option #2: Business Solar

Charges and energy credits for this service will be set forth in the written agreement between the Company and the Customer and will reflect a combination of the firm service rates otherwise available to the Customer and the cost of the business solar facility being directly contracted for by the Customer.

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On and After January 1, 2021

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Kentucky Utilities Company

P.S.C. No. 19, First Revision of Original Sheet No. 69.2
Canceling P.S.C. No. 19, Original Sheet No. 69.2

Standard Rate Rider **GT**
Green Tariff

RATE (continued)

Option #3: Renewable Power Agreement

Charges and energy credits for this service will be set forth in the written agreement between the Company and the Customer and will reflect a combination of the firm service rates otherwise available to the Customer and the cost of the renewable energy resource, including appropriate transmission costs to deliver the energy to the Customer, being directly contracted for by the Customer.

Renewable energy purchased under the Renewable Power Agreement cannot be used to offset demand or demand charges. N N

For each 15-minute interval in a billing period, Company will compare Customer's energy consumption to the energy delivered to the Company under the Renewable Power Agreement. In each such 15-minute interval: (i) if Customer's consumption exceeds energy delivered, the difference in kWh between energy consumed and delivered is Net Consumption; or (ii) if energy delivered exceeds Customer's consumption, the difference in kWh between energy delivered and consumed is Net Production. N N N N N N

a. Company will bill Customer for all Net Consumption in each billing period, inclusive of base-fuel, fuel adjustment clause and ECR applied as a percentage of the billed amount, in accordance with the Customer's standard rate schedule. N N N

b. Company will also provide Customer a bill credit for all Net Production in each billing period, with all Net Production to be valued at the avoided energy cost calculated under Company's Standard Rate Rider LQF (Sheet No. 56). N N N

Customer will pay all cost associated with implementing the Renewable Power Agreement, inclusive of the contracted energy price, with no costs shifted to non-participants. N N

TERM

Option #1: Customers may participate through a one-time purchase or an automatic monthly purchase agreement. Customer may terminate service under this rider by notifying the Company through its Call Center or Business Office. The charges will be removed on the Customer's next bill after their request to terminate.

Option #2: The term will be agreed upon in a separate written bilateral agreement between the Company and the Customer. Contract to be filed with and approved by the Kentucky Public Service Commission.

Option #3: The term will be agreed upon in the separate written bilateral agreement between the Company and the Customer. Contract to be filed with and approved by the Kentucky Public Service Commission.

T

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 69.2

Standard Rate Rider **GT**
Green Tariff

RATE - continued

Option #3: Renewable Power Agreement

Charges and energy credits for this service will be set forth in the written agreement between the Company and the Customer and will reflect a combination of the firm service rates otherwise available to the Customer and the cost of the renewable energy resource, including appropriate transmission costs to deliver the energy to the Customer, being directly contracted for by the Customer.

Renewable energy purchased under the Renewable Power Agreement cannot be used to offset demand or demand charges.

For each 15-minute interval in a billing period, Company will compare Customer's energy consumption to the energy delivered to the Company under the Renewable Power Agreement. In each such 15-minute interval: (i) if Customer's consumption exceeds energy delivered, the difference in kWh between energy consumed and delivered is Net Consumption; or (ii) if energy delivered exceeds Customer's consumption, the difference in kWh between energy delivered and consumed is Net Production.

a. Company will bill Customer for all Net Consumption in each billing period, inclusive of base-fuel, fuel adjustment clause and ECR applied as a percentage of the billed amount, in accordance with the Customer's standard rate schedule.

b. Company will also provide Customer a bill credit for all Net Production in each billing period, with all Net Production to be valued at the avoided energy cost calculated under Company's Standard Rate Rider LQF (Sheet No. 56).

Customer will pay all cost associated with implementing the Renewable Power Agreement, inclusive of the contracted energy price, with no costs shifted to non-participants.

TERM

Option #1: Customers may participate through a one-time purchase or an automatic monthly purchase agreement. Customer may terminate service under this rider by notifying the Company through its Call Center or Business Office. The charges will be removed on the Customer's next bill after their request to terminate.

Option #2: The term will be agreed upon in a separate written bilateral agreement between the Company and the Customer. Contract to be filed with and approved by the Kentucky Public Service Commission.

Option #3: The term will be agreed upon in the separate written bilateral agreement between the Company and the Customer. Contract to be filed with and approved by the Kentucky Public Service Commission.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
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Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 69.3

Standard Rate Rider **GT**
Green Tariff

TERMS AND CONDITIONS

1. Customers participating in Option #1 may contribute as much as they like in the dollar increments outlined above. (RS, RTOD-Energy, RTOD-Demand, GS - $5, $10, $15, $20, etc), (PS, TODS, TODP, RTS, FLS - $13, $26, $39, etc.) T
2. An eligible Customer may participate in the Company's "Green Tariff" by making a request to Company's Call Center, Business Office, Key Account Manager or through Company's website enrollment form. Funds provided by Customer to Company are not refundable. T
3. Customers may not owe any arrearage prior to participating in the "Green Tariff". Any customer failing to pay the amount the customer pledged to contribute in Option #1 may be removed from the "Green Tariff". Any customer removed from or withdrawing Option #1 of the "Green Tariff" will not be allowed to re-apply for one year. T
4. Customer will be billed monthly under the "Green Tariff". Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses. T

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Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 69.3

Standard Rate Rider **GT**
Green Tariff

TERMS AND CONDITIONS

1. Customers participating in Option #1 may contribute as much as they like in the dollar increments outlined above. (RS, RTOD-Energy, RTOD-Demand, GS, GTOD-Energy, GTOD-Demand - $5, $10, $15, $20, etc), (PS, TODS, TODP, RTS, FLS - $13, $26, $39, etc.) T T
2. An eligible Customer may participate in the Company's "Green Tariff" by making a request to Company's Call Center, Business Office, Key Account Manager, or through Company's website enrollment form. Funds provided by Customer to Company are not refundable.
3. Customers may not owe any arrearage prior to participating in the "Green Tariff". Any customer failing to pay the amount the customer pledged to contribute in Option #1 may be removed from the "Green Tariff". Any customer removed from Option#1 of the "Green Tariff" will not be allowed to re-apply for one year. T
4. Customer will be billed monthly under the "Green Tariff". Such billing will be added to Customer's billing under any standard rate schedules plus applicable riders plus applicable adjustment clauses.

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Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 71

Standard Rate Rider **EDR**
Economic Development Rider

APPLICABLE
In all territory served.

AVAILABILITY T
Available as a rider to Customers to be served or being served under Rates TODS, TODP, and RTS to encourage Brownfield Development or Economic Development (as defined herein). Service under EDR is conditional on approval of a special contract for such service filed with and approved by the Kentucky Public Service Commission. T

RATE
A Customer taking service under EDR shall be served according to all of the rates, terms, and conditions of the normally applicable rate schedule subject to the following:

For the twelve (12) consecutive monthly billings and the subsequent four consecutive twelve (12) monthly billing periods thereafter, the Total Demand Charge shall be reduced by 50%, 40%, 30%, 20%, 10% in the order of Customer's choosing at time of contract filing. All subsequent billing shall be at the full charges stated in the applicable rate schedule after this five (5) year period. D N N N N

"Total Demand Charge" is the sum of all demand charges, including any credits provided under any other demand applicable rider, before the EDR discounts described above are applied.

TERMS AND CONDITIONS
Brownfield Development
1. Service under EDR for Brownfield Development is available to Customers locating at sites that have been submitted to, approved by, and added to the Brownfield Inventory maintained by the Kentucky Energy and Environment Cabinet (or by any successor entity created and authorized by the Commonwealth of Kentucky).
2. EDR for Brownfield Development is available only to minimum monthly billing loads of 500 kVA or greater and at least a 50% load factor where the Customer takes service from existing Company facilities with no material changes. T T

Economic Development
3. Service under EDR for Economic Development is available to:
   a. new Customers contracting for a minimum monthly billing load of 1,000 kVA, and at least a 50% load factor; and T T

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 71

Standard Rate Rider **EDR**
Economic Development Rider

APPLICABLE
In all territory served.

AVAILABILITY
Available as a rider to Customers to be served or being served under Rates TODS, TODP, and RTS to encourage Brownfield Development or Economic Development (as defined herein). Service under EDR is conditional on approval of a special contract for such service filed with and approved by the Kentucky Public Service Commission.

RATE
A Customer taking service under EDR shall be served according to all of the rates, terms, and conditions of the normally applicable rate schedule subject to the following:

For the twelve (12) consecutive monthly billings and the subsequent four consecutive twelve (12) monthly billing periods thereafter, the Total Demand Charge shall be reduced by 50%, 40%, 30%, 20%, 10% in the order of Customer's choosing at time of contract filing. All subsequent billing shall be at the full charges stated in the applicable rate schedule after this five (5) year period.

"Total Demand Charge" is the sum of all demand charges, including any credits provided under any other demand applicable rider, before the EDR discounts described above are applied.

TERMS AND CONDITIONS
Brownfield Development
1. Service under EDR for Brownfield Development is available to Customers locating at sites that have been submitted to, approved by, and added to the Brownfield Inventory maintained by the Kentucky Energy and Environment Cabinet (or by any successor entity created and authorized by the Commonwealth of Kentucky).
2. EDR for Brownfield Development is available only to minimum monthly billing loads of 500 kVA or greater and at least a 50% load factor where the Customer takes service from existing Company facilities with no material changes.

Economic Development
3. Service under EDR for Economic Development is available to:
   a. new Customers contracting for a minimum monthly billing load of 1,000 kVA, and at least a 50% load factor; and

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 71.1

Standard Rate Rider **EDR**
Economic Development Rider

TERMS AND CONDITIONS
Economic Development (continued)

b. Existing Customers contracting for a minimum monthly billing load of 1,000 kVA above their Existing Base Load, and at least a 50% load factor to be determined as follows: T
   i. Company and the existing Customer will determine Customer's Existing Base Load by calculating a twelve (12) month rolling average of measured demand. T
   ii. Company and the existing Customer must agree upon the Existing Base Load, which shall be an explicit term of the special contract submitted to the Commission for approval before the Customer can take service under EDR. Once the Existing Base Load's value is thus established, it will not be subject to variation or eligible for service under EDR.
   iii. This provision is not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a Customer's Existing Base Load. Such EDR service would continue under the terms of the contract already existing between Company and the Customer concerning the affected portion of the Customer's Existing Base Load.

4. A Customer desiring service under EDR for Economic Development must submit an application for service that includes:
   a. a description of the new load to be served;
   b. the number of new employees, if any, Customer anticipates employing associated with the new load;
   c. the capital investment Customer anticipates making associated with the EDR load;
   d. a certification that Customer has been qualified by the Commonwealth of Kentucky for benefits under the Kentucky Business Investment Program (KBI), or the Kentucky Industrial Revitalization Act (KIRA), or the Kentucky Jobs Retention Act (KJRA), or other comparable programs approved by the Commonwealth of Kentucky.

5. Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set out under Company's Line Extension Plan, I. Special Cases, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period.

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Standard Rate Rider **EDR**
Economic Development Rider

TERMS AND CONDITIONS
Economic Development (continued)

b. Existing Customers contracting for a minimum monthly billing load of 1,000 kVA above their Existing Base Load, and at least a 50% load factor to be determined as follows:
   i. Company and the existing Customer will determine Customer's Existing Base Load by calculating a twelve (12) month rolling average of measured demand.
   ii. Company and the existing Customer must agree upon the Existing Base Load, which shall be an explicit term of the special contract submitted to the Commission for approval before the Customer can take service under EDR. Once the Existing Base Load's value is thus established, it will not be subject to variation or eligible for service under EDR.
   iii. This provision is not intended to reduce or diminish in any way EDR service already being provided to all or a portion of a Customer's Existing Base Load. Such EDR service would continue under the terms of the contract already existing between Company and the Customer concerning the affected portion of the Customer's Existing Base Load.

4. A Customer desiring service under EDR for Economic Development must submit an application for service that includes:
   a. a description of the new load to be served;
   b. the number of new employees, if any, Customer anticipates employing associated with the new load;
   c. the capital investment Customer anticipates making associated with the EDR load;
   d. a certification that Customer has been qualified by the Commonwealth of Kentucky for benefits under programs reviewed and approved by the Kentucky Economic Development Finance Authority, or any successor entity authorized by the Commonwealth of Kentucky. D/N D/N D/N

5. Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set out under Company's Line Extension Plan, I. Special Cases, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 71.2

Standard Rate Rider **EDR**
Economic Development Rider

N

Economic Re-Development

6. Service under EDR for Economic Re-Development is available to:
   a. Customers locating at vacant commercial or industrial properties in the Company's service territory which have been unoccupied for at least twelve (12) consecutive months. Verification of vacancy will constitute evidence of minimal to no electrical use during the unoccupied timeframe as determined by the company. Development of green space or undeveloped properties or sites are excluded from the Re-Development rider.
   b. EDR for Economic Re-Development is available only to minimum monthly billing loads of 500 kVA or greater where Customer takes service from the existing electrical infrastructure with no material changes and at least a 50% load factor.
   c. A customer desiring service under must submit an application for service that includes:
      i. a description of the new load to be served;
      ii. the number of new employees, if any, Customer anticipates employing associated with the new load; and
      iii. the capital investment Customer anticipates making associated with the EDR load.
   d. Customers relocating their operations from another premise within the Company's service territory and maintaining the same demand load as indicated on the customer's Load Data Sheet are ineligible to participate in this tariff.
   e. Customers relocating their operations from another premise within the Company's service territory and increasing the demand load as indicated on the customer's Load Data Sheet are eligible to participate in this tariff for the increased demand of 500 kVA minimum and at least a 50% load factor.
   f. Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set out under Company's Line Extension Plan, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period.

General

7. Company may offer EDR to qualifying new load only when Company has generating capacity available and the new load will not accelerate Company's plans for additional generating capacity over the life of the EDR contract.
8. Customer may request an EDR effective initial billing date that is no later than twelve (12) months after the date on which the Kentucky Public Service Commission approves the customer agreement.
9. Neither the demand charge reduction nor any unjustified capital investment in facilities will be borne by Company's other Customers during the term of the EDR contract.

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Standard Rate Rider **EDR**
Economic Development Rider

Economic Re-Development

6. Service under EDR for Economic Re-Development is available to:
   a. Customers locating at vacant commercial or industrial properties in the Company's service territory which have been unoccupied for at least twelve (12) consecutive months. Verification of vacancy will constitute evidence of minimal to no electrical use during the unoccupied timeframe as determined by the company. Development of green space or undeveloped properties or sites are excluded from the Re-Development rider.
   b. EDR for Economic Re-Development is available only to minimum monthly billing loads of 500 kVA or greater where Customer takes service from the existing electrical infrastructure with no material changes and at least a 50% load factor.
   c. A customer desiring service under must submit an application for service that includes:
      i. a description of the new load to be served;
      ii. the number of new employees, if any, Customer anticipates employing associated with the new load; and
      iii. the capital investment Customer anticipates making associated with the EDR load.
   d. Customers relocating their operations from another premise within the Company's service territory and maintaining the same demand load as indicated on the customer's Load Data Sheet are ineligible to participate in this tariff.
   e. Customers relocating their operations from another premise within the Company's service territory and increasing the demand load as indicated on the customer's Load Data Sheet are eligible to participate in this tariff for the increased demand of 500 kVA minimum and at least a 50% load factor.
   f. Should Company determine a refundable contribution for the capital investment in Customer-specific facilities required by Company to serve the EDR load would ordinarily be required as set out under Company's Line Extension Plan, that amount shall be determined over a fifteen (15) year period and payable at the end of the fifteen (15) year period.

General

7. Company may offer EDR to qualifying new load only when Company has generating capacity available and the new load will not accelerate Company's plans for additional generating capacity over the life of the EDR contract.
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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 71.3

Standard Rate Rider **EDR**
Economic Development Rider

N

10. Company may offer differing terms, as appropriate, under special contract to which this rider is a part depending on the circumstances associated with providing service to a particular Customer and subject to approval by the Kentucky Public Service Commission.
11. No credit under EDR will be calculated or applied to Customer's billing in any billing month in which Customer's metered load is less than the load required to be eligible for either Brownfield Development, Economic Development, or Economic Re-Development.
12. EDR is not available to a new customer that results solely from a change in ownership of a previous customer's account. However, if a change in ownership occurs after the previous customer had entered into an EDR special contract, the successor customer may be allowed to fulfil the balance of the EDR special contract.

TERM OF CONTRACT

Service will be furnished under the applicable rate schedule and this rider, filed as a special contract with the Commission, for a fixed term of not less than ten (10) years and for such time thereafter under the terms stated in the rate schedule. A greater term of contract or termination notice may be required because of conditions associated with a Customer's requirements for service. Service will be continued under conditions provided for under the rate schedule to which this rider is attached after the original term of contract.

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Standard Rate Rider **EDR**
Economic Development Rider

9. Company may offer differing terms, as appropriate, under special contract to which this rider is a part depending on the circumstances associated with providing service to a particular Customer and subject to approval by the Kentucky Public Service Commission. T
10. No credit under EDR will be calculated or applied to Customer's billing in any billing month in which Customer's metered load is less than the load required to be eligible for either Brownfield Development, Economic Development, or Economic Re-Development. T
11. EDR is not available to a new customer that results solely from a change in ownership of a previous customer's account. However, if a change in ownership occurs after the previous customer had entered into an EDR special contract, the successor customer may be allowed to fulfil the balance of the EDR special contract. T
12. All EDR contracts will provide for the recovery of EDR customer-specific fixed costs over the life of the contract. N N
13. All EDR contracts designed to retain the load of existing customers should be accompanied by an affidavit of the customer stating that, without the rate discount, operations will cease or be severely restricted. Demonstration of financial hardship must also be provided by the customer to Company. N N N N

TERM OF CONTRACT

Service will be furnished under the applicable rate schedule and this rider, filed as a special contract with the Commission, for a fixed term of not less than ten (10) years and for such time thereafter under the terms stated in the rate schedule. A greater term of contract or termination notice may be required because of conditions associated with a Customer's requirements for service. Service will be continued under conditions provided for under the rate schedule to which this rider is attached after the original term of contract.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 72

Standard Rate Rider **SSP**

Solar Share Program Rider

APPLICABLE

In all territory served.

AVAILABILITY T

This optional, voluntary service is available to Customers taking service under Rates RS, RTOD-Energy, RTOD-Demand, VFD, GS, AES, PS, TODS, and TODP. The terms and conditions set out herein are available for and applicable to participation in Company's Solar Share Program. T T

RATE: N

A customer may subscribe to capacity in the Solar Share Facilities by paying a One-Time Solar Capacity Charge or a Monthly Solar Capacity Charge—but not both—for each quarter-kW increment subscribed. The customer need not subscribe to all desired capacity using only one subscription approach, but the customer will pay only one kind of charge for each increment of capacity subscribed. For example, a customer subscribing to two quarter-kW increments may pay the One-Time Solar Capacity Charge for one increment and the Monthly Solar Capacity Charge for the other increment.

One-Time Solar Capacity Charge

A customer subscribing to capacity by paying the One-Time Solar Capacity Charge will receive Solar Energy Credit values subject to the terms and conditions of this Rider for a period of 25 years beginning with and including the first full billing period immediately following the customer's payment in full of the Capacity Charge.

The One-Time Solar Capacity Charge is only available for subscription on Solar Share Facilities that have not begun construction. Any one-time solar capacity subscription that becomes unsubscribed will be made available for subscription under the Monthly Solar Capacity Charge.

One-Time Solar Capacity Charge	$799.00 per quarter-kW subscribed	N

Monthly Solar Capacity Charge T

Solar Capacity Charge	$5.55 per quarter-kW subscribed	R D

Solar Energy Credit N

Each billing period during which the Subscriber has paid in full for subscribed capacity under either option above, Company will compare a subscribing customer's pro rata AC energy produced by the Solar Share Facilities (in kWh) to the subscribing customer's energy consumption (in kWh) every 15 minutes. If consumption exceeded production, Company will bill Customer for the net energy consumed in accordance with Customer's standard rate schedule. If production equaled or exceeded consumption in any relevant period, Company will bill Customer for zero energy consumption for that period and provide a bill credit for each kWh of net production, if any, at the then-applicable non-time-differentiated rate for Company's Standard Rate Rider SQF. N N N N N N N N N N

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Standard Rate Rider **SSP**

Solar Share Program Rider

APPLICABLE

In all territory served.

AVAILABILITY

This optional, voluntary service is available to Customers taking service under Rates RS, RTOD-Energy, RTOD-Demand, VFD, GS, GTOD-Energy, GTOD-Demand, AES, PS, TODS, and TODP. The terms and conditions set out herein are available for and applicable to participation in Company's Solar Share Program. T

RATE:

A customer may subscribe to capacity in the Solar Share Facilities by paying a One-Time Solar Capacity Charge or a Monthly Solar Capacity Charge—but not both—for each quarter-kW increment subscribed. The customer need not subscribe to all desired capacity using only one subscription approach, but the customer will pay only one kind of charge for each increment of capacity subscribed. For example, a customer subscribing to two quarter-kW increments may pay the One-Time Solar Capacity Charge for one increment and the Monthly Solar Capacity Charge for the other increment.

One-Time Solar Capacity Charge

A customer subscribing to capacity by paying the One-Time Solar Capacity Charge will receive Solar Energy Credit values subject to the terms and conditions of this Rider for a period of 25 years beginning with and including the first full billing period immediately following the customer's payment in full of the Capacity Charge.

The One-Time Solar Capacity Charge is only available for subscription on Solar Share Facilities that have not begun construction. Any one-time solar capacity subscription that becomes unsubscribed will be made available for subscription under the Monthly Solar Capacity Charge.

One-Time Solar Capacity Charge	$799.00 per quarter-kW subscribed

Monthly Solar Capacity Charge

Solar Capacity Charge	$5.55 per quarter-kW subscribed

Solar Energy Credit

Each billing period during which the Subscriber has paid in full for subscribed capacity under either option above, Company will compare a subscribing customer's pro rata AC energy produced by the Solar Share Facilities (in kWh) to the subscribing customer's energy consumption (in kWh) every 15 minutes. If consumption exceeded production, Company will bill Customer for the net energy consumed in accordance with Customer's standard rate schedule. If production equaled or exceeded consumption in any relevant period, Company will bill Customer for zero energy consumption for that period and provide a bill credit for each kWh of net production, if any, at the then-applicable non-time-differentiated rate for Company's Standard Rate Rider SQF.

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P.S.C. No. 19, Original Sheet No. 72.1

Standard Rate Rider **SSP**
Solar Share Program Rider

PROGRAM DESCRIPTION

The Solar Share Program is an optional, voluntary program that allows customers to subscribe to capacity in the Solar Share Facilities. Each Solar Share Facility will have an approximate direct-current (DC) capacity of 500 kW and will be available for subscription in nominal 250 W (quarter-kW) DC increments. Each subscribing customer ("Subscriber") may subscribe capacity up to an aggregate amount of 500 kW DC, though no Subscriber may subscribe more than 250 kW DC in any single Solar Share Facility.

There are two mutually exclusive options for subscribing to each increment of capacity. N

Option 1: Capacity Subscribed by Paying Only the One-Time Solar Capacity Charge N

For capacity subscribed by paying the One-Time Solar Capacity Charge, the One-Time Solar Capacity Charge will be included on the Subscriber's bill for the first billing period in which the subscribed capacity achieves commercial operation. N N N

A customer choosing to pay the One-Time Solar Capacity Charge may transfer subscribed capacity between the customer's own accounts or may assign subscribed capacity to another customer. Once assigned, the assigning customer forfeits all rights to the assigned capacity. N N N

A customer who ceases taking service from Company will have 60 calendar days to assign subscribed capacity to another customer within Company's service area. Any capacity such a customer does not assign within 60 days of ceasing to take service will be forfeited and made available to other customers under Option 2: Capacity Subscribed by Paying Only the Monthly Solar Capacity Charge. N N N N N

Option 2: Capacity Subscribed by Paying Only the Monthly Solar Capacity Charge N

For capacity subscribed by paying the Monthly Solar Capacity Charge, the Solar Capacity Charge will be included on the Subscriber's bill beginning with the bill for the first billing period in which the subscribed capacity achieves commercial operation. T T T

Monthly subscriptions of less than 50 kW DC will not require a contract; however, a customer may not reduce or cancel a monthly subscription earlier than 12 months from the date of the customer's most recent change to the customer's monthly subscription level. Therefore, a customer subscribing monthly less than 50 kW has a 12-month commitment from the date of the customer's initial monthly subscription or initial solar facility commercial operation, whichever is later, and may have a longer commitment if the customer subsequently increases monthly subscribed capacity (which a customer may do at any time) or if the customer chooses to decrease but not cancel the monthly subscription after the initial 12 months. Monthly subscriptions of 50 kW DC or more require a 5-year contract with Company. T T T T T T T T T T

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Standard Rate Rider **SSP**
Solar Share Program Rider

PROGRAM DESCRIPTION

The Solar Share Program is an optional, voluntary program that allows customers to subscribe to capacity in the Solar Share Facilities. Each Solar Share Facility will have an approximate direct-current (DC) capacity of 500 kW and will be available for subscription in nominal 250 W (quarter-kW) DC increments. Each subscribing customer ("Subscriber") may subscribe capacity up to an aggregate amount of 500 kW DC, though no Subscriber may subscribe more than 250 kW DC in any single Solar Share Facility.

There are two mutually exclusive options for subscribing to each increment of capacity.

Option 1: Capacity Subscribed by Paying Only the One-Time Solar Capacity Charge

For capacity subscribed by paying the One-Time Solar Capacity Charge, the One-Time Solar Capacity Charge will be included on the Subscriber's bill for the first billing period in which the subscribed capacity achieves commercial operation.

A customer choosing to pay the One-Time Solar Capacity Charge may transfer subscribed capacity between the customer's own accounts or may assign subscribed capacity to another customer. Once assigned, the assigning customer forfeits all rights to the assigned capacity.

A customer who ceases taking service from Company will have 60 calendar days to assign subscribed capacity to another customer within Company's service area. Any capacity such a customer does not assign within 60 days of ceasing to take service will be forfeited and made available to other customers under Option 2: Capacity Subscribed by Paying Only the Monthly Solar Capacity Charge.

Option 2: Capacity Subscribed by Paying Only the Monthly Solar Capacity Charge

For capacity subscribed by paying the Monthly Solar Capacity Charge, the Solar Capacity Charge will be included on the Subscriber's bill beginning with the bill for the first billing period in which the subscribed capacity achieves commercial operation.

Monthly subscriptions of less than 50 kW DC will not require a contract; however, a customer may not reduce or cancel a monthly subscription earlier than 12 months from the date of the customer's most recent change to the customer's monthly subscription level. Therefore, a customer subscribing monthly less than 50 kW has a 12-month commitment from the date of the customer's initial monthly subscription or initial solar facility commercial operation, whichever is later, and may have a longer commitment if the customer subsequently increases monthly subscribed capacity (which a customer may do at any time) or if the customer chooses to decrease but not cancel the monthly subscription after the initial 12 months. Monthly subscriptions of 50 kW DC or more require a 5-year contract with Company.

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P.S.C. No. 19, Original Sheet No. 72.2

Standard Rate Rider SSP
Solar Share Program Rider

TERMS AND CONDITIONS D

1. Individual subscriptions are available in nominal 250 W DC (quarter-kW) increments.

2. Customer may subscribe as much solar capacity as desired up to an aggregate amount of 500 kW DC (nominal). No customer may subscribe more than 250 kW DC (nominal) in any single Solar Share Facility. T

3. All One-Time Solar Capacity Charges are non-refundable. N

4. Subject to the restrictions above, Company will fill subscriptions as capacity in the Solar Share Facilities becomes available, and will fill subscriptions in the chronological order in which the subscriptions were made. A Subscriber whose subscription the Company can fulfill only partially may either accept the available capacity and await additional capacity, or decline the partial fulfillment, allowing the next awaiting Subscriber(s) to accept the available capacity. Accepting or declining available capacity will not affect a Subscriber's place in the queue of Subscribers awaiting capacity.

5. Customers may not owe any arrearage prior to participating in the Solar Share Program.

6. Subscribers' pro-rata share of the AC electricity produced by the Solar Share Facilities will be determined on a billing-cycle basis. The corresponding Solar Energy Credit will be calculated and appear on the Subscriber's bill. T T

7. Unless constrained by contract (see Term of Contract below), Subscriber may decrease or terminate a monthly subscription any time after 12 months following the date of the most recent change to Subscriber's monthly subscription capacity at any time. D T T

8. Unless constrained by contract (see Term of Contract below) or condition #2 above, Subscriber may also increase monthly subscribed capacity at any time. T

9. Subscriptions made by paying the One-Time Solar Capacity Charge may be transferred between a Subscriber's accounts no more than once per billing period (Solar Energy Credit values do not transfer between accounts or customers). A subscription transfer between a Subscriber's accounts takes effect in the billing period following the billing period in which the Subscriber requests the transfer. A Subscriber may transfer a subscription at any time prior to or including 60 calendar days after the Subscriber terminated service on the account to which the subscription attached. If the Subscriber whose account has been terminated does not transfer the subscription within 60 calendar days, the Subscriber forfeits the subscription. N N N N N N N N

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Standard Rate Rider SSP
Solar Share Program Rider

TERMS AND CONDITIONS T

1. Individual subscriptions are available in nominal 250 W DC (quarter-kW) increments.

2. Customer may subscribe as much solar capacity as desired up to an aggregate amount of 500 kW DC (nominal). No customer may subscribe more than 250 kW DC (nominal) in any single Solar Share Facility.

3. Subject to the restrictions above, Company will fill subscriptions as capacity in the Solar Share Facilities becomes available, and will fill subscriptions in the chronological order in which the subscriptions were made. A Subscriber whose subscription the Company can fulfill only partially may either accept the available capacity and await additional capacity, or decline the partial fulfillment, allowing the next awaiting Subscriber(s) to accept the available capacity. Accepting or declining available capacity will not affect a Subscriber's place in the queue of Subscribers awaiting capacity.

4. Customers may not owe any arrearage prior to participating in the Solar Share Program.

5. Subscribers' pro-rata share of the AC electricity produced by the Solar Share Facilities will be determined on a billing-cycle basis. The corresponding Solar Energy Credit will be calculated and appear on the Subscriber's bill.

6. Unless constrained by contract (see Term of Contract below) or condition #2 above, Subscriber may increase monthly subscribed capacity at any time.

7. Unused Solar Energy Credit value is not transferrable between customers or customer accounts. Therefore, a Subscriber's closing a customer account terminates any unused Solar Energy Credit value associated with that account.

8. Participants in SSP are required to have an advanced meter capable of collecting and communicating at least 15 minute interval data.

9. All Renewable Energy Certificates ("RECs") related to energy produced by subscribed portions of the Solar Share Facilities will be retired.

10. Use of any images of the Solar Share Facilities or use any other of Company's intellectual property requires Company licensing prior to use.

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P.S.C. No. 19, First Revision of Original Sheet No. 72.3
Canceling P.S.C. No. 19, Original Sheet No. 72.3

Standard Rate Rider **SSP**
Solar Share Program Rider

TERMS AND CONDITIONS (continued)

10. Capacity subscribed by paying the Monthly Solar Capacity Charge is not transferrable or assignable between customers.

11. Capacity subscribed by paying the One-Time Solar Capacity Charge may be assigned between customers, but only within the same Company service territory, at any time prior to or including 60 calendar days after the assigning Subscriber terminated service on the account to which the subscription attached. Once assigned, the assigning customer loses all rights regarding future credits and the ability to subsequently assign the capacity; those rights become the rights of the assignee upon assignment. For all purposes other than the Solar Energy Credit, all capacity assignments become effective immediately upon assignment. For the purpose of the Solar Energy Credit, the assignor will receive Solar Energy Credits for the entire billing period in which the assignment occurs; the assignee will receive Solar Energy Credits beginning in the first billing period following the assignment. T

12. Unused Solar Energy Credit value is not transferrable between customers or customer accounts. Therefore, a Subscriber's closing a customer account terminates any unused Solar Energy Credit value associated with that account.

13. Participants in SSP are required to have an advanced meter capable of collecting and communicating at least 15 minute interval data.

14. All Renewable Energy Credits ("RECs") related to energy produced by subscribed portions of the Solar Share Facilities will be retired.

15. Use of any images of the Solar Share Facilities or use any other of Company's intellectual property requires Company licensing prior to use.

16. Service will be furnished under Company's Terms and Conditions except as provided herein.

TERM OF CONTRACT

Subscriptions of 50 kW DC or more will require a five (5) year non-transferrable, non-assignable contract between Subscriber and Company.

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Standard Rate Rider **SSP**
Solar Share Program Rider

TERMS AND CONDITIONS (continued) T

11. Service will be furnished under Company's Terms and Conditions except as provided herein.

12. All One-Time Solar Capacity Charges are non-refundable.

13. Subscriptions made by paying the One-Time Solar Capacity Charge may be transferred between a Subscriber's accounts no more than once per billing period (Solar Energy Credit values do not transfer between accounts or customers). A subscription transfer between a Subscriber's accounts takes effect in the billing period following the billing period in which the Subscriber requests the transfer. A Subscriber may transfer a subscription at any time prior to or including 60 calendar days after the Subscriber terminated service on the account to which the subscription attached. If the Subscriber whose account has been terminated does not transfer the subscription within 60 calendar days, the Subscriber forfeits the subscription.

14. Capacity subscribed by paying the One-Time Solar Capacity Charge may be assigned between customers, but only within the same Company service territory, at any time prior to or including 60 calendar days after the assigning Subscriber terminated service on the account to which the subscription attached. Once assigned, the assigning customer loses all rights regarding future credits and the ability to subsequently assign the capacity; those rights become the rights of the assignee upon assignment. For all purposes other than the Solar Energy Credit, all capacity assignments become effective immediately upon assignment. For the purpose of the Solar Energy Credit, the assignor will receive Solar Energy Credits for the entire billing period in which the assignment occurs; the assignee will receive Solar Energy Credits beginning in the first billing period following the assignment.

15. Capacity subscribed by paying the Monthly Solar Capacity Charge is not transferrable or assignable between customers.

16. Unless constrained by contract (see Term of Contract below), Subscriber may decrease or terminate a monthly subscription any time after 12 months following the date of the most recent change to Subscriber's monthly subscription capacity at any time.

TERM OF CONTRACT

Subscriptions of 50 kW DC or more will require a five (5) year non-transferrable, non-assignable contract between Subscriber and Company.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 75

Standard Rate Rider **EVSE-R**
Electric Vehicle Supply Equipment

APPLICABLE
In all territory served.

AVAILABILITY
Available as a rider to Customers to be served or currently being served under Rates GS (with energy usage of 500 kWh or higher per month), AES, PS, TODS, TODP, RTS, and FLS for the purpose of charging electrical vehicles, whereby Customer installs and owns facilities on its side of the point of delivery of the energy supplied hereunder necessary to serve Company-provided charging station.

Charging station under this rider is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas. Customer is responsible for providing the appropriate voltage levels and connections necessary to operate Company-provided charger.

Company will coordinate charging station installation with Company's current charging station supplier and Customer. Customer shall be responsible for the charging equipment installation costs.

Service will be provided under written contract, signed by Customer prior to service commencing.

RATE

	Single Charger	Dual Charger
Monthly Charging Unit Fee:	$121.79	$173.02

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

PAYMENT
The EVSE-R charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 75

Standard Rate Rider **EVSE-R**
Electric Vehicle Supply Equipment

APPLICABLE
In all territory served.

AVAILABILITY
Available as a rider to Customers to be served or currently being served under Rates GS (with energy usage of 500 kWh or higher per month), GTOD-Energy, GTOD-Demand, AES, PS, TODS, TODP, RTS, and FLS for the purpose of charging electrical vehicles, whereby Customer installs and owns facilities on its side of the point of delivery of the energy supplied hereunder necessary to serve Company-provided charging station.

Charging station under this rider is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas. Company will furnish, own, and maintain the charging unit and charging cord. The customer will own and maintain duct systems and associated equipment needed to serve the charger.

Company may coordinate charging station installation with Company's current charging station supplier and Customer. Customer shall be responsible for the charging equipment installation costs.

Service will be provided under written contract, signed by Customer prior to service commencing.

RATE

	Single Charger	Dual Charger
Monthly Charging Unit Fee:		
Networked Charger	$121.79	$173.02
Non-Networked Charger	$30.86	

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

PAYMENT
The EVSE-R charges shall be incorporated with the bill for electric service and will be subject to the same payment provisions.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 75.1

Standard Rate Rider **EVSE-R**
Electric Vehicle Supply Equipment

TERM OF CONTRACT

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice. Cancellation by Customer prior to the expiration of the initial term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the initial term of the contract.

TERMS AND CONDITIONS

1. Service shall be furnished under Company's Terms and Conditions set out in this Tariff Book, except as set out herein.

2. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for installation.

3. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and the Customer. Where attachment of Customer's devices and/or equipment is made to Company facilities, Customer must have an attachment agreement with Company.

4. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults.

5. Customer shall be responsible for the cost of charging station replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal wear and tear. Company may decline to provide or to continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

6. If Customer requests the removal of an existing charging station, including, but not limited to, poles, or other supporting facilities that were in service less than twenty (20) years, and requests installation of replacement facilities within five (5) years of removal, Customer agrees to pay to Company its cost of labor to install the replacement facilities. T T

7. Temporary suspension of charging station is not permitted. Upon permanent discontinuance of service, charging station and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 75.1

Standard Rate Rider **EVSE-R**
Electric Vehicle Supply Equipment

TERM OF CONTRACT

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice. Cancellation by Customer prior to the expiration of the initial term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the initial term of the contract.

TERMS AND CONDITIONS

1. Service shall be furnished under Company's Terms and Conditions set out in this Tariff Book, except as set out herein.

2. Company may decline to install equipment and provide service thereto in locations deemed by Company as unsuitable for installation.

3. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and the Customer. Where attachment of Customer's devices and/or equipment is made to Company facilities, Customer must have an attachment agreement with Company.

4. All service and maintenance will be performed only during regular scheduled working hours of Company. Customer will be responsible for reporting outages and other operating faults.

5. Customer shall be responsible for the cost of charging station replacement or repairs where such replacement or repairs are caused from willful damage, vandalism, or causes other than normal wear and tear. Company may decline to provide or to continue service in locations where, in Company's judgment, such facilities will be subject to unusual hazards or risk of damage.

6. If Customer requests the removal of an existing charging station, including, but not limited to, poles, or other supporting facilities that were in service less than twenty (20) years, and requests installation of replacement facilities within five (5) years of removal, Customer agrees to pay to Company its cost of labor to install the replacement facilities.

7. Temporary suspension of charging station is not permitted. Upon permanent discontinuance of service, charging station and other supporting facilities solely associated with providing service under this tariff, except underground facilities and pedestals, will be removed.

DATE OF ISSUE: November 25, 2020

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 75.2

Standard Rate Rider **EVSE-R**
Electric Vehicle Supply Equipment

8. Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

9. Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for service shall furnish Company with realistic estimates of prospective electricity requirements.

10. Customer shall agree to permit Company to obtain specific charging station usage data directly from the Charging Station Supplier.

MINIMUM CHARGE
As determined by this rider and the rate schedule to which it is attached.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After April 11, 2016

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2015-00355 dated April 11, 2016

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 75.2

Standard Rate Rider **EVSE-R**
Electric Vehicle Supply Equipment

8. Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

9. Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for service shall furnish Company with realistic estimates of prospective electricity requirements.

10. Customer shall agree to permit Company to obtain specific charging station usage data directly from the Charging Station Supplier.

MINIMUM CHARGE
As determined by this rider and the rate schedule to which it is attached.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After April 11, 2016

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2015-00355 dated April 11, 2016

KU Warranty Service for Customer-Owned Exterior Electric Facilities (Billing and Collection) (WT) is a new tariff

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 76

Standard Rate Rider **WT**

Warranty Service for Customer-Owned Exterior Electric Facilities (Billing and Collection)

APPLICABLE

In all territory served.

AVAILABILITY

To persons or firms providing warranty service to the Company's residential customers for the repair or replacement of customer-owned exterior electric facilities serving the customer's residence and connected to the Company's distribution facilities.

GENERAL REQUIREMENTS

Eligible persons or firms may contract with the Company for the billing and collection of the fees for warranty service provided to the Company's residential customers for the repair or replacement of customer-owned exterior electric facilities serving the customer's residence and connected to the Company's distribution facilities. The fees and terms for the billing and collection of such fees shall be negotiated by the Company and the warranty service provider and shall be set forth in a written agreement.

Any warranty service fee shall appear as a separate line item on the residential customer's bill. A customer's payment will be applied in the following order of priority: amounts owed for current billing period; unpaid balance for electric service provided in prior billing periods; and fees (including any warranty service fee) or taxes collected for other entities.

The Company will neither discontinue a customer's service nor assess a customer a late payment charge due to the customer's failure to pay a billed fee for warranty service.

The Company will bill a customer for the provision of warranty service only if the warranty service provider provides proof that the customer has authorized the fee to be billed through the customer's bill for electric service.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Second Revision of Original Sheet No. 81
Canceling P.S.C. No. 19, First Revision of Original Sheet No. 81

Standard Rate Pilot **OSL**
Outdoor Sports Lighting Service

APPLICABLE
In all territory served.

AVAILABILITY
Available as an optional pilot program for secondary and primary service used by a Customer for lighting specifically designed for outdoor fields which are normally used for organized competitive sports. Service under this rate schedule is limited to a maximum of twenty Customers. Company will accept Customers on a first-come-first-served basis.

RATE

	Secondary	Primary	
Basic Service Charge per day:	$2.96	$7.89	
Plus an Energy Charge per kWh of:	$0.03249	$0.03032	R/R
Plus a Maximum Load Charge per kW of:			
Peak Demand Period	$24.17	$20.04	
Base Demand Period	$2.02	$2.03	

Where:
the monthly billing demand for the Peak Demand Period is the greater of:
1. the maximum measured load in the billing period, or
2. a minimum of 50% of the highest billing demand in the preceding eleven (11) monthly billing periods.

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the billing period, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. if applicable, the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

DATE OF ISSUE: January 7, 2020

DATE EFFECTIVE: With Service Rendered
On and After February 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 81

Standard Rate Pilot **OSL**
Outdoor Sports Lighting Service

APPLICABLE
In all territory served.

AVAILABILITY
Available as an optional pilot program for secondary and primary service used by a Customer for lighting specifically designed for outdoor fields which are normally used for organized competitive sports. Service under this rate schedule is limited to a maximum of twenty Customers. Company will accept Customers on a first-come-first-served basis.

RATE

	Secondary	Primary	
Basic Service Charge per day:	$2.96	$7.89	
Plus an Energy Charge per kWh of:	$0.03210	$0.03128	R/I
Plus a Maximum Load Charge per kW of:			
Peak Demand Period	$19.61	$16.26	R/R
Base Demand Period	$2.93	$2.51	I/I

Where:
the monthly billing demand for the Peak Demand Period is the greater of:
1. the maximum measured load in the billing period, or
2. a minimum of 50% of the highest billing demand in the preceding eleven (11) monthly billing periods.

the monthly billing demand for the Base Demand Period is the greater of:
1. the maximum measured load in the billing period, or
2. the highest measured load in the preceding eleven (11) monthly billing periods, or
3. if applicable, the contract capacity based on the maximum load expected on the system or on facilities specified by Customer.

ADJUSTMENT CLAUSES
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86	
Fuel Adjustment Clause	Sheet No. 85	
Off-System Sales Adjustment Clause	Sheet No. 88	
Economic Relief Surcredit	Sheet No. 89	N
Environmental Cost Recovery Surcharge	Sheet No. 87	
Franchise Fee	Sheet No. 90	
School Tax	Sheet No. 91	

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 81.1

Standard Rate Pilot **OSL** T
Outdoor Sports Lighting Service T

DETERMINATION OF MAXIMUM LOAD
The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

RATING PERIODS
The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Peak
Weekdays	All Hours	1 P.M. – 7 P.M.
Weekends	All Hours	

All other months of October continuously through April

	Base	Peak
Weekdays	All Hours	6 A.M. – 12 Noon
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday. N

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE
If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

TERM OF CONTRACT
Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service. T

TERMS AND CONDITIONS
Service will be furnished under Company's Terms and Conditions applicable hereto.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 81.1

Standard Rate Pilot **OSL**
Outdoor Sports Lighting Service

DETERMINATION OF MAXIMUM LOAD
The load will be measured and will be the average kW demand delivered to the Customer during the 15-minute period of maximum use during the appropriate rating period each month.

RATING PERIODS
The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Peak
Weekdays	All Hours	1 P.M. – 6 P.M.
Weekends	All Hours	

T

All other months of October continuously through April

	Base	Peak
Weekdays	All Hours	6 A.M. – 12 Noon
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday.

DUE DATE OF BILL
Customer's payment will be due within sixteen (16) business days (no less than twenty-two (22) calendar days) from the date of the bill.

LATE PAYMENT CHARGE
If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Outdoor Sports Lighting Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing. N N N N

TERM OF CONTRACT
Service will be furnished under this schedule only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination. Company, however, may require a longer fixed term of contract and termination notice because of conditions associated with the Customer's requirements for service.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

KU Outdoor Sports Lighting Service (OSL) is now contained on three pages instead of two

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 81.2

Standard Rate Pilot **OSL**

Outdoor Sports Lighting Service

TERMS AND CONDITIONS T

Service will be furnished under Company's Terms and Conditions applicable hereto. T

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 85

Adjustment Clause **FAC**

Fuel Adjustment Clause

APPLICABLE

In all territory served.

AVAILABILITY T

This schedule is mandatory to all rate schedules. T

1. The charge per kWh delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where "F" is the expense of fossil fuel and "S" is the kWh sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below.

2. Fuel costs (F) shall be the most recent actual monthly cost of:

   a. Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus

   b. The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute for the forced outages; plus

   c. The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outages, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less

   d. The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

   e. All fuel costs shall be based on weighted average inventory costing.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 85

Adjustment Clause **FAC**

Fuel Adjustment Clause

APPLICABLE

In all territory served.

AVAILABILITY

This schedule is mandatory to all rate schedules.

1. The charge per kWh delivered under the rate schedules to which this fuel clause is applicable shall be increased or decreased during each month in accordance with the following formula:

$$\text{Adjustment Factor} = \frac{F(m)}{S(m)} - \frac{F(b)}{S(b)}$$

Where "F" is the expense of fossil fuel and "S" is the kWh sales in the base (b) and current (m) periods as defined in 807 KAR 5:056, all as set out below.

2. Fuel costs (F) shall be the most recent actual monthly cost of:

   a. Fossil fuel consumed in the utility's own plants, plus the cost of fuel which would have been used in plants suffering forced generation or transmission outages, but less the cost of fuel related to substitute generation, plus

   b. The actual identifiable fossil and nuclear fuel costs associated with energy purchased for reasons other than identified in paragraph (c) below, but excluding the cost of fuel related to purchases to substitute for the forced outages; plus

   c. The net energy cost of energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis. Included therein may be such costs as the charges for economy energy purchases and the charges as a result of scheduled outages, all such kinds of energy being purchased by the buyer to substitute for its own higher cost energy; and less

   d. The cost of fossil fuel recovered through inter-system sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

   e. All fuel costs shall be based on weighted average inventory costing.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 19, First Revision of Original Sheet No. 85.1
Canceling P.S.C. No. 19, Original Sheet No. 85.1

Adjustment Clause **FAC**
Fuel Adjustment Clause

3. Forced Outages are all non-scheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

4. Sales (S) shall be all kWh sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).

5. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.

6. Base (b) period shall be December 2017, and the base fuel factor is $0.02452 per kWh. T/R

7. Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.

DATE OF ISSUE: January 7, 2020

DATE EFFECTIVE: With Service Rendered
On and After February 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 85.1

Adjustment Clause **FAC**
Fuel Adjustment Clause

3. Forced Outages are all non-scheduled losses of generation or transmission which require substitute power for a continuous period in excess of six (6) hours. Where forced outages are not as a result of faulty equipment, faulty manufacture, faulty design, faulty installations, faulty operation, or faulty maintenance, but are Acts of God, riot, insurrection or acts of the public enemy, then the utility may, upon proper showing, with the approval of the Commission, include the fuel cost of substitute energy in the adjustment. Until such approval is obtained, in making the calculations of fuel cost (F) in subsection (2)(a) and (b) above, the forced outage costs to be subtracted shall be no less than the fuel cost related to the lost generation.

4. Sales (S) shall be all kWh sold, excluding inter-system sales. Where, for any reason, billed system sales cannot be coordinated with fuel costs for the billing period, sales may be equated to the sum of (i) generation, (ii) purchases, (iii) interchange in, less (iv) energy associated with pumped storage operations, less (v) inter-system sales referred to in subsection (2)(d) above, less (vi) total system losses. Utility used energy shall not be excluded in the determination of sales (S).

5. The cost of fossil fuel shall include no items other than the invoice price of fuel less any cash or other discounts. The invoice price of fuel includes the cost of the fuel itself and necessary charges for transportation of the fuel from the point of acquisition to the unloading point, as listed in Account 151 of FERC Uniform System of Accounts for Public Utilities and Licensees.

6. Base (b) period shall be December 2017, and the base fuel factor is $0.02452 per kWh.

7. Current (m) period shall be the second month preceding the month in which the Fuel Clause Adjustment Factor is billed.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After February 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2019-00004 dated December 26, 2019

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 86

Adjustment Clause **DSM**

Demand-Side Management Cost Recovery Mechanism

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is mandatory to the Company's Standard Rate Schedules RS, RTOD-Energy, RTOD-Demand, VFD, GS, AES, PS, TODS, TODP, RTS, FLS, and OSL. Descriptions of available Demand-Side Management and Energy Efficiency ("DSM-EE") programs begin on Sheet No. 86.4.

INDUSTRIAL OPT-OUT

An industrial customer may elect not to participate in any DSM-EE programs hereunder, and therefore shall not be assessed a charge pursuant to this mechanism, with respect to any of the customer's energy-intensive meters (i.e., a meter served under Rate RTS, FLS, or TODP) if the customer has implemented with respect to the load served by each such meter cost-effective energy-efficiency measures not subsidized by other rate classes. Nonresidential customers will be considered "industrial" for the purposes of Adjustment Clause DSM if they are engaged in activities primarily using electricity in a process or processes involving either the extraction of raw materials from the earth or a change of raw or unfinished materials into another form or product. To opt out, an industrial customer must complete and return to Company the Demand-Side Management and Energy Efficiency Industrial Opt-Out Notification Form (available at the Company's website at http://www.lge-ku.com). The full terms and conditions of opting out and any subsequent opting in are contained in the Demand-Side Management and Energy Efficiency Industrial Opt-Out Notification Form. Only those industrial customer meters that are energy intensive (i.e., served under Rate RTS, FLS, or TODP) may be exempted from charges under Adjustment Clause DSM; an industrial customer's other accounts will be subject to Adjustment Clause DSM.

An industrial customer desiring to opt back into charges under this mechanism for one or more opted-out meters must complete and return to Company the Demand-Side Management and Energy Efficiency Industrial Opt-In Notification Form (available at the Company's website at http://www.lge-ku.com). The full terms and conditions of opting in are contained in the Demand-Side Management and Energy Efficiency Industrial Opt-In Notification Form.

RATE

The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:

DSMRC = DCR + DRLS + DSMI + DBA + DCCR

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: January 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 86

Adjustment Clause **DSM**

Demand-Side Management Cost Recovery Mechanism

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is mandatory to the Company's Standard Rate Schedules RS, RTOD-Energy, RTOD-Demand, VFD, GS, GTOD-Energy, GTOD-Demand, AES, PS, TODS, TODP, RTS, FLS, and OSL. Descriptions of available Demand-Side Management and Energy Efficiency ("DSM-EE") programs begin on Sheet No. 86.4. T

INDUSTRIAL OPT-OUT

An industrial customer may elect not to participate in any DSM-EE programs hereunder, and therefore shall not be assessed a charge pursuant to this mechanism, with respect to any of the customer's energy-intensive meters (i.e., a meter served under Rate RTS, FLS, or TODP) if the customer has implemented with respect to the load served by each such meter cost-effective energy-efficiency measures not subsidized by other rate classes. Nonresidential customers will be considered "industrial" for the purposes of Adjustment Clause DSM if they are engaged in activities primarily using electricity in a process or processes involving either the extraction of raw materials from the earth or a change of raw or unfinished materials into another form or product. To opt out, an industrial customer must complete and return to Company the Demand-Side Management and Energy Efficiency Industrial Opt-Out Notification Form (available at the Company's website at http://www.lge-ku.com). The full terms and conditions of opting out and any subsequent opting in are contained in the Demand-Side Management and Energy Efficiency Industrial Opt-Out Notification Form. Only those industrial customer meters that are energy intensive (i.e., served under Rate RTS, FLS, or TODP) may be exempted from charges under Adjustment Clause DSM; an industrial customer's other accounts will be subject to Adjustment Clause DSM.

An industrial customer desiring to opt back into charges under this mechanism for one or more opted-out meters must complete and return to Company the Demand-Side Management and Energy Efficiency Industrial Opt-In Notification Form (available at the Company's website at http://www.lge-ku.com). The full terms and conditions of opting in are contained in the Demand-Side Management and Energy Efficiency Industrial Opt-In Notification Form.

RATE

The monthly amount computed under each of the rate schedules to which this Demand-Side Management Cost Recovery Mechanism is applicable shall be increased or decreased by the DSM Cost Recovery Component (DSMRC) at a rate per kilowatt hour of monthly consumption in accordance with the following formula:

DSMRC = DCR + DRLS + DSMI + DBA + DCCR

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 86.1

Adjustment Clause DSM
Demand-Side Management Cost Recovery Mechanism

RATE (continued)
Where:

DCR = DSM COST RECOVERY
The DCR shall include all expected costs that have been approved by the Commission for each twelve-month period for DSM-EE programs that have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM-EE programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees, and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for each such rate class.

DRLS = DSM REVENUE FROM LOST SALES
Revenues from lost sales due to DSM-EE programs implemented on and after the effective date of this tariff will be recovered as follows:

1) For each upcoming twelve-month period, the estimated reduction in customer usage (in kWh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per kWh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the RS, RTOD-Energy, VFD, GS and AES customer classes is defined as the weighted average price per kWh of expected billings under the energy charges contained in the RS, RTOD-Energy, VFD, GS, and AES rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable revenue requirement for each of the customer classes that are billed under demand and energy rates (rate schedules RTOD-Demand, PS, TODS, TODP, RTS, FLS, and OSL) is defined as the weighted average price per kWh represented by the composite of the expected billings under the respective demand and energy charges in the upcoming twelve-month period, after deducting the variable costs included in the energy charges.

2) The lost revenues for each customer class shall then be divided by the estimated class sales (in kWh) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenue from lost sales calculated for a twelve-month period shall be included in the DRLS for thirty-six (36) months or until implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 86.1

Adjustment Clause DSM
Demand-Side Management Cost Recovery Mechanism

RATE (continued)
Where:

DCR = DSM COST RECOVERY
The DCR shall include all expected costs that have been approved by the Commission for each twelve-month period for DSM-EE programs that have been developed through a collaborative advisory process ("approved programs"). Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating DSM-EE programs. Program costs will be assigned for recovery purposes to the rate classes whose customers are directly participating in the program. In addition, all costs incurred by or on behalf of the collaborative process, including but not limited to costs for consultants, employees, and administrative expenses, will be recovered through the DCR. Administrative costs that are allocable to more than one rate class will be recovered from those classes and allocated by rate class on the basis of the estimated budget from each program. The cost of approved programs shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DCR for each such rate class.

DRLS = DSM REVENUE FROM LOST SALES
Revenues from lost sales due to DSM-EE programs implemented on and after the effective date of this tariff will be recovered as follows:

1) For each upcoming twelve-month period, the estimated reduction in customer usage (in kWh) as determined for the approved programs shall be multiplied by the non-variable revenue requirement per kWh for purposes of determining the lost revenue to be recovered hereunder from each customer class. The non-variable revenue requirement for the RS, RTOD-Energy, VFD, GS GTOD-Energy, and AES customer classes is defined as the weighted average price per kWh of expected billings under the energy charges contained in the RS, RTOD-Energy, VFD, GS, GTOD-Energy, and AES rate schedules in the upcoming twelve-month period after deducting the variable costs included in such energy charges. The non-variable revenue requirement for each of the customer classes that are billed under demand and energy rates (rate schedules RTOD-Demand, GTOD-Demand, PS, TODS, TODP, RTS, FLS, and OSL) is defined as the weighted average price per kWh represented by the composite of the expected billings under the respective demand and energy charges in the upcoming twelve-month period, after deducting the variable costs included in the energy charges. T T T

2) The lost revenues for each customer class shall then be divided by the estimated class sales (in kWh) for the upcoming twelve-month period to determine the applicable DRLS surcharge. Recovery of revenue from lost sales calculated for a twelve-month period shall be included in the DRLS for thirty-six (36) months or until implementation of new rates pursuant to a general rate case, whichever comes first. Revenues from lost sales will be assigned for recovery purposes to the rate classes whose programs resulted in the lost sales.

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State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 86.2

Adjustment Clause DSM
Demand-Side Management Cost Recovery Mechanism

RATE (continued)

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation, and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.

A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DBA and (b) the prospective future lost revenues collected hereunder.

DSMI = DSM INCENTIVE

For all Energy Impact Programs except Residential and Small Nonresidential Demand Conservation and the Large Nonresidential Demand Conservation Programs, the DSMI shall be computed by multiplying the net resource savings expected from the approved programs that are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided costs over the expected life of the program, and will include both capacity and energy savings..

The DSMI amount related to programs for Rates RS, RTOD-Energy, RTOD-Demand, Rate VFD, GS, AES, PS, TODS, TODP, RTS, FLS, and OSL shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DSMI for such rate class. DSMI amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

DBA = DSM BALANCE ADJUSTMENT

The DBA shall be calculated on a calendar-year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI, DCCR, and previous application of the DBA and the revenues that should have been billed, as follows:

1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.
2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2017-00441 dated October 5, 2018 and modified October 30, 2018

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 86.2

Adjustment Clause DSM
Demand-Side Management Cost Recovery Mechanism

RATE (continued)

Revenues collected hereunder are based on engineering estimates of energy savings, expected program participation, and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the DSM Balance Adjustment (DBA) component.

A program evaluation vendor will be selected to provide evaluation criteria against which energy savings will be estimated for that program. Each program will be evaluated after implementation and any revision of the original engineering estimates will be reflected in both (a) the retroactive true-up provided for under the DBA and (b) the prospective future lost revenues collected hereunder.

DSMI = DSM INCENTIVE

For all Energy Impact Programs except Residential and Small Nonresidential Demand Conservation and the Large Nonresidential Demand Conservation Programs, the DSMI shall be computed by multiplying the net resource savings expected from the approved programs that are to be installed during the upcoming twelve-month period times fifteen (15) percent, not to exceed five (5) percent of program expenditures. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Company's avoided costs over the expected life of the program, and will include both capacity and energy savings..

The DSMI amount related to programs for Rates RS, RTOD-Energy, RTOD-Demand, Rate VFD, GS, GTOD-Energy, GTOD-Demand, AES, PS, TODS, TODP, RTS, FLS, and OSL shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DSMI for such rate class. DSMI amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive. T

DBA = DSM BALANCE ADJUSTMENT

The DBA shall be calculated on a calendar-year basis and is used to reconcile the difference between the amount of revenues actually billed through the DCR, DRLS, DSMI, DCCR, and previous application of the DBA and the revenues that should have been billed, as follows:

1) For the DCR, the balance adjustment amount will be the difference between the amount billed in a twelve-month period from the application of the DCR unit charge and the actual cost of the approved programs during the same twelve-month period.
2) For the DRLS the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DRLS unit charge and the amount of lost revenues determined for the actual DSM measures implemented during the twelve-month period.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 86.3

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

RATE (continued)

3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.
4) For the DCCR, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DCCR unit charge and the capital cost recovery amount determined for the actual capital costs of the approved programs during the twelve-month period.
5) For the DBA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DBA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(5) shall include interest applied to the monthly amounts, such interest to be calculated at a rate equal to the average of the "Three-Month Commercial Paper Rate" for the immediately preceding twelve-month period. The total of the balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DBA for such rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes for which over- or under-recoveries of DSM amounts were realized.

DCCR = DSM CAPITAL COST RECOVERY

The DCCR component is the means by which the Company recovers its capital investments made for DSM-EE programs, as well as an approved rate of return on such capital investments. The Company calculates the DCCR component as follows:

$$DCCR = [(RB) (ROR + (ROR – DR) (TR / (1 – TR))] + OE$$

a) RB is the total rate base for DCCR projects.
b) ROR is the overall rate of return on DSM Rate Base (RB).
c) DR is the composite debt rate (i.e., the cost of short- and long-term debt) embedded in ROR.
d) TR is the composite federal and state income tax rate that applies to the equity return component of ROR.
e) OE is the sum of the capital-related operating expenses (i.e., depreciation and amortization expense, property taxes, and insurance expense) of the DSM projects to which DCCR applies.

The Company then allocates the DCCR component to the rate class(es) benefitting from the Company's various DSM-related capital investment(s).

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 86.3

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

RATE (continued)

3) For the DSMI, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DSMI unit charge and the incentive amount determined for the actual DSM measures implemented during the twelve-month period.
4) For the DCCR, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DCCR unit charge and the capital cost recovery amount determined for the actual capital costs of the approved programs during the twelve-month period.
5) For the DBA, the balance adjustment amount will be the difference between the amount billed during the twelve-month period from application of the DBA and the balance adjustment amount established for the same twelve-month period.

The balance adjustment amounts determined on the basis of the above paragraphs (1)-(5) shall include interest applied to the monthly amounts, such interest to be calculated at a rate equal to the average of the "Three-Month Commercial Paper Rate" for the immediately preceding twelve-month period. The total of the balance adjustment amounts shall be divided by the expected kilowatt-hour sales for the upcoming twelve-month period to determine the DBA for such rate class. DSM balance adjustment amounts will be assigned for recovery purposes to the rate classes for which over- or under-recoveries of DSM amounts were realized.

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$$DCCR = [(RB) (ROR + (ROR – DR) (TR / (1 – TR))] + OE$$

a) RB is the total rate base for DCCR projects.
b) ROR is the overall rate of return on DSM Rate Base (RB).
c) DR is the composite debt rate (i.e., the cost of short- and long-term debt) embedded in ROR.
d) TR is the composite federal and state income tax rate that applies to the equity return component of ROR.
e) OE is the sum of the capital-related operating expenses (i.e., depreciation and amortization expense, property taxes, and insurance expense) of the DSM projects to which DCCR applies.

The Company then allocates the DCCR component to the rate class(es) benefitting from the Company's various DSM-related capital investment(s).

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: January 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Public Service Commission in Case No.
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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 86.4

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

RATE (continued)

CHANGES TO DSMRC

Modifications to components of the DSMRC shall be made at least thirty (30) days prior to the effective date. Each filing shall include the following information as applicable:

1) A detailed description of each DSM-EE program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies that have been performed, as available.
2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA, DCCR, and DSMRC.

Each change in the DSMRC shall be placed into effect with service rendered on and after the effective date of such change.

RESIDENTIAL CUSTOMER PROGRAM PARTICIPATION INCENTIVES:

The following DSM-EE Programs are available to residential customers receiving service from the Company on the RS, RTOD-Energy, RTOD-Demand, and VFD Standard Electric Rate Schedules.

Residential and Small Nonresidential Demand Conservation Program

This program employs switches in homes to help reduce the demand for electricity during peak times. The program communicates with the switches to cycle central air conditioning units, heat pumps, electric water heaters, and pool pumps off and on through a predetermined sequence. As of the Date Effective shown below, no additional electric water heaters or pool pumps will be equipped with switches under this program. .

Low Income Weatherization Program (WeCare)

This is an education and weatherization program designed to reduce energy consumption of income-qualified customers. The program provides energy audits, energy education, and installation of weatherization and energy conservation measures in qualified single-family homes as well as tenant units and commonareas of qualifying multifamily properties. Qualified customers could receive energy conservation measures ranging from $0 to $2,100 based upon the results of an energy audit.

DATE OF ISSUE: May 14, 2019

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 86.4

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

RATE (continued)

CHANGES TO DSMRC

Modifications to components of the DSMRC shall be made at least thirty (30) days prior to the effective date. Each filing shall include the following information as applicable:

1) A detailed description of each DSM-EE program developed by the collaborative process, the total cost of each program over the twelve-month period, an analysis of expected resource savings, information concerning the specific DSM or efficiency measures to be installed, and any applicable studies that have been performed, as available.
2) A statement setting forth the detailed calculation of the DCR, DRLS, DSMI, DBA, DCCR, and DSMRC.

Each change in the DSMRC shall be placed into effect with service rendered on and after the effective date of such change.

RESIDENTIAL CUSTOMER PROGRAM PARTICIPATION INCENTIVES:

The following DSM-EE Programs are available to residential customers receiving service from the Company on the RS, RTOD-Energy, RTOD-Demand, and VFD Standard Electric Rate Schedules.

Residential and Small Nonresidential Demand Conservation Program

This program employs switches in homes to help reduce the demand for electricity during peak times. The program communicates with the switches to cycle central air conditioning units, heat pumps, electric water heaters, and pool pumps off and on through a predetermined sequence. As of the Date Effective shown below, no additional electric water heaters or pool pumps will be equipped with switches under this program. .

Low Income Weatherization Program (WeCare)

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 86.5

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

RESIDENTIAL ADVANCED METERING SYSTEMS INCENTIVES:
The following offering is available to residential customers receiving service from the Company on the RS Rate Schedule.

Advanced Metering Systems Customer Service Offering
This offering is designed to provide energy consumption data to customers on a more frequent basis than is traditionally available through monthly billing. The program employs advanced meters to communicate hourly consumption data to customers through a website.

NONRESIDENTIAL CUSTOMER PROGRAM PARTICIPATION INCENTIVES:
The following DSM-EE programs are available to nonresidential customers receiving service from the Company on the GS, AES, PS, TODS, TODP, RTS, FLS, and OSL Standard Electric Rate Schedules.

Residential and Small Nonresidential Demand Conservation Program
This program employs switches to help reduce the demand for electricity during peak times. The program communicates with the switches to cycle central air conditioning units, heat pumps, electric water heaters, and pool pumps off and on through a predetermined sequence. As of the Date Effective shown below, no additional electric water heaters or pool pumps will be equipped with switches under this program.

Large Nonresidential Demand Conservation Program
This program employs interfaces to customer equipment to help reduce the demand for electricity during peak times. The program communicates with the interfaces to cycle equipment. This program has an approved flexible incentive structure.

Nonresidential Rebates Program
This program is designed to increase the implementation of energy efficiency measures by providing financial incentives to assist with the replacement of aging and less efficient equipment and for new construction built beyond code requirements. The Program also offers an online tool providing recommendations for energy-efficiency improvements. Incentives available to all nonresidential customers are based upon the avoided cost of energy for calculated efficiency improvements. A prescriptive list provides customers with incentive values for various efficiency improvement projects. Additionally, a custom rebate is available based upon company engineering validation of sustainable energy savings. New construction rebates are available on savings over code plus bonus rebates for LEED certification.

- Maximum annual incentive per facility is $50,000
- Customers can receive multi-year incentives in a single year where such multi-year incentives do not exceed the aggregate of $100,000 per facility and no incentive was provided in the immediately preceding year
- Applicable for combined Prescriptive, Custom and New Construction Rebates

DATE OF ISSUE: May 14, 2019

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 86.5

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

RESIDENTIAL ADVANCED METERING SYSTEMS INCENTIVES:
The following offering is available to residential customers receiving service from the Company on the RS Rate Schedule.

Advanced Metering Systems Customer Service Offering
This offering is designed to provide energy consumption data to customers on a more frequent basis than is traditionally available through monthly billing. The program employs advanced meters to communicate hourly consumption data to customers through a website.

NONRESIDENTIAL CUSTOMER PROGRAM PARTICIPATION INCENTIVES:
The following DSM-EE programs are available to nonresidential customers receiving service from the Company on the GS, GTOD-Energy, GTOD-Demand, AES, PS, TODS, TODP, RTS, FLS, and OSL Standard Electric Rate Schedules. T

Residential and Small Nonresidential Demand Conservation Program
This program employs switches to help reduce the demand for electricity during peak times. The program communicates with the switches to cycle central air conditioning units, heat pumps, electric water heaters, and pool pumps off and on through a predetermined sequence. As of the Date Effective shown below, no additional electric water heaters or pool pumps will be equipped with switches under this program.

Large Nonresidential Demand Conservation Program
This program employs interfaces to customer equipment to help reduce the demand for electricity during peak times. The program communicates with the interfaces to cycle equipment. This program has an approved flexible incentive structure.

Nonresidential Rebates Program
This program is designed to increase the implementation of energy efficiency measures by providing financial incentives to assist with the replacement of aging and less efficient equipment and for new construction built beyond code requirements. The Program also offers an online tool providing recommendations for energy-efficiency improvements. Incentives available to all nonresidential customers are based upon the avoided cost of energy for calculated efficiency improvements. A prescriptive list provides customers with incentive values for various efficiency improvement projects. Additionally, a custom rebate is available based upon company engineering validation of sustainable energy savings. New construction rebates are available on savings over code plus bonus rebates for LEED certification.

- Maximum annual incentive per facility is $50,000
- Customers can receive multi-year incentives in a single year where such multi-year incentives do not exceed the aggregate of $100,000 per facility and no incentive was provided in the immediately preceding year
- Applicable for combined Prescriptive, Custom and New Construction Rebates

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 86.6

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

Low Income Weatherization Program (WeCare)
This is an education and weatherization program designed to reduce energy consumption of income-qualified customers. The program provides energy audits, energy education, and installation of weatherization and energy conservation measures in qualified single-family homes as well as tenant units and common areas of qualifying multifamily properties. Qualified customers could receive energy conservation measures ranging from $0 to $2,100 based upon the results of an energy audit..

NONRESIDENTIAL ADVANCED METERING SYSTEMS INCENTIVE:
The following offering is available to customers receiving service from the Company on the GS Rate Schedule.

Advanced Metering Systems Customer Service Offering
This offering is designed to provide energy consumption data to customers on a more frequent basis than is traditionally available through monthly billing. The program employs advanced meters to communicate hourly consumption data to customers through a website.

PROGRAM INCENTIVE STRUCTURES

Residential and Small Nonresidential Demand Conservation Program
For each load-control season (June 1 through September 30), a participant will receive an end-of-season incentive only if both of the following conditions are met: (1) a Load Control Event is called during that season and (2) the participant was enrolled in the program during at least one Load Control Event that season. If these conditions are met, then an end-of-season bill credit of $5 will be paid for each central air conditioning unit or heat pump enabled with a switch. Load Control Events do not include short-duration switch activations (i.e., ten minutes or less) called SCRAM events.

Large Nonresidential Demand Conservation
This program is tailored to a large nonresidential customer's ability to reduce load. Program participants must commit to a minimum of 50 kW demand reduction per control event.

- $15 per kW for verified load reduction. For each load-control season (June 1 through September 30), a participant will receive an end-of-season incentive only if both of the following conditions are met: (1) a Load Control Event is called during that season; and (2) the participant was enrolled in the program during at least one Load Control Event that season.
- The customer will have access to at least hourly load data for every month of the year which they remain enrolled in the program.
- Additional customer charges may be incurred for metering equipment necessary for this program at costs under other tariffs.

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DATE EFFECTIVE: With Service Rendered On
and After January 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the
Public Service Commission in Case No.
2017-00441 dated October 5, 2018 and modified October 30, 2018

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 86.6

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

Low Income Weatherization Program (WeCare)
This is an education and weatherization program designed to reduce energy consumption of income-qualified customers. The program provides energy audits, energy education, and installation of weatherization and energy conservation measures in qualified single-family homes as well as tenant units and common areas of qualifying multifamily properties. Qualified customers could receive energy conservation measures ranging from $0 to $2,100 based upon the results of an energy audit..

NONRESIDENTIAL ADVANCED METERING SYSTEMS INCENTIVE:
The following offering is available to customers receiving service from the Company on the GS Rate Schedule.

Advanced Metering Systems Customer Service Offering
This offering is designed to provide energy consumption data to customers on a more frequent basis than is traditionally available through monthly billing. The program employs advanced meters to communicate hourly consumption data to customers through a website.

PROGRAM INCENTIVE STRUCTURES

Residential and Small Nonresidential Demand Conservation Program
For each load-control season (June 1 through September 30), a participant will receive an end-of-season incentive only if both of the following conditions are met: (1) a Load Control Event is called during that season and (2) the participant was enrolled in the program during at least one Load Control Event that season. If these conditions are met, then an end-of-season bill credit of $5 will be paid for each central air conditioning unit or heat pump enabled with a switch. Load Control Events do not include short-duration switch activations (i.e., ten minutes or less) called SCRAM events.

Large Nonresidential Demand Conservation
This program is tailored to a large nonresidential customer's ability to reduce load. Program participants must commit to a minimum of 50 kW demand reduction per control event.

- $15 per kW for verified load reduction. For each load-control season (June 1 through September 30), a participant will receive an end-of-season incentive only if both of the following conditions are met: (1) a Load Control Event is called during that season; and (2) the participant was enrolled in the program during at least one Load Control Event that season.
- The customer will have access to at least hourly load data for every month of the year which they remain enrolled in the program.
- Additional customer charges may be incurred for metering equipment necessary for this program at costs under other tariffs.

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January 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the
Public Service Commission in Case No.
2017-00441 dated October 5, 2018 and modified October 30, 2018

Kentucky Utilities Company

P.S.C. No. 19, Third Revision of Original Sheet No. 86.7
Canceling P.S.C. No. 19, Second Revision of Original Sheet No. 86.7

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

DSM Cost Recovery Component (DSMRC)
Monthly Adjustment Factors:

Rates RS, RTOD-Energy, RTOD-Demand, VFD	Energy Charge	
DSM Cost Recovery Component (DCR)	$ 0.00048 per kWh	
DSM Revenues from Lost Sales (DRLS)	$ 0.00003 per kWh	
DSM Incentive (DSMI)	$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	$ 0.00046 per kWh	
DSM Balance Adjustment (DBA)	$(0.00028) per kWh	I
Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD	$ 0.00069 per kWh	I

Rate GS	Energy Charge	
DSM Cost Recovery Component (DCR)	$ 0.00035 per kWh	
DSM Revenues from Lost Sales (DRLS)	$ 0.00016 per kWh	
DSM Incentive (DSMI)	$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	$ 0.00010 per kWh	
DSM Balance Adjustment (DBA)	$(0.00008) per kWh	I
Total DSMRC for Rate GS	$ 0.00053 per kWh	I

Rate AES	Energy Charge	
DSM Cost Recovery Component (DCR)	$ 0.00075 per kWh	
DSM Revenues from Lost Sales (DRLS)	$ 0.00060 per kWh	
DSM Incentive (DSMI)	$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	$ 0.00112 per kWh	
DSM Balance Adjustment (DBA)	$ 0.00049 per kWh	I
Total DSMRC for Rate AES	$ 0.00296 per kWh	I

Rates PS, TODS, TODP, RTS, FLS, OSL	Energy Charge	
DSM Cost Recovery Component (DCR)	$ 0.00030 per kWh	
DSM Revenues from Lost Sales (DRLS)	$ 0.00019 per kWh	
DSM Incentive (DSMI)	$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	$ 0.00011 per kWh	
DSM Balance Adjustment (DBA)	$ 0.00018 per kWh	I
Total DSMRC for Rates PS, TODS, TODP, RTS, FLS, and OSL	$ 0.00078 per kWh	I

DATE OF ISSUE: February 28, 2020

DATE EFFECTIVE: April 1, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 86.7

Adjustment Clause **DSM**
Demand-Side Management Cost Recovery Mechanism

DSM Cost Recovery Component (DSMRC)
Monthly Adjustment Factors:

Rates RS, RTOD-Energy, RTOD-Demand, VFD	Energy Charge	
DSM Cost Recovery Component (DCR)	$ 0.00048 per kWh	
DSM Revenues from Lost Sales (DRLS)	$ 0.00003 per kWh	
DSM Incentive (DSMI)	$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	$ 0.00046 per kWh	
DSM Balance Adjustment (DBA)	$(0.00028) per kWh	
Total DSMRC for Rates RS, RTOD-Energy, RTOD-Demand, and VFD	$ 0.00069 per kWh	

Rate GS, GTOD-Energy, GTOD-Demand	Energy Charge	
DSM Cost Recovery Component (DCR)	$ 0.00035 per kWh	
DSM Revenues from Lost Sales (DRLS)	$ 0.00016 per kWh	
DSM Incentive (DSMI)	$ 0.00000 per kWh	
DSM Capital Cost Recovery Component (DCCR)	$ 0.00010 per kWh	
DSM Balance Adjustment (DBA)	$(0.00008) per kWh	
Total DSMRC for Rate GS, GTOD-Energy, and GTOD-Demand	$ 0.00053 per kWh	T

Rate AES	Energy Charge
DSM Cost Recovery Component (DCR)	$ 0.00075 per kWh
DSM Revenues from Lost Sales (DRLS)	$ 0.00060 per kWh
DSM Incentive (DSMI)	$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	$ 0.00112 per kWh
DSM Balance Adjustment (DBA)	$ 0.00049 per kWh
Total DSMRC for Rate AES	$ 0.00296 per kWh

Rates PS, TODS, TODP, RTS, FLS, OSL	Energy Charge
DSM Cost Recovery Component (DCR)	$ 0.00030 per kWh
DSM Revenues from Lost Sales (DRLS)	$ 0.00019 per kWh
DSM Incentive (DSMI)	$ 0.00000 per kWh
DSM Capital Cost Recovery Component (DCCR)	$ 0.00011 per kWh
DSM Balance Adjustment (DBA)	$ 0.00018 per kWh
Total DSMRC for Rates PS, TODS, TODP, RTS, FLS, and OSL	$ 0.00078 per kWh

DATE OF ISSUE: November 25, 2020

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January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, First Revision of Original Sheet No. 87
Canceling P.S.C. No. 19, Original Sheet No. 87

Adjustment Clause **ECR**

Environmental Cost Recovery Surcharge

APPLICABLE
In all territory served.

AVAILABILITY
This schedule is mandatory to all rate schedules listed in Section 1 of the General Index except Rate PSA and Special Charges, all Pilot Programs listed in Section 3 of the General Index, and FAC (including OSS) and DSM Adjustment Clauses. Rate schedules subject to this adjustment clause are divided into Group 1 or Group 2 as follows:

Group 1: Rates RS; RTOD-Energy; RTOD-Demand; VFD; AES; LS; RLS; LE; and TE.
Group 2: Rates GS; PS; TODS; TODP; RTS; FLS; EVSE; EVC; and OSL.
.

RATE
The monthly billing amount under each of the schedules to which this mechanism is applicable, shall be increased or decreased by a percentage factor calculated in accordance with the following formula.

Group Environmental Surcharge Billing Factor = Group E(m) / Group R(m)

As set forth below, Group E(m) is the sum of Jurisdictional E(m) of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month allocated to each of Group 1 and Group 2. Group R(m) for Group 1 is the twelve (12) month average revenue for the current expense month and for Group 2 it is the twelve (12) month average non-fuel revenue for the current expense month.

DEFINITIONS
1. For all Plans, E(m) = [(RB/12) (ROR + (ROR – DR) (TR / (1 – TR))] + OE – EAS + BR
   a. RB is the Total Environmental Compliance Rate Base.
   b. ROR is the Rate of Return on Environmental Compliance Rate Base, designated as the overall rate of return [cost of short-term debt, long-term debt, preferred stock, and common equity].
   c. DR is the Debt Rate [cost of short-term debt, and long-term debt].
   d. TR is the Composite Federal and State Income Tax Rate.
   e. OE is the Operating Expenses. OE includes operation and maintenance expense recovery authorized by the K.P.S.C. in all approved ECR Plan proceedings.
   f. EAS is the total proceeds from emission allowance sales.
   g. BR is the operation and maintenance expenses, and/or revenues if applicable, associated with Beneficial Reuse.
   h. Plans are the environmental surcharge compliance plans submitted to and approved by the Kentucky Public Service Commission pursuant to KRS 278.183.

DATE OF ISSUE: October 6, 2020

DATE EFFECTIVE: With Service Rendered
On and After September 30, 2020

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00060 dated September 29, 2020

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 87

Adjustment Clause **ECR**

Environmental Cost Recovery Surcharge

APPLICABLE
In all territory served.

AVAILABILITY
This schedule is mandatory to all rate schedules listed in Section 1 of the General Index except Rate PSA and Special Charges, all Pilot Programs listed in Section 3 of the General Index, and FAC (including OSS) and DSM Adjustment Clauses. Rate schedules subject to this adjustment clause are divided into Group 1 or Group 2 as follows:

Group 1: Rates RS; RTOD-Energy; RTOD-Demand; VFD; AES; LS; RLS; LE; and TE.
Group 2: Rates GS; GTOD-Energy; GTOD-Demand; PS; TODS; TODP; RTS; FLS; EVSE; EVC-L2; EVC-FAST; and OSL. N T

RATE
The monthly billing amount under each of the schedules to which this mechanism is applicable, shall be increased or decreased by a percentage factor calculated in accordance with the following formula.

Group Environmental Surcharge Billing Factor = Group E(m) / Group R(m)

As set forth below, Group E(m) is the sum of Jurisdictional E(m) of each approved environmental compliance plan revenue requirement of environmental compliance costs for the current expense month allocated to each of Group 1 and Group 2. Group R(m) for Group 1 is the twelve (12) month average revenue for the current expense month and for Group 2 it is the twelve (12) month average non-fuel revenue for the current expense month.

DEFINITIONS
1. For all Plans, E(m) = [(RB/12) (ROR + (ROR – DR) (TR / (1 – TR))] + OE – BAS + BR T
   a. RB is the Total Environmental Compliance Rate Base.
   b. ROR is the Rate of Return on Environmental Compliance Rate Base, designated as the overall rate of return [cost of short-term debt, long-term debt, preferred stock, and common equity].
   c. DR is the Debt Rate [cost of short-term debt and long-term debt].
   d. TR is the Composite Federal and State Income Tax Rate.
   e. OE is the Operating Expenses. OE includes operation and maintenance expense recovery authorized by the Kentucky Public Service Commission in all approved ECR Plan proceedings. T
   f. BAS is the total proceeds from by-product and allowance sales. T
   g. BR is the operation and maintenance expenses, and/or revenues if applicable, associated with Beneficial Reuse.
   h. Plans are the environmental surcharge compliance plans submitted to and approved by the Kentucky Public Service Commission pursuant to KRS 278.183.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, First Revision of Original Sheet No. 87.1
Canceling P.S.C. No. 19, Original Sheet No. 87.1

Adjustment Clause **ECR**
Environmental Cost Recovery Surcharge

DEFINITIONS (continued)

2. Total E(m) (sum of each approved environmental compliance plan revenue requirement) is multiplied by the Jurisdictional Allocation Factor. Jurisdictional E(m) is adjusted for any (Over)/Under collection or prior period adjustment and by the subtraction of the Revenue Collected through Base Rates for the Current Expense month to arrive at Adjusted Net Jurisdictional E(m). Adjusted Net Jurisdictional E(m) is allocated to Group 1 and Group 2 on the basis of Revenue as a Percentage of Total Revenue for the twelve (12) months ending with the Current Month to arrive at Group 1 E(m) and Group 2 E(m).

3. The Group 1 R(m) is the average of total Group 1 monthly base revenue for the twelve (12) months ending with the current expense month. Base revenue includes Customer, energy, and lighting charges for each rate schedule included in Group 1 to which this mechanism is applicable and automatic adjustment clause revenues for the Fuel Adjustment Clause and the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 1.

4. The Group 2 R(m) is the average of total Group 2 monthly base non-fuel revenue for the twelve (12) months ending with the current expense month. Base non-fuel revenue includes Customer, non-fuel energy, and demand charges for each rate schedule included in Group 2 to which this mechanism is applicable and automatic adjustment clause revenues for the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 2. Non-fuel energy is equal to the tariff energy rate for each rate schedule included in Group 2 less the base fuel factor as defined on Sheet No. 85.1, Paragraph 6.

5. Current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

DATE OF ISSUE: October 6, 2020

DATE EFFECTIVE: With Service Rendered
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Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 87.1

Adjustment Clause **ECR**
Environmental Cost Recovery Surcharge

DEFINITIONS (continued)

2. Total E(m) (sum of each approved environmental compliance plan revenue requirement) is multiplied by the Jurisdictional Allocation Factor. Jurisdictional E(m) is adjusted for any (Over)/Under collection or prior period adjustment and by the subtraction of the Revenue Collected through Base Rates for the Current Expense month to arrive at Adjusted Net Jurisdictional E(m). Adjusted Net Jurisdictional E(m) is allocated to Group 1 and Group 2 on the basis of Revenue as a Percentage of Total Revenue for the twelve (12) months ending with the Current Month to arrive at Group 1 E(m) and Group 2 E(m).

3. The Group 1 R(m) is the average of total Group 1 monthly base revenue for the twelve (12) months ending with the current expense month. Base revenue includes customer, energy, and lighting charges for each rate schedule included in Group 1 to which this mechanism is applicable and automatic adjustment clause revenues for the Fuel Adjustment Clause, Off-System Sales Adjustment Clause, and the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 1. N N

4. The Group 2 R(m) is the average of total Group 2 monthly base non-fuel revenue for the twelve (12) months ending with the current expense month. Base non-fuel revenue includes customer, non-fuel energy, and demand charges for each rate schedule included in Group 2 to which this mechanism is applicable and automatic adjustment clause revenues for the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 2. Non-fuel energy is equal to the tariff energy rate for each rate schedule included in Group 2 less the base fuel factor as defined on Sheet No. 85.1, Paragraph 6.

5. Current expense month (m) shall be the second month preceding the month in which the Environmental Surcharge is billed.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 88

Adjustment Clause **OSS**

Off-System Sales Adjustment Clause

APPLICABLE.
In all territory served.

AVAILABILITY T
Mandatory to all rate schedules that are subject to Adjustment Clause FAC. T

RATE

The monthly OSS Adjustment Factor per kWh delivered under each of the schedules to which this mechanism is applicable shall be calculated in accordance with the following formula:

OSS Adjustment Factor = 0.75 x [(P(m) / S(m)]

Where "P" is the net eligible margins from off-system power sales and "S" is the kWh sales in the current period (m) as defined in 807 KAR 5:056. The OSS Adjustment Factor will be applied as set out below.

1. The monthly OSS Adjustment Factor will be combined with the monthly FAC factor and billed as one.
2. Current expense month (m) shall be the second month preceding the month in which the combined FAC and OSS factor is billed.
3. The combined monthly FAC and OSS factor shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data and information as may be required by the Commission.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 88

Adjustment Clause **OSS**

Off-System Sales Adjustment Clause

APPLICABLE.
In all territory served.

AVAILABILITY
Mandatory to all rate schedules that are subject to Adjustment Clause FAC.

RATE

The monthly OSS Adjustment Factor per kWh delivered under each of the schedules to which this mechanism is applicable shall be calculated in accordance with the following formula:

OSS Adjustment Factor = 0.75 x [(P(m) / S(m)]

Where "P" is the net eligible margins from off-system power sales and "S" is the kWh sales in the current period (m) as defined in 807 KAR 5:056. The OSS Adjustment Factor will be applied as set out below.

1. The monthly OSS Adjustment Factor will be combined with the monthly FAC factor and billed as one.
2. Current expense month (m) shall be the second month preceding the month in which the combined FAC and OSS factor is billed.
3. The combined monthly FAC and OSS factor shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all the necessary supporting data to justify the amount of the adjustments, which shall include data and information as may be required by the Commission.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

KU Economic Relief Surcredit (ERS) is a new tariff

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 89

Adjustment Clause **ERS** N

Economic Relief Surcredit

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

This schedule is mandatory to all Standard Rate Schedules listed in Sections 1 and 3 of the General Index except PSA and Special Charges.

RATE

The monthly billing amount computed under each of the rate schedules to which this surcredit is applicable shall decrease by the Economic Relief Surcredit. The Economic Relief Surcredit will be distributed to the Company's customers based on the following:

Economic Relief Surcredit per kWh:

All Rate Schedules:	-$0.00068

TERMS OF DISTRIBUTION

(1) The Economic Relief Surcredit shall be applied to the customer's bill following the rates and charges for electric service, but before application of the Environmental Cost Recovery Surcharge, Franchise Fee Rider, School Tax, and Home Energy Assistance Program.

(2) The Economic Relief Surcredit shall be effective for the first twelve (12) months following the entry of an Order in Case No. 2020-00349 approving the surcredit.

(3) In the fourteenth (14th) month following the entry of an Order in Case No. 2020-00349 approving the surcredit, any cumulative over- or under-distribution of the Economic Relief Surcredit amount will be distributed to the Company's customers in the next billing cycle.

(4) The Economic Relief Surcredit shall terminate after the one month distribution in (3) above.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 90

Adjustment Clause **FF**
Franchise Fee T

APPLICABLE
In all territory served.

AVAILABILITY T
Available as an option for collection of revenues within governmental jurisdictions which impose on Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of Company's rate schedules. T

BILLING T
1. The franchise charge will be applied exclusively to the base rate and all riders of bills of Customers receiving service within the franchising governmental jurisdiction, before taxes.
2. The franchise charge will appear as a separate line item on Customer's bill and show the unit of government requiring the franchise.
3. Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.
4. At its option, a governmental body imposing a franchise fee shall not be billed for that portion of a franchise fee, applied to services designated by the governmental body that would ultimately be repaid to the governmental body.

TERM OF CONTRACT
As agreed to in the franchise agreement. Company will not calculate or collect any such fees, T
taxes, or charges pursuant to expired, lapsed, or otherwise invalid, ineffective or inapplicable T
ordinances, franchise agreements, or other governmental enactment. T

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 90

Adjustment Clause **FF**
Franchise Fee

APPLICABLE
In all territory served.

AVAILABILITY
Available as an option for collection of revenues within governmental jurisdictions which impose on Company franchise fees, permitting fees, local taxes or other charges by ordinance, franchise, or other governmental directive and not otherwise collected in the charges of Company's rate schedules.

BILLING
1. The franchise charge will be applied exclusively to the base rate and all riders of bills of Customers receiving service within the franchising governmental jurisdiction, before taxes.
2. The franchise charge will appear as a separate line item on Customer's bill and show the unit of government requiring the franchise.
3. Payment of the collected franchise charges will be made to the governmental franchising body as agreed to in the franchise agreement.
4. At its option, a governmental body imposing a franchise fee shall not be billed for that portion of a franchise fee, applied to services designated by the governmental body that would ultimately be repaid to the governmental body.

TERM OF CONTRACT
As agreed to in the franchise agreement. Company will not calculate or collect any such fees, taxes, or charges pursuant to expired, lapsed, or otherwise invalid, ineffective or inapplicable ordinances, franchise agreements, or other governmental enactment.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 90.1

Adjustment Clause **FF**
Franchise Fee

SECTIONS APPLICABLE ONLY TO FRANCHISE FEE AGREEMENTS DATED BEFORE September 21, 2011

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T

DEFINITIONS

Base Year - the twelve month period ending November 30.
Collection Year - the full calendar year following the Base Year.
Base Year Amount -

1) a percentage of revenues, as determined in the franchise agreement, for the Base Year; and
2) license fees, permit fees, or other costs specifically borne by Company for the purpose of maintaining the franchise as incurred in the Base Year and applicable specifically to Company by ordinance or franchise for operation and maintenance of its facilities in the franchise area, including but not limited to costs incurred by Company as a result of governmental regulation or directives requiring construction or installation of facilities beyond that normally provided by Company in accordance with applicable Rules and Regulations approved by and under the direction of the Kentucky Public Service Commission; and
3) any adjustment for over or under collection of revenues associated with the amounts in 1) or 2).

RATE

The franchise percentage will be calculated by dividing the Base Year amount by the total revenues in the Base Year for the franchise area. The franchise percentage will be monitored during the Collection Year and adjusted to recover the Base Year Amount in the Collection Year as closely as possible.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 90.1

Adjustment Clause **FF**
Franchise Fee

SECTIONS APPLICABLE ONLY TO FRANCHISE FEE AGREEMENTS DATED BEFORE September 21, 2011

DEFINITIONS

Base Year - the twelve month period ending November 30.
Collection Year - the full calendar year following the Base Year.
Base Year Amount -

1) a percentage of revenues, as determined in the franchise agreement, for the Base Year; and
2) license fees, permit fees, or other costs specifically borne by Company for the purpose of maintaining the franchise as incurred in the Base Year and applicable specifically to Company by ordinance or franchise for operation and maintenance of its facilities in the franchise area, including but not limited to costs incurred by Company as a result of governmental regulation or directives requiring construction or installation of facilities beyond that normally provided by Company in accordance with applicable Rules and Regulations approved by and under the direction of the Kentucky Public Service Commission; and
3) any adjustment for over or under collection of revenues associated with the amounts in 1) or 2).

RATE

The franchise percentage will be calculated by dividing the Base Year amount by the total revenues in the Base Year for the franchise area. The franchise percentage will be monitored during the Collection Year and adjusted to recover the Base Year Amount in the Collection Year as closely as possible.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 91

Adjustment Clause **ST**
School Tax

APPLICABLE
In all territory served.

AVAILABILITY OF SERVICE
This schedule is applied as a rate increase to all other schedules pursuant to KRS 160.617 for the recovery by the utility of school taxes in any county requiring a utility gross receipts license tax for schools under KRS 160.613.

RATE
The utility gross receipts license tax authorized under state law.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After August 1, 2010

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00548 dated July 30, 2010

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 91

Adjustment Clause **ST**
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AVAILABILITY OF SERVICE
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RATE
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DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After August 1, 2010

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00548 dated July 30, 2010

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 92

Adjustment Clause **HEA**
Home Energy Assistance Program

APPLICABLE
In all territory served.

AVAILABILITY
To all residential Customers.

RATE
$0.30 per month.

BILLING
The HEA charge shall be shown as a separate item on Customer bills.

PURPOSE
Proceeds from this charge will be used to fund residential low-income Home Energy Assistance programs, which have been designed through a collaborative advisory process and approved by the Commission. T T

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 92

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State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 95

Terms and Conditions
Customer Bill of Rights

As a residential Customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service, if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to participate in equal, budget payment plans for your natural gas and electric service, unless any rate or rider under which you take service explicitly states otherwise.
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.
- If you have not been disconnected, you have the right to maintain your natural gas and electric service for up to thirty (30) days, provided you present a Certificate of Need issued by the Kentucky Cabinet for Human Resources between the months of November and the end of March.
- If you have been disconnected due to non-payment, you have the right to have your natural gas or electric service reconnected between the months of November through March provided you:
  1) Present a Certificate of Need issued by the Kentucky Cabinet for Human Resources, and
  2) Pay one third (1/3) of your outstanding bill ($200 maximum), and
  3) Accept referral to the Human Resources' Weatherization Program, and
  4) Agree to a repayment schedule that will cause your bill to become current by October 15.
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (call Toll Free 1-800-772-4636).

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00370 dated June 22, 2017 and modified June 29, 2017

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 95

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- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt restoration of your service when the discontinuance for cause has been corrected within 24 hours or by the end of the next business day, whichever is greater. T T
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DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 96

Terms and Conditions
General

COMMISSION RULES AND REGULATIONS
All electric service supplied by Company shall be in accordance with the applicable rules and regulations of the Kentucky Public Service Commission.

COMPANY TERMS AND CONDITIONS
In addition to the rules and regulations of the Commission, all electric service supplied by Company shall be in accordance with these Terms and Conditions to the extent that such Terms and Conditions are not in conflict, nor inconsistent, with the specific provisions in each rate schedule, and which shall constitute a part of all applications and contracts for service.

COMPANY AS A FEDERAL CONTRACTOR
The United Nations Convention on Contracts for the International Sale of Goods is specifically disclaimed and excluded and will not apply to or govern agreements between Customers and Company.

To the extent Company is a federal contractor, Company and its subcontractors shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

To the extent Company is a federal contractor, Company and its subcontractors shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

RATES, TERMS AND CONDITIONS ON FILE
A copy of the rate schedules, terms, and conditions under which electric service is supplied is on file with the Kentucky Public Service Commission. A copy of such rate schedules, terms and conditions, together with the law, rules, and regulations of the Commission, is available for public inspection in each office of Company where bills may be paid.

CUSTOMER GENERATION
All existing and future installations of equipment for the purpose of electric generation that is intended to run in parallel with utility service, regardless of the length of parallel operation, shall be reported by Customer (or Customer's Representative) to Company in conjunction with the "Notice to Company of Changes in Customer's Load" set out in Customer Responsibilities section of the Terms and Conditions of Company's Tariff.

ASSIGNMENT
No order for service, agreement or contract for service may be assigned or transferred without the written consent of Company.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00370 dated June 22, 2017 and modified June 29, 2017

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 96

Terms and Conditions
General

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00370 dated June 22, 2017 and modified June 29, 2017

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 96.1

Terms and Conditions
General

RENEWAL OF CONTRACT

If, upon the expiration of any service contract for a specified term, Customer continues to use the service, the contract (unless otherwise provided therein) will be automatically renewed for successive periods of one (1) year each, subject to termination at the end of any year upon thirty (30) days prior written notice by either party.

AGENTS CANNOT MODIFY AGREEMENT WITHOUT CONSENT OF P.S.C. OF KY

No agent has power to amend, modify, alter, or waive any of these Terms and Conditions, or to bind Company by making any promises or representations not contained herein.

SUPERSEDE PREVIOUS TERMS AND CONDITIONS

These Terms and Conditions supersede all terms and conditions under which Company has previously supplied electric service.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2015

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00371 dated June 30, 2015

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 96.1

Terms and Conditions
General

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DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2015

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00371 dated June 30, 2015

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 97

Terms and Conditions
Customer Responsibilities

APPLICATION FOR SERVICE

A written, in-person, electronic, or oral application or contract, properly executed, will be required before Company is obligated to render electric service. Company may require any party applying for service to provide some or all of the following information for the party desiring service: full legal name, address, full Social Security Number or other taxpayer identification number, date of birth (if applicable), relationship of the applying party to the party desiring service, and any other information Company deems necessary for legal, business, or debt-collection purposes. Company shall have the right to reject for valid reasons any such application or contract, including the applying party's refusal to provide requested information.

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using electric service is clearly outside the scope of Company's rate schedules, Company may establish special contracts giving effect to such unusual circumstances. Customer accepts that non-standard service may result in the delay of required maintenance or, in the case of outages, restoration of service. T

TRANSFER OF APPLICATION

Applications for electric service are not transferable and new occupants of premises will be required to make application for service before commencing the use of electricity. Customers who have been receiving electric service shall notify Company when discontinuance of service is desired, and shall pay for all electric service furnished until such notice has been given and final meter readings made by Company.

CONTRACTED DEMANDS

For rate applications where billing demand minimums are determined by the Contract Demand Customer shall execute written Contract prior to rendering of service. At Company's sole discretion, in lieu of a written contract, a completed load data sheet or other written load specification, as provided by Customer, can be used to determine the maximum load on Company's system for determining Contract Demand minimum.

If Company or Customer terminates Customer's service under a rate schedule that contains demand charges and Customer subsequently applies to Company to reestablish service to the same premise or facility, Company must determine monthly billing demand for the reestablished service as though Customer had continuously taken service from the time of service termination through the reestablishing of service to Customer. For the purpose of determining the monthly billing demand described in the preceding sentence, the demand to be used for the period during which Customer did not take service from Company shall be the actually recorded demand, if any, for the premise or facility during that period. The preceding two sentences will not apply if Company determines, in its sole discretion, that material changes to Customer's facilities, processes, or practices justify establishing a new Contract Demand for the reestablished service.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 97

Terms and Conditions
Customer Responsibilities

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DATE OF ISSUE: November 25, 2020

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 97.1

Terms and Conditions
Customer Responsibilities

OPTIONAL RATES

If two or more rate schedules are available for the same class of service, it is Customer's responsibility to determine the options available and to designate the schedule under which Customer desires to receive service.

Company will, at any time, upon request, advise any Customer as to the most advantageous rate for existing or anticipated service requirements as defined by Customer, but Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

In those cases in which the most favorable rate is difficult to predetermine, Customer will be given the opportunity to change to another schedule, unless otherwise prevented by the rate schedule under which Customer is currently served, after trial of the schedule originally designated; however, after the first such change, Company shall not be required to make a change in schedule more often than once in twelve (12) months.

From time to time, Customer should investigate Customer's operating conditions to determine a desirable change from one available rate to another. Company, lacking knowledge of changes that may occur at any time in Customer's operating conditions, does not assume responsibility that Customer will at all times be served under the most beneficial rate.

In no event will Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service.

CUSTOMER'S EQUIPMENT AND INSTALLATION

Customer shall furnish, install, and maintain at Customer's expense all electrical apparatus and wiring to connect with Company's service drop or service line. All such apparatus and wiring shall be installed and maintained in conformity with applicable statutes, laws or ordinances and with the rules and regulations of the constituted authorities having jurisdiction. Customer shall not install wiring or connect and use any motor or other electricity-using device which in the opinion of Company is detrimental to its electric system or to the service of other Customers of Company. Company assumes no responsibility whatsoever for the condition of Customer's electrical wiring, apparatus, or appliances, nor for the maintenance or removal of any portion thereof.

In the event Customer builds or extends its own transmission or distribution system over property Customer owns, controls, or has rights to, and said system extends or may extend into the service territory of another utility Company, Customer will notify Company of their intention in advance of the commencement of construction.

OWNER'S CONSENT TO OCCUPY

Customer shall grant easements and rights-of-way on and across Customer's property at no cost to Company.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00370 dated June 22, 2017 and modified June 29, 2017

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 97.1

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OWNER'S CONSENT TO OCCUPY

Customer shall grant such easements and rights-of-way on and across Customer's property that are reasonably necessary to provide service to the Customer at no cost to Company. T T

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 97.2

Terms and Conditions
Customer Responsibilities

ACCESS TO PREMISES AND EQUIPMENT

Company shall have the right of access to Customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of electric service or for the purpose of turning on and shutting off the supply of electricity when necessary and for all other proper purposes. Customer shall not construct or permit the construction of any structure or device which will restrict the access of Company to its equipment for any of the above purposes.

PROTECTION OF COMPANY'S PROPERTY

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of Company installed on Customer's premises, and will be held liable for same according to law. Customer hereby agrees that no one except the employees of Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of Company.

POWER FACTOR

Company installs facilities to supply power to Customer at or near unity power factor.

Company expects any Customer to use apparatus which shall result in a power factor near unity. However, Company will permit the use of apparatus which shall result, during normal operation, in a power factor not lower than ninety (90) percent either lagging or leading.

Where Customer's power factor is less than ninety (90) percent, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable corrective equipment to maintain a power factor of ninety (90) percent or higher.

EXCLUSIVE SERVICE ON INSTALLATION CONNECTED

Except in cases where Customer has contracted with Company for reserve or auxiliary service, no other electric light or power service will be used by Customer on the same installation in conjunction with Company's service, either by means of a throw-over switch or any other connection.

LIABILITY

Customer assumes all responsibility for the electric service upon Customer's premises at and from the point of delivery of electricity and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00370 dated June 22, 2017 and modified June 29, 2017

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 97.2

Terms and Conditions
Customer Responsibilities

ACCESS TO PREMISES AND EQUIPMENT

Company shall have the right of access to Customer's premises at all reasonable times for the purpose of installing, meter reading, inspecting, repairing, or removing its equipment used in connection with its supply of electric service or for the purpose of turning on and shutting off the supply of electricity when necessary and for all other proper purposes. Customer shall not construct or permit the construction of any structure or device which will restrict the access of Company to its equipment for any of the above purposes.

PROTECTION OF COMPANY'S PROPERTY

Customers will be held responsible for tampering, interfering with, breaking of seals of meters, or other equipment of Company installed on Customer's premises, and will be held liable for same according to law. Customer hereby agrees that no one except the employees of Company shall be allowed to make any internal or external adjustments of any meter or any other piece of apparatus which shall be the property of Company.

POWER FACTOR

Company installs facilities to supply power to Customer at or near unity power factor.

Company expects any Customer to use apparatus which shall result in a power factor near unity. However, Company will permit the use of apparatus which shall result, during normal operation, in a power factor not lower than ninety (90) percent either lagging or leading.

Where Customer's power factor is less than ninety (90) percent, Company reserves the right to require Customer to furnish, at Customer's own expense, suitable corrective equipment to maintain a power factor of ninety (90) percent or higher.

EXCLUSIVE SERVICE ON INSTALLATION CONNECTED

Except in cases where Customer has contracted with Company for reserve or auxiliary service, no other electric light or power service will be used by Customer on the same installation in conjunction with Company's service, either by means of a throw-over switch or any other connection.

LIABILITY

Customer assumes all responsibility for the electric service upon Customer's premises at and from the point of delivery of electricity and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of Company.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00370 dated June 22, 2017 and modified June 29, 2017

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 97.3

Terms and Conditions
Customer Responsibilities

NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD

The service connections, transformers, meters, and appurtenances supplied by Company for the rendition of electric service to its Customers have a definite capacity which may not be exceeded without damage. In the event that Customer contemplates any material increase in Customer's connected load, whether in a single increment or over an extended period, Customer shall immediately give Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice Customer may be held liable for any damage done to meters, transformers, or other equipment of Company caused by such material increase in Customer's connected load. Should Customer make a permanent change in the operation of electrical equipment that materially reduces the maximum load required by Customer, Company may reduce Customer's contract capacity.

PERMITS

Customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give Company or its agent access to Customer's premises and equipment and to enable its service to be connected therewith. In case Customer is not the owner of the premises or of intervening property between the premises and Company's distribution lines, Customer shall obtain from the property owner or owners the necessary consent to the installation and maintenance in said premises and in or about such intervening property of all such wiring or other Customer-owned electrical equipment as may be necessary or convenient for the supply of electric service to Customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, Company shall obtain the aforementioned consent.

The construction of electric facilities to provide service to a number of Customers in a manner consistent with good engineering practice and the least public inconvenience sometimes requires that certain wires, guys, poles, or other appurtenances on a Customer's premises be used to supply service to neighboring Customers. Accordingly, each Customer taking Company's electric service shall grant to Company such rights on or across his or her premises as may be necessary to furnish service to neighboring premises, such rights to be exercised by Company in a reasonable manner and with due regard for the convenience of Customer.

Company shall make or cause to be made application for any necessary street permits, and shall not be required to supply service under Customer's application until a reasonable time after such permits are granted.

CHANGES IN SERVICE

Where Customer is receiving service and desires relocation or change in facilities not supported by additional load, Customer is responsible for the cost of the relocation or change in facilities through a Non-Refundable Advance.

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On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 97.3

Terms and Conditions
Customer Responsibilities

NOTICE TO COMPANY OF CHANGES IN CUSTOMER'S LOAD

The service connections, transformers, meters, and appurtenances supplied by Company for the rendition of electric service to its Customers have a definite capacity which may not be exceeded without damage. In the event that Customer contemplates any material increase in Customer's connected load, whether in a single increment or over an extended period, Customer shall immediately give Company written notice of this fact so as to enable it to enlarge the capacity of such equipment. In case of failure to give such notice Customer may be held liable for any damage done to meters, transformers, or other equipment of Company caused by such material increase in Customer's connected load. Should Customer make a permanent change in the operation of electrical equipment that materially reduces the maximum load required by Customer, Company may reduce Customer's contract capacity.

PERMITS

Customer shall obtain or cause to be obtained all permits, easements, or certificates, except street permits, necessary to give Company or its agent access to Customer's premises and equipment and to enable its service to be connected therewith. In case Customer is not the owner of the premises or of intervening property between the premises and Company's distribution lines, Customer shall obtain from the property owner or owners the necessary consent to the installation and maintenance in said premises and in or about such intervening property of all such wiring or other Customer-owned electrical equipment as may be necessary or convenient for the supply of electric service to Customer. Provided, however, to the extent permits, easements, or certificates are necessary for the installation and maintenance of Company-owned facilities, Company shall obtain the aforementioned consent.

The construction of electric facilities to provide service to a number of Customers in a manner consistent with good engineering practice and the least public inconvenience sometimes requires that certain wires, guys, poles, or other appurtenances on a Customer's premises be used to supply service to neighboring Customers. Accordingly, each Customer taking Company's electric service shall grant to Company such rights on or across his or her premises as may be necessary to furnish service to neighboring premises, such rights to be exercised by Company in a reasonable manner and with due regard for the convenience of Customer.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 98

Terms and Conditions
Company Responsibilities

METERING

The electricity used will be measured by a meter or meters to be furnished and installed by Company at its expense and all bills will be calculated upon the registration of said meters. Company has the right to install any meter or meters it deems in its sole discretion to be necessary or prudent to serve any Customer, including without limitation a digital, automated meter reading, automated metering infrastructure, or advanced metering systems meter or meters. When service is supplied by Company at more than one delivery point on the same premises, each delivery point will be metered and billed separately on the rate applicable. Meters include all measuring instruments. Meters will be located outside whenever possible. Otherwise, meters will be located as near as possible to the service entrance and on the ground floor of the building, in a clean, dry, safe and easily accessible place, free from vibration, agreed to by Company.

POINT OF DELIVERY OF ELECTRICITY

The point of delivery of electrical energy supplied by Company shall be at the point, as designated by Company, where Company's facilities are connected with the facilities of Customer, irrespective of the location of the meter.

EXTENSION OF SERVICE

The main transmission lines of Company, or branches thereof, will be extended to such points as provide sufficient load to justify such extensions or in lieu of sufficient load, Company may require such definite and written guarantees from a Customer, or group of Customers, in addition to any minimum payments required by the Tariff as may be necessary. This requirement may also be made covering the repayment, within a reasonable time, of the cost of tapping such existing lines for light or power service or both.

COMPANY'S EQUIPMENT AND INSTALLATION

Company will furnish, install, and maintain at its expense the necessary overhead service drop or service line required to deliver electricity at the voltage contracted for, to Customer's electric facilities.

Company will furnish, install, and maintain at its expense the necessary meter or meters. (The term meter as used here and elsewhere in these rules and regulations shall be considered to include all associated instruments and devices, such as current and potential transformers installed for the purpose of measuring deliveries of electricity to Customer.) Suitable provision for Company's meter, including an adequate protective enclosure for the same if required, shall be made by Customer. Title to the meter shall remain with Company, with the right to install, operate, maintain, and remove same. Customer shall protect such property of Company from loss or damage, and no one who is not an agent of Company shall be permitted to remove, damage, or tamper with the same. Customer shall execute such reasonable form of easement agreement as may be required by Company.

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Kentucky Utilities Company

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Terms and Conditions
Company Responsibilities

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 98.1

Terms and Conditions
Company Responsibilities

Notwithstanding the provisions of 807 KAR 5:006, Section 14(4), a reasonable time shall be allowed subsequent to Customer's service application to enable Company to construct or install the facilities required for such service. In order that Company may make suitable provision for enlargement, extension or alteration of its facilities, each applicant for commercial or industrial service shall furnish Company with realistic estimates of prospective electricity requirements.

COMPANY NOT LIABLE FOR INTERRUPTIONS

Company will exercise reasonable care and diligence in an endeavor to supply service continuously and without interruption but does not guarantee continuous service and shall not be liable for any loss or damage resulting from interruption, reduction, delay, or failure of electric service not caused by the willful negligence of Company, or resulting from any cause or circumstance beyond the reasonable control of Company.

COMPANY NOT LIABLE FOR DAMAGE ON CUSTOMER'S PREMISES

Company is merely a supplier of electricity delivered to the point of connection of Company's and Customer's facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to persons or property of Customer or of third persons resulting from the presence, use or abuse of electricity on Customer's premises or resulting from defects in or accidents to any of Customer's wiring, equipment, apparatus, or appliances, or resulting from any cause whatsoever other than the negligence of Company

LIABILITY

In no event shall Company have any liability to Customer or any other party affected by the electrical service to Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to Customer or any other party. In the event that Customer's use of Company's service causes damage to Company's property or injuries to persons, Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

FIRM SERVICE

Where a Customer-generator supplies all or part of Customer-generator's own load and desires Company to provide service for that load, Customer-generator must contract for such service, otherwise Company has no obligation to supply the non-firm service.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 99

Terms and Conditions
Character of Service

Electric service, under the rate schedules herein, will be 60 cycle, alternating current delivered from Company's various load centers and distribution lines at typical nominal voltages and phases, as available in a given location, as follows:

SECONDARY VOLTAGES

Residential Service -

Single phase 120/240 volts three-wire service or 120/208Y volts three-wire service where network system is available.

Non-Residential Service -

1. Single phase 120/240 volts three-wire service, or 120/208Y volts three-wire service where network system is available.
2. Three phase 240 volts three-wire service, 120/240 volts four-wire service, 480 volts three-wire service, 120-208Y volts four-wire service, or 277/480Y four-wire service.

PRIMARY VOLTAGES

According to location, 2,400/4160Y volts, 7,200/12,470Y volts, or 34,500 volts

TRANSMISSION VOLTAGES

According to location, 69,000 volts, 138,000 volts, 161,000 volts, or 345,000 volts. T

The voltage available to any individual Customer shall depend upon the voltage of Company's lines serving the area in which Customer's electric load is located.

RESTRICTIONS

1. Except for minor loads, with approval of Company, two-wire service is restricted to those Customers on service July 1, 2004.
2. To be eligible for the rate applicable to any delivery voltage other than secondary voltage, Customer must furnish and maintain complete substation structure, transformers, and other equipment necessary to take service at the primary or transmission voltage available at point of connection.
   a. In the event Company is required to provide transformation to reduce an available voltage to a lower voltage for delivery to a Customer, Customer shall be served at the rate applicable to the lower voltage; provided, however, that if the same rate is applicable to both the available voltage and the delivery voltage, Customer may be required to make a non-refundable payment to reflect the additional investment required to provide service.
   b. The available voltage shall be the voltage on that distribution or transmission line which Company designates as being suitable from the standpoint of capacity and other operating characteristics for supplying the requirements of Customer.

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 99

Terms and Conditions
Character of Service

Electric service, under the rate schedules herein, will be 60 cycle, alternating current delivered from Company's various load centers and distribution lines at typical nominal voltages and phases, as available in a given location, as follows:

SECONDARY VOLTAGES

Residential Service -

Single phase 120/240 volts three-wire service or 120/208Y volts three-wire service where network system is available.

Non-Residential Service -

1. Single phase 120/240 volts three-wire service, or 120/208Y volts three-wire service where network system is available.
2. Three phase 240 volts three-wire service, 120/240 volts four-wire service, 480 volts three-wire service, 120-208Y volts four-wire service, or 277/480Y four-wire service.

PRIMARY VOLTAGES

According to location, 2,400/4160Y volts, 7,200/12,470Y volts, or 34,500 volts

TRANSMISSION VOLTAGES

According to location, 69,000 volts, 138,000 volts, 161,000 volts, or 345,000 volts.

The voltage available to any individual Customer shall depend upon the voltage of Company's lines serving the area in which Customer's electric load is located.

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1. Except for minor loads, with approval of Company, two-wire service is restricted to those Customers on service July 1, 2004.
2. To be eligible for the rate applicable to any delivery voltage other than secondary voltage, Customer must furnish and maintain complete substation structure, transformers, and other equipment necessary to take service at the primary or transmission voltage available at point of connection.
   a. In the event Company is required to provide transformation to reduce an available voltage to a lower voltage for delivery to a Customer, Customer shall be served at the rate applicable to the lower voltage; provided, however, that if the same rate is applicable to both the available voltage and the delivery voltage, Customer may be required to make a non-refundable payment to reflect the additional investment required to provide service.
   b. The available voltage shall be the voltage on that distribution or transmission line which Company designates as being suitable from the standpoint of capacity and other operating characteristics for supplying the requirements of Customer.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 100

Terms and Conditions
Residential Rate Specific Terms and Conditions

Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances, and other domestic purposes.

1. **DEFINITION OF RESIDENTIAL RATE** - Residential rates are based on service to single family units served through a single meter. Such service may include incidental usage of electricity for home occupations, such as the office of a physician, surgeon, dentist, musician or artist when such occupation is practiced by Customer in Customer's residence. Service to both a single family unit and a detached structure may both be served through a single meter, regardless of the meter location, and qualify for the residential service provided the consumption in the non-residential portion of the detached structure is incidental.

2. **DEFINITION OF SINGLE FAMILY UNIT** - A single family unit is a structure or part of a structure used or intended to be used as a home, residence, or sleeping place by one or more persons maintaining a common household. Residential service is not available to transient multi-family structures including, but not limited to, hotels, motels, studio apartments, college dormitories, or any structure without a permanent foundation or attached to sanitation facilities. Fraternity or sorority organizations associated with educational institutions may be classified as residential and billed at the residential rate.

3. **DETACHED STRUCTURES** - If Customer has detached structures that are located at such distance from Customer's residence as to make it impracticable to supply service through Customer's residential meter, the separate meter required to measure service to the detached structures will be considered a separate service and billed as a separate Customer.

4. **POWER REQUIREMENT -** Single-phase power service used for domestic purposes will be permitted under Residential Rates RS, RTOD-Energy, and RTOD-Demand when measured through the residential meter subject to the conditions set forth below:

   a. Single-phase motors may be served at 120 volts if the locked-rotor current at rated voltage does not exceed 50 amperes. Motors with locked-rotor current ratings in excess of 50 amperes must be served at 240 volts.

   b. Single-phase motors of new central residential cooling installations with total locked-rotor ratings of not to exceed 125 amperes (inclusive of any auxiliary motors arranged for simultaneous starting with the compressor) may be connected for across-the-line starting provided the available capacity of Company's electric distribution facilities at desired point of supply is such that, in Company's judgment, the starting of such motors will not result in excessive voltage dips and undue disturbance of lighting service and television reception of

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 100

Terms and Conditions
Residential Rate Specific Terms and Conditions

Residential electric service is available for uses customarily associated with residential occupation, including lighting, cooking, heating, cooling, refrigeration, household appliances, and other domestic purposes.

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2. **DEFINITION OF SINGLE FAMILY UNIT** - A single family unit is a structure or part of a structure used or intended to be used as a home, residence, or sleeping place by one or more persons maintaining a common household. Residential service is not available to transient multi-family structures including, but not limited to, hotels, motels, studio apartments, college dormitories, separately metered vacation rentals, boat slips, campers, or any structure without a permanent foundation or attached to sanitation facilities. Fraternity or sorority organizations associated with educational institutions may be classified as residential and billed at the residential rate. T

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   a. Single-phase motors may be served at 120 volts if the locked-rotor current at rated voltage does not exceed 50 amperes. Motors with locked-rotor current ratings in excess of 50 amperes must be served at 240 volts.

   b. Single-phase motors of new central residential cooling installations with total locked-rotor ratings of not to exceed 125 amperes (inclusive of any auxiliary motors arranged for simultaneous starting with the compressor) may be connected for across-the-line starting provided the available capacity of Company's electric distribution facilities at desired point of supply is such that, in Company's judgment, the starting of such motors will not result in excessive voltage dips and undue disturbance of lighting service and television reception of

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Terms and Conditions
Residential Rate Specific Terms and Conditions

nearby electric Customers. However, except with Company's express written consent, no new single-phase central residential cooling unit having a total lock-rotor rating in excess of 125 amperes inclusive of auxiliary motors arranged for simultaneous starting with the compressor) shall hereafter be connected to Company's lines, or be eligible for electric service therefrom, unless it is equipped with an approved type of current-limiting device for starting which will reduce the initial and incremental starting current inrush to a maximum of 100 amperes per step. Company shall be furnished with reasonable advance notice of any proposed central residential cooling installation.

c. In the case of multi-motored devices arranged for sequential starting of the motors, the above rules are considered to apply to the locked-rotor currents of the individual motors; if arranged for simultaneous starting of the motors, the rules apply to the sum of the locked-rotor currents of all motors so started.

d. Any motor or motors served through a separate meter will be billed as a separate Customer.

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Terms and Conditions
Residential Rate Specific Terms and Conditions

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Kentucky Utilities Company

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Terms and Conditions
Billing

METER READINGS AND BILLS

As used in the entirety of this Tariff, "meter reading" and similar terms shall include data collected remotely from automated meter reading, automated meter infrastructure, advanced metering systems, and other electronic meter equipment or systems capable of delivering usage data to Company. A physical, manual reading of a meter is not required to constitute a "meter reading."

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 7.

All bills will be based upon meter readings made in accordance with Company's meter reading schedule. Company, except if prevented by reasons beyond its control, shall read Customer's meters at least quarterly, except that Customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty (30) days, unless an applicable rate schedule has a daily Basic Service Charge, in which case a full daily Basic Service Charge will be charged to a customer for each day or partial day during which the customer's account was open and served under that rate schedule. N N N

When Company is unable to read Customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, Customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's meter fails to register properly by reason of damage, accident, etc., Company shall have the right to estimate Customer's consumption during the period of failure on the basis of such factors as Customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Bills are due and payable at the office of Company during business hours, or at other locations designated by Company, within sixteen (16) business days (no less than twenty-two (22) calendar days) from date of rendition thereof. If full payment is not received by the due date of the bill, a late payment charge will be assessed on the current month's charges. Beginning October 1, 2010, residential Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice. There will be no adverse credit impact on Customer's payment and credit record, including credit scoring, both internally and externally, and the account will not be considered delinquent for any purpose if Company receives Customer's payment within fifteen (15) days after the date on which Company issues Customer's bill.

Failure to receive a bill does not exempt Customer from these provisions of Company's Terms and Conditions.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 101

Terms and Conditions
Billing

METER READINGS AND BILLS

As used in the entirety of this Tariff, "meter reading" and similar terms shall include data collected remotely from automated meter reading, automated meter infrastructure, advanced metering systems, and other electronic meter equipment or systems capable of delivering usage data to Company. A physical, manual reading of a meter is not required to constitute a "meter reading."

Each bill for utility service shall be issued in compliance with 807 KAR 5:006, Section 7.

All bills will be based upon meter readings made in accordance with Company's meter reading schedule. Company, except if prevented by reasons beyond its control, shall read Customer's meters at least quarterly, except that Customer-read meters shall be read at least once during the calendar year.

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, any demand or monthly charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty (30) days. T

When Company is unable to read Customer's meter after reasonable effort, or when Company experiences circumstances which make actual meter readings impossible or impracticable, Customer may be billed on an estimated basis and the billing will be adjusted as necessary when the meter is read.

In the event Company's meter fails to register properly by reason of damage, accident, etc., Company shall have the right to estimate Customer's consumption during the period of failure on the basis of such factors as Customer's connected load, heating degree days, and consumption during a previous corresponding period and during a test period immediately following replacement of the defective meter.

Bills are due and payable at the office of Company during business hours, or at other locations designated by Company, within sixteen (16) business days (no less than twenty-two (22) calendar days) from date of rendition thereof. If full payment is not received by the due date of the bill, a late payment charge will be assessed on the current month's charges. Beginning October 1, 2010, residential Customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice. There will be no adverse credit impact on Customer's payment and credit record, and the account will not be considered delinquent for any purpose if Company receives Customer's payment within fifteen (15) days after the date on which Company issues Customer's bill. T

Failure to receive a bill does not exempt Customer from these provisions of Company's Terms and Conditions.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 101.1

Terms and Conditions
Billing

READING OF SEPARATE METERS NOT COMBINED

For billing purposes, each meter upon Customer's premises will be considered separately and readings of two (2) or more meters will not be combined except where Company's operating convenience requires the installation of two (2) or more meters upon Customer's premises instead of one (1) meter.

CUSTOMER RATE ASSIGNMENT

If Customer takes service under a rate schedule the eligibility for which contains a minimum or maximum demand parameter (or both), Company will review Customer's demand and usage data at least once annually to determine the rate schedule under which Customer will take service until the next review and rate determination. Company will also conduct such a review and determination upon Customer's request. Company shall not be obligated to change Customer's rate determination based upon detection of a substantial deviation of Customer's demand or usage if, after consultation with Customer, Company determines in its sole discretion that such deviation is not indicative of Customer's likely long-term demand. Similarly, Company may assign Customer to a rate schedule for which Customer would not be eligible based solely on Customer's historical demand or usage, but Company may do so only as part of a review and rate determination that involves consulting with Customer about Customer's likely future demand, as well as Customer's special contract demand, if applicable.

Any such review and rate determination shall be deemed conclusively to be the correct rate determination for Customer for all purposes and for all periods until Company conducts the next such review and determination for Customer. Therefore, Company shall not be liable for any refunds to Customer based upon Customer's rate assignment, and Company shall not seek to back-bill Customer based upon Customer's rate assignment, for any periods between and including such reviews and determinations unless, and only in the event that, a particular review and rate determination are shown to have been materially erroneous at the time they were conducted, in which case Company may be liable for a refund, or may back-bill Customer, only for the period from the erroneous review and determination to the present or the next non-erroneous review and determination, whichever is shorter.

If Company determines during a review as described above that Customer is eligible to take service under more than one rate schedule and that Customer is then taking service under such a rate schedule, Company will not change Customer's rate assignment; it will remain Customer's responsibility to choose between optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2013

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00221 dated December 20, 2012

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 101.1

Terms and Conditions
Billing

READING OF SEPARATE METERS NOT COMBINED

For billing purposes, each meter upon Customer's premises will be considered separately and readings of two (2) or more meters will not be combined except where Company's operating convenience requires the installation of two (2) or more meters upon Customer's premises instead of one (1) meter.

CUSTOMER RATE ASSIGNMENT

If Customer takes service under a rate schedule the eligibility for which contains a minimum or maximum demand parameter (or both), Company will review Customer's demand and usage data at least once annually to determine the rate schedule under which Customer will take service until the next review and rate determination. Company will also conduct such a review and determination upon Customer's request. Company shall not be obligated to change Customer's rate determination based upon detection of a substantial deviation of Customer's demand or usage if, after consultation with Customer, Company determines in its sole discretion that such deviation is not indicative of Customer's likely long-term demand. Similarly, Company may assign Customer to a rate schedule for which Customer would not be eligible based solely on Customer's historical demand or usage, but Company may do so only as part of a review and rate determination that involves consulting with Customer about Customer's likely future demand, as well as Customer's special contract demand, if applicable.

Any such review and rate determination shall be deemed conclusively to be the correct rate determination for Customer for all purposes and for all periods until Company conducts the next such review and determination for Customer. Therefore, Company shall not be liable for any refunds to Customer based upon Customer's rate assignment, and Company shall not seek to back-bill Customer based upon Customer's rate assignment, for any periods between and including such reviews and determinations unless, and only in the event that, a particular review and rate determination are shown to have been materially erroneous at the time they were conducted, in which case Company may be liable for a refund, or may back-bill Customer, only for the period from the erroneous review and determination to the present or the next non-erroneous review and determination, whichever is shorter.

If Company determines during a review as described above that Customer is eligible to take service under more than one rate schedule and that Customer is then taking service under such a rate schedule, Company will not change Customer's rate assignment; it will remain Customer's responsibility to choose between optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2013

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2012-00221 dated December 20, 2012

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 101.2

Terms and Conditions
Billing

If Company determines during a review as described above that Customer is eligible to take service under more than one rate schedule and that Customer is not then taking service under such a rate schedule, Company will (1) provide reasonable notice to Customer of the options available and (2) assign Customer to the rate schedule Company reasonably believes will be most financially beneficial to Customer based on Customer's historical demand and usage, which assignment Company will change upon Customer's request to take service under another rate schedule for which Customer is eligible. Company shall have no refund obligation or bear any other liability or responsibility for its initial assignment of Customer to a rate for which Customer is eligible; it is at all times Customer's responsibility to choose between optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1.

Nothing in this section is intended to curtail or diminish Customer's responsibility to choose among optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1. Likewise, except as explicitly stated in the paragraph above, nothing in this section creates an obligation or responsibility for Company to assign Customer to a particular rate schedule for which Customer is eligible if Customer is eligible for more than one rate schedule.

CUSTOMER RATE MIGRATION

A change from one rate to another will be effective with the first full billing period following a Customer's request for such change, or with a rate change mandated by changes in a Customer's load. In cases where a change from one rate to another necessitates a change in metering, the change from one rate to another will be effective with the first full billing period following the meter change.

CLASSIFICATION OF CUSTOMERS

For purposes of rate application hereunder, non-residential Customers will be considered "industrial" if they are primarily engaged in a process or processes which create or change raw or unfinished materials into another form or product, and/or in accordance with the North American Industry Classification System, Sections 21, 22, 31, 32 and 33. All other non-residential Customers will be defined as "commercial."

DATE OF ISSUE: May 14, 2019

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 101.2

Terms and Conditions
Billing

If Company determines during a review as described above that Customer is eligible to take service under more than one rate schedule and that Customer is not then taking service under such a rate schedule, Company will (1) provide reasonable notice to Customer of the options available and (2) assign Customer to the rate schedule Company reasonably believes will be most financially beneficial to Customer based on Customer's historical demand and usage, which assignment Company will change upon Customer's request to take service under another rate schedule for which Customer is eligible. Company shall have no refund obligation or bear any other liability or responsibility for its initial assignment of Customer to a rate for which Customer is eligible; it is at all times Customer's responsibility to choose between optional rates, as stated in the Optional Rates section of Customer Responsibilities at Original Sheet Nos. 97 and 97.1.

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DATE OF ISSUE: November 25, 2020

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 101.3

Terms and Conditions
Billing

MONITORING OF CUSTOMER USAGE

In order to detect unusual deviations in individual Customer consumption, Company will monitor the usage of each Customer at least once quarterly. In addition, Company may investigate usage deviations brought to its attention as a result of its ongoing meter reading or billing processor Customer inquiry. Should an unusual deviation in Customer's consumption be found which cannot be attributed to a readily identified cause, Company may perform a detailed analysis of Customer's meter reading and billing records. If the cause for the usage deviation cannot be determined from analysis of Customer's meter reading and billing records, Company may contact Customer to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume. Where the deviation is not otherwise explained, Company will test Customer's meter to determine whether the results show the meter is within the limits allowed by 807 KAR 5:041, Section 17(1). Company will notify Customer of the investigation, its findings, and any refunds or back-billing in accordance with 807 KAR 5:006, Section 11(4) and (5).

RESALE OF ELECTRIC ENERGY

Electric energy furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such energy to any other person, firm, or corporation on Customer's premises, or for use on any other premises. This does not preclude Customer from allocating Company's billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company's billing.

MINIMUM CHARGE

Without limiting the foregoing, the Basic Service Charge and Demand Charge shall apply and be due for all times during which a customer's account is open, regardless of any event or occurrence that might limit (a) Customer's ability or interest in operating Customer's facility, including, but without limitation, any acts of God, fires, floods, earthquakes, acts of government, terrorism, severe weather, riot, embargo, changes in law, or strikes or (b) Company's ability to serve Customer. T T

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 101.3

Terms and Conditions
Billing

MONITORING OF CUSTOMER USAGE

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DATE OF ISSUE: November 25, 2020

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 102

Terms and Conditions
Deposits

GENERAL

1. Company may require a cash deposit or other guaranty from Customers to secure payment of bills in accordance with 807 KAR 5:006, Section 8, except for Customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.
2. Deposits may be required from all Customers not meeting satisfactory credit and payment criteria. Satisfactory credit for Customers will be determined by utilizing independent credit sources (primarily utilized with new Customers having no prior history with Company), as well as historic and ongoing payment and credit history with Company.
   a. Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services.
   b. Satisfactory payment criteria with Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service.
3. Company may offer residential or general service Customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first six (6) normal billing periods. Service may be refused or discontinued for failure to pay and/or maintain the requested deposit.
4. Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to Customer's bills. If interest is paid or credited to Customer's bill prior to twelve (12) months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to Customer. T

RESIDENTIAL

1. Residential Customers are those Customers served under Rates RS - Sheet No. 5, RTOD-Energy - Sheet No. 6, and RTOD-Demand - Sheet No. 7.
2. The deposit for a residential Customer is in the amount of $160.00, which is calculated in accordance with 807 KAR 5:006, Section 8(1)(d)(2).
3. Company will retain Customer's deposit for a period not to exceed twelve (12) months, provided Customer has met satisfactory payment and credit criteria.
4. If a deposit is held longer than eighteen (18) months, the deposit will be recalculated at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than $10.00, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 102

Terms and Conditions
Deposits

GENERAL

1. Company may require a cash deposit or other guaranty from Customers to secure payment of bills in accordance with 807 KAR 5:006, Section 8, except for Customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 16, Winter Hardship Reconnection.
2. Deposits may be required from all Customers not meeting satisfactory credit and payment criteria. Satisfactory credit for Customers will be determined by utilizing independent credit sources (primarily utilized with new Customers having no prior history with Company), as well as historic and ongoing payment and credit history with Company.
   a. Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services.
   b. Satisfactory payment criteria with Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service.
3. Company may offer residential or general service Customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first six (6) normal billing periods. Service may be refused or discontinued for failure to pay and/or maintain the requested deposit.
4. Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to Customer's bills. If interest is paid or credited to Customer's bill prior to twelve (12) months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to Customer.

RESIDENTIAL

1. Residential Customers are those Customers served under Rates RS - Sheet No. 5, RTOD-Energy - Sheet No. 6, and RTOD-Demand - Sheet No. 7.
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3. Company will retain Customer's deposit for a period not to exceed twelve (12) months, provided Customer has met satisfactory payment and credit criteria.
4. If a deposit is held longer than eighteen (18) months, the deposit will be recalculated at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than $10.00, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.

DATE OF ISSUE: November 25, 2020

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On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 102.1

Terms and Conditions
Deposits

RESIDENTIAL (Continued)

5. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

GENERAL SERVICE

1. General service Customers are those Customers served under General Service Rate GS, Sheet No. 10.
2. The deposit for a general service Customer is in the amount of $240.00, which is calculated in accordance with 807 KAR 5:006, Section 8(1)(d)(2). The deposit for a General Service Customer may be waived when the General Service delivery is to a detached building used in conjunction with a Residential Service and the General Service usage is no more than 300 kWh per month.
3. Company shall retain Customer's deposit as long as Customer remains on service.
4. For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten (10%) percent, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
5. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

OTHER SERVICE

1. The deposit for all other Customers, those not classified herein as residential or general service, shall not exceed 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly in accordance with 807 KAR 5:006, Section 8(1)(d)(1).
2. For Customers not meeting the parameters of GENERAL SERVICE ¶ 2, above, Company may retain Customer's deposit as long as Customer remains on service.
3. For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten (10%) percent, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
4. If Customer fails to maintain a satisfactory payment or credit record, or otherwise become a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2015

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00371 dated June 30, 2015

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 102.1

Terms and Conditions
Deposits

RESIDENTIAL (Continued)

5. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

GENERAL SERVICE

1. General service Customers are those Customers served under General Service Rate GS, Sheet No. 10, General Time-of-Day Energy Service Rate GTOD-Energy Sheet No. 11, and N
General Time-of-Day Demand Service Rate GTOD-Demand Sheet No. 12. N
2. The deposit for a general service Customer is in the amount of $240.00, which is calculated in accordance with 807 KAR 5:006, Section 8(1)(d)(2). The deposit for a General Service Customer may be waived when the General Service delivery is to a detached building used in conjunction with a Residential Service and the General Service usage is no more than 300 kWh per month.
3. Company shall retain Customer's deposit as long as Customer remains on service.
4. For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten (10%) percent, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
5. If Customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

OTHER SERVICE

1. The deposit for all other Customers, those not classified herein as residential or general service, shall not exceed 2/12 of Customer's actual or estimated annual bill where bills are rendered monthly in accordance with 807 KAR 5:006, Section 8(1)(d)(1).
2. For Customers not meeting the parameters of GENERAL SERVICE ¶ 2, above, Company may retain Customer's deposit as long as Customer remains on service.
3. For a deposit held longer than eighteen (18) months, the deposit will be recalculated, at Customer's request, and based on Customer's actual usage. If the deposit on account differs from the recalculated amount by more than ten (10%) percent, Company may collect any underpayment and shall refund any overpayment by check or credit to Customer's bill. No refund will be made if Customer's bill is delinquent at the time of the recalculation.
4. If Customer fails to maintain a satisfactory payment or credit record, or otherwise become a new or greater credit risk, as determined by Company in its sole discretion, Company may require a new or additional deposit from Customer.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 103

Terms and Conditions
Budget Payment Plan

Company's Budget Payment Plan is available to any residential Customer served under Residential Service Rate RS or any general service Customer served under General Service Rate GS. If a residential Customer, who is currently served under Residential Service Rate RS and is currently enrolled in the Budget Payment Plan, elects to take service under Residential Time-of-Day Energy Service Rate RTOD-Energy or Residential Time-of-Day Demand Service Rate RTOD-Demand, such Customer would be removed from the Budget Payment Plan and restored to regular billing.

Under this plan, a Customer may elect to pay, each billing period, a budgeted amount in lieu of billings for actual usage. A Customer may enroll in this plan at any time.

The budgeted amount will be determined by Company and will be based on one-twelfth of Customer's usage for either an actual or estimated twelve (12) months. The budgeted amount will be subject to review and adjustment by Company at any time during Customer's budget year. If actual usage indicates Customer's account will not be current with the final payment in Customer's budget year, Customer will be required to pay their Budget Payment Plan account to $0 prior to the beginning of Customer's next budget year.

If a Customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove Customer from the plan, restore the Customer to regular billing, and require immediate payment of any deficiency. A Customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the plan for twelve (12) months.

Failure to receive a bill in no way exempts a Customer from the provisions of these terms and conditions.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2015

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2014-00371 dated June 30, 2015

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 103

Terms and Conditions
Budget Payment Plan

Company's Budget Payment Plan is available to any residential Customer served under Residential Service Rate RS or any general service Customer served under General Service Rate GS. If a residential Customer, who is currently served under Residential Service Rate RS and is currently enrolled in the Budget Payment Plan, elects to take service under Residential Time-of-Day Energy Service Rate RTOD-Energy or Residential Time-of-Day Demand Service Rate RTOD-Demand, such Customer would be removed from the Budget Payment Plan and restored to regular billing. If a Customer, who is currently served under General Service Rate GS and is currently enrolled in the Budget Payment Plan, elects to take service under General Time-of-Day Energy Service Rate GTOD-Energy or General Time-of-Day Demand Service Rate GTOD-Demand, such Customer would be removed from the Budget Payment Plan and restored to regular billing. N N N N

Under this plan, a Customer may elect to pay, each billing period, a budgeted amount in lieu of billings for actual usage. A Customer may enroll in this plan at any time.

The budgeted amount will be determined by Company and will be based on one-twelfth of Customer's usage for either an actual or estimated twelve (12) months. The budgeted amount will be subject to review and adjustment by Company at any time during Customer's budget year. If actual usage indicates Customer's account will not be current with the final payment in Customer's budget year, Customer will be required to pay their Budget Payment Plan account to $0 prior to the beginning of Customer's next budget year.

If a Customer fails to pay bills as agreed under the Budget Payment Plan, Company reserves the right to remove Customer from the plan, restore the Customer to regular billing, and require immediate payment of any deficiency. A Customer removed from the Budget Payment Plan for non-payment may be prohibited from further participation in the plan for twelve (12) months.

Failure to receive a bill in no way exempts a Customer from the provisions of these terms and conditions.

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 104

Terms and Conditions
Bill Format

T

Mailed **4/3/19** for Account # **3000-0000-0003**

AMOUNT DUE	DUE DATE
$130.49	6/24/19

a PPL company

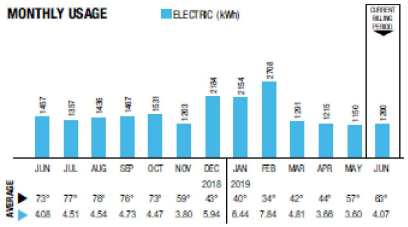
BILLING SUMMARY

Previous Balance	236.83
Payment(s) Received	-236.83
Balance as of 5/3/19	**$0.00**
Current Electric Charges	121.97
Current Taxes and Fees	8.52
Total Current Charges as of 5/3/19	**$130.49**
Total Amount Due	**$130.49**

Account Name:	**JOHN DOE**
Service Address:	100 QUALITY ST LEXINGTON, KY
Online Payments:	lge-ku.com
Telephone Payments:	(859) 255-0394, press 1-2-3 24 hours a day; $2.00 fee
Customer Service:	(859) 255-0394 M-F, 7am-7pm ET
Walk-in Center:	1 Quality Street Lexington, KY 40507 M-F, 8am-5pm ET

Next read will occur 7/1/19 - 7/3/19 (Meter Read Portion 01)

MONTHLY USAGE — ELECTRIC (kWh)



BILLING PERIOD AT-A-GLANCE

	THIS YEAR	LAST YEAR
Average Temperature	**63°**	**73°**
Number of Days Billed	30	34
Avg. Electric Charges per Day	**$4.07**	**$4.08**
Avg. Electric Usage per Day (kWh)	40.00	42.85

Please return only this portion with your payment. Make checks payable to KU and write your account number on your check.

Amount Due **6/24/19**	**$130.49**
After Due Date, Pay this Amount:	**$134.41**
WinterCare Donation:	
Total Amount Enclosed:	

Account # **3000-0000-0003**
Service Address: 100 QUALITY ST

a PPL company
PO Box 25212
Lehigh Valley, PA 18002-5212

#916090001 7#

JOHN DOE
100 QUALITY ST
LEXINGTON, KY 40507-0000

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 104

Terms and Conditions
Bill Format

T

Mailed **11/12/20** for Account # **3000-0000-0001**

AMOUNT DUE	DUE DATE
$130.18	12/9/20

a PPL company

BILLING SUMMARY

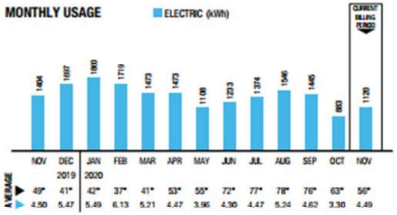
Previous Balance	95.79
Payment(s) Received	-95.79
Balance as of 11/11/20	**$0.00**
Current Electric Charges	130.18
Total Current Charges as of 11/11/20	**$130.18**
Total Amount Due	**$130.18**

Online or phone payments made before 7 pm ET will be posted same day

Account Name:	**JOHN SMITH**
Service Address:	1 Quality Street LEXINGTON KY
Online Payments:	lge-ku.com
Telephone Payments:	(800) 981-0600, press 1-2-3 24 hours a day; $2.00 fee
Customer Service:	(800) 981-0600 M-F, 7am-7pm ET
Walk-in Center:	111 W. Main Street Earlington, KY 42410 M-F, 9am-5pm ET

Next read will occur 12/10/20 - 12/14/20 (Meter Read Portion 09)

MONTHLY USAGE — ELECTRIC (kWh)



BILLING PERIOD AT-A-GLANCE

	THIS YEAR	LAST YEAR
Average Temperature	**56°**	**49°**
Number of Days Billed	29	32
Avg. Electric Charges per Day	**$4.49**	**$4.50**
Avg. Electric Usage per Day (kWh)	38.62	43.88

Please return only this portion with your payment. Make checks payable to KU and write your account number on your check.

Amount Due **12/9/20**	**$130.18**
After Due Date, Pay this Amount:	$134.09
WinterCare Donation:	
Total Amount Enclosed:	

Account # **3000-0000-0001**
Service Address: 1 Quality Street

a PPL company
PO Box 25212
Lehigh Valley, PA 18002-5212

#916190001 6#

JOHN SMITH
1 Quality Street
LEXINGTON, KY 40507-0000

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 104.1

Terms and Conditions
Bill Format

Page 2 Account # 3000-0000-0003

CURRENT USAGE

ELECTRIC

Meter Reading Information	Meter # L10000003
Actual (R) kWh Reading on 5/31/19	41350
Actual (R) kWh Reading on 5/1/19	40150
Current kWh Usage	1200
Meter Multiplier	1
Metered kWh Usage	**1200**

CURRENT CHARGES

ELECTRIC Rate: Residential Service - All Electric

Basic Service Charge ($0.53 x 30 Days)	15.90
Energy Charge ($0.09082 x 1,200 kWh)	108.98
Electric DSM ($0.00062 x 1,200 kWh)	0.74
Fuel Adjustment ($-0.00297 x 1,200 kWh)	-3.56
Environmental Surcharge (0.320% CR x $122.06)	-0.39
Home Energy Assistance Fund Charge	0.30
Total Charges	**$121.97**

Taxes & Fees

Rate Increase For School Tax (3.00% x $121.67)	3.65
Franchise Fee-Lexington-Fayette (4.00% x $121.67)	4.87
Total Taxes and Fees	**$8.52**

BILLING INFORMATION

Late Payment Charge
Late Charge to be Assessed After Due Date $3.92

Rate Schedules
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

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lge-ku.com/paperless

OFFICE USE ONLY: AJ
MRU01311501, G000000
P236.83
PF:Y eB:P

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 104.1

Terms and Conditions
Bill Format

Page 2 Account # 3000-0000-0001

CURRENT USAGE

ELECTRIC

Meter Reading Information	Meter # 1000001
Actual (R) kWh Reading on 11/11/20	31067
Actual (R) kWh Reading on 10/13/20	29947
Current kWh Usage	1120
Meter Multiplier	1
Metered kWh Usage	**1120**

CURRENT CHARGES

ELECTRIC Rate: Residential Service

Basic Service Charge ($0.61 x 29 Days)	17.69
Energy Charge ($0.09950 x 1,120 kWh)	111.44
Electric DSM ($0.00069 x 1,120 kWh)	0.77
Fuel Adjustment ($-0.00282 x 1,120 kWh)	-3.16
Environmental Surcharge (3.080% x $126.74)	3.90
Economic Relief Surcredit Adjustment ($-.00068 x 1,120 kWh)	-0.76
Home Energy Assistance Fund Charge	0.30
Total Charges	**$130.18**

BILLING INFORMATION

Late Payment Charge
Late Charge to be Assessed After Due Date $3.91

Rate Schedules
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

GIVE THE GIFT OF **ENERGY**

Home Utility Gift (HUG) certificates are a unique, convenient and practical gift for anyone. Give the gift of a HUG today!
lge-ku.com/hug

OFFICE USE ONLY:
MRU09141009, G000000
P95.79
PF:Y eB:P

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 105

Terms and Conditions
Discontinuance of Service

In accordance with and subject to the rules and regulations of the Kentucky Public Service Commission, Company shall have the right to refuse or discontinue service to an applicant or Customer under the following conditions:

1. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce Customer to comply with its rules and then only after Customer has been given at least ten (10) days written notice of such intention, mailed or otherwise delivered, including, but not limited to, electronic mail, to Customer's last known address.

2. When a dangerous condition is found to exist on Customer's or applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify Customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.

3. When Customer or Applicant refuses or neglects to provide reasonable access and/or easements to and on Customer's or Applicant's premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given fifteen (15) days written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail) of Company's intention to discontinue or refuse service.

4. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.

5. When Customer or Applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.

6. When directed to do so by governmental authority.

7. Service will not be supplied to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 15(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred Final Bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 15(1)(f). Final Bills transferred following a

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00370 dated June 22, 2017 and modified June 29, 2017

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 105

Terms and Conditions
Discontinuance of Service

In accordance with and subject to the rules and regulations of the Kentucky Public Service Commission, Company shall have the right to refuse or discontinue service to an applicant or Customer under the following conditions:

1. When Company's or Commission's rules and regulations have not been complied with. However, service may be discontinued or refused only after Company has made a reasonable effort to induce Customer to comply with its rules and then only after Customer has been given at least ten (10) days written notice of such intention, mailed or otherwise delivered, including, but not limited to, electronic mail, to Customer's last known address.

2. When a dangerous condition is found to exist on Customer's or applicant's premises. In such case service will be discontinued without notice or refused, as the case might be. Company will notify Customer or applicant immediately of the reason for the discontinuance or refusal and the corrective action to be taken before service can be restored or initiated.

3. When Customer or Applicant refuses or neglects to provide reasonable access and/or easements to and on Customer's or Applicant's premises for the purposes of installation, operation, meter reading, maintenance, or removal of Company's property. Customer shall be given fifteen (15) days written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail) of Company's intention to discontinue or refuse service.

4. When Applicant is indebted to Company for service furnished. Company may refuse to serve until indebtedness is paid.

5. When Customer or Applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.

6. When directed to do so by governmental authority.

7. Service will not be supplied to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if Applicant or Customer is indebted to Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 15(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which Customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred Final Bills will be subject to Company's collections and disconnect procedures in accordance with 807 KAR 5:006, Section 15(1)(f). Final Bills transferred following a

DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 105.1

Terms and Conditions
Discontinuance of Service

lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by Customer; (2) Customer and Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect. Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Service will not be supplied or continued to any premises if at the time of application for service Applicant is merely acting as an agent of a person or former Customer who is indebted to Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where Applicant is a partnership or corporation whose general partner or controlling stockholder is a present or former Customer who is indebted to Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

8. For non-payment of bills. Company shall have the right to discontinue service for non-payment of bills after Customer has been given at least ten days written notice separate from Customer's original bill. Cut-off may be effected not less than twenty-seven (27) days after the mailing date of original bills unless, prior to discontinuance, a residential Customer presents to Company a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may be effected not less than thirty (30) days from the original date of discontinuance. Company shall notify Customer, in writing (either mailed or otherwise delivered, including, but not limited to, electronic mail), of state and federal programs which may be available to aid in payment of bills and the office to contact for such possible assistance.

9. For fraudulent or illegal use of service. When Company discovers evidence that by fraudulent or illegal means Customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to Customer may be discontinued without notice. Within twenty-four (24) hours after such termination, Company shall send written notification to Customer of the reasons for such discontinuance of service and of Customer's right to challenge the termination by filing a formal complaint with the Kentucky Public Service Commission. Company's right of termination is separate from and in addition to any other legal remedies which the utility may pursue for illegal use or theft of service.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2016-00370 dated June 22, 2017 and modified June 29, 2017

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 105.1

Terms and Conditions
Discontinuance of Service

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DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 105.2

Terms and Conditions
Discontinuance of Service

Company shall not be required to restore service until Customer has complied with all rules of Company and regulations of the Commission and Company has been reimbursed for the estimated amount of the service rendered, and assessment of the charges under the Unauthorized Reconnect Charge provision of Special Charges incurred by reason of the fraudulent use.

When service has been discontinued for any of the above reasons, Company shall not be responsible for any damage that may result therefrom.

Discontinuance or refusal of service shall be in addition to, and not in lieu of, any other rights or remedies available to Company.

Company may defer written notice (either mailed or otherwise delivered, including, but not limited to, electronic mail) based on Customer's payment history provided Company continues to provide the required ten (10) days written notice prior to discontinuance of service.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After July 1, 2017

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Public Service Commission in Case No.
2016-00370 dated June 22, 2017 and modified June 29, 2017

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 105.2

Terms and Conditions
Discontinuance of Service

Company shall not be required to restore service until Customer has complied with all rules of Company and regulations of the Commission and Company has been reimbursed for the estimated amount of the service rendered, and assessment of the charges under the Unauthorized Reconnect Charge provision of Special Charges incurred by reason of the fraudulent use.

When service has been discontinued for any of the above reasons, Company shall not be responsible for any damage that may result therefrom.

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DATE OF ISSUE: November 25, 2020

DATE EFFECTIVE: With Service Rendered
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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

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Public Service Commission in Case No.
2016-00370 dated June 22, 2017 and modified June 29, 2017

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 106

Terms and Conditions
Line Extension Plan

1. AVAILABILITY T
In all territory served by where Company does not have existing facilities to meet Customer's electric service needs.

2. DEFINITIONS T
a "Company" shall mean Kentucky Utilities Company. T
b. "Customer" shall mean the applicant for service. When more than one electric service is T
requested by an applicant on the same extension, such request shall be considered one T
Customer under this plan when the additional service request(s) is only for incidental or minor convenience loads or when the applicant for service is the developer of a subdivision.
c. "Line Extension" shall mean the single phase facilities required to serve Customer by the T
shortest route most convenient to Company from the nearest existing adequate Company facilities to Customer's delivery point, approved by Company, and excluding transformers, service drop, and meters, if required and normally provided to like Customers.
d. "Permanent Service" shall mean service contracted for under the terms of the applicable rate T
schedule but not less than one (1) year and where the intended use is not seasonal, intermittent, or speculative in nature.
e. "Commission" shall mean the Kentucky Public Service Commission. T

3. GENERAL T
a. All extensions of service will be made through the use of overhead facilities except as T
provided in these rules.
b. Customer requesting service which requires an extension(s) shall furnish to Company, at no T
cost, properly executed easement(s) for right-of-way across Customer's property to be served.
c. Customer requesting extension of service into a subdivision, subject to the jurisdiction of a T
public commission, board, committee, or other agency with authority to zone or otherwise regulate land use in the area and require a plat (or Plan) of the subdivision, Customer shall furnish, at no cost, Company with the plat (or plan) showing street and lot locations with utility easement and required restrictions. Plats (or plans) supplied shall have received final approval of the regulating body and recorded in the office of the appropriate County Court Clerk when required. Should no regulating body exist for the area into which service is to be extended, Customer shall furnish Company the required easement.
d. The title to all extensions, rights-of way, permits, and easements shall be and remain with T
Company.

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 106

Terms and Conditions
Line Extension Plan

1. AVAILABILITY
In all territory served by where Company does not have existing facilities to meet Customer's electric service needs.

2. DEFINITIONS
a "Company" shall mean Kentucky Utilities Company.
b. "Customer" shall mean the applicant for service. When more than one electric service is requested by an applicant on the same extension, such request shall be considered one Customer under this plan when the additional service request(s) is only for incidental or minor convenience loads or when the applicant for service is the developer of a subdivision.
c. "Line Extension" shall mean the single phase facilities required to serve Customer by the shortest route most convenient to Company from the nearest existing adequate Company facilities to Customer's delivery point, approved by Company, and excluding transformers, service drop, and meters, if required and normally provided to like Customers.
d. "Permanent Service" shall mean service contracted for under the terms of the applicable rate schedule but not less than one (1) year and where the intended use is not seasonal, intermittent, or speculative in nature.
e. "Commission" shall mean the Kentucky Public Service Commission.

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b. Customer requesting service which requires an extension(s) shall furnish to Company, at no cost, properly executed easement(s) for right-of-way across Customer's property to be served.
c. Customer requesting extension of service into a subdivision, subject to the jurisdiction of a public commission, board, committee, or other agency with authority to zone or otherwise regulate land use in the area and require a plat (or Plan) of the subdivision, Customer shall furnish, at no cost, Company with the plat (or plan) showing street and lot locations with utility easement and required restrictions. Plats (or plans) supplied shall have received final approval of the regulating body and recorded in the office of the appropriate County Court Clerk when required. Should no regulating body exist for the area into which service is to be extended, Customer shall furnish Company the required easement.
d. The title to all extensions, rights-of way, permits, and easements shall be and remain with Company.

DATE OF ISSUE: November 25, 20200

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2018-00294 dated April 30, 2019

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 106.1

Terms and Conditions
Line Extension Plan

3. GENERAL (continued)

e. Customer must agree in writing to take service when the extension is completed and have Customer's building or other permanent facility wired and ready for connection.

f. Nothing herein shall be construed as preventing Company from making electric line extensions under more favorable terms than herein prescribed provided the potential revenue is of such amount and permanency as to warrant such terms and render economically feasible the capital expenditure involved and provided such extensions are made to other Customers under similar conditions.

g. Company may require a non-refundable deposit in cases where Customer does not have a real need or in cases where the estimated revenue does not justify the investment.

h. Company shall not be obligated to extend its lines in cases where such extensions, in the good judgment of Company, would be infeasible, impractical, or contrary to good engineering or operating practice, unless otherwise ordered by Commission.

4. NORMAL LINE EXTENSIONS

a. In accordance with 807 KAR 5:041, Section 11(1), Company will provide, at no cost, a line extension of up to 1,000 feet to Customer requesting permanent service where the installed transformer capacity does not exceed 25 kVA.

b. Where Non-Residential Customer requires poly-phase distribution service or transformer capacity in excess of 25 kVA and Company provides such facilities, Company shall provide at its own expense the requested line extension, but only to the extent that the cost of the requested extension does not exceed the lesser of (i) the cost of a comparable overhead extension (if an underground extension is requested) or (ii) five (5) times Customer's estimated annual net revenue, where "net revenue" is defined as Customer's total revenue less base fuel, Fuel Adjustment Clause, Off-System Sales, Demand Side Management, franchise fees, and school taxes. Company may require Non-Residential Customer to pay in advance a non-refundable amount for the additional cost above the five (5) times net revenue calculation to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ a. above. Customer must commit to a minimum contract term of five (5) years.

5. OTHER LINE EXTENSIONS

a. In accordance with 807 KAR 5:041, Section 11(2), Company shall provide to Customer requesting permanent service a line extension in excess of 1,000 feet per Customer but Company may require the total cost of the footage in excess of 1,000 feet per Customer, based on the average cost per foot of the total extension, be deposited with Company by Customer.

b. Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension for each additional Customer connected during the first ten (10) year period directly to the original extension for which the deposit was made.

c. Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension less the length of the lateral or extension for each additional Customer connected during the first ten (10) year period by a lateral or extension to the original extension for which the deposit was made.

d. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends.

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 106.1

Terms and Conditions
Line Extension Plan

3. GENERAL (continued)

e. Customer must agree in writing to take service when the extension is completed and have Customer's building or other permanent facility wired and ready for connection.

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b. Where Non-Residential Customer requires poly-phase distribution service or transformer capacity in excess of 25 kVA and Company provides such facilities, Company shall provide at its own expense the requested line extension, but only to the extent that the cost of the requested extension does not exceed the lesser of (i) the cost of a comparable overhead extension (if an underground extension is requested) or (ii) five (5) times Customer's estimated annual net revenue, where "net revenue" is defined as Customer's total revenue less base fuel, Fuel Adjustment Clause, Off-System Sales, Demand Side Management, franchise fees, and school taxes. Company may require Non-Residential Customer to pay in advance a non-refundable amount for the additional cost above the five (5) times net revenue calculation to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ a. above. Customer must commit to a minimum contract term of five (5) years.

5. OTHER LINE EXTENSIONS

a. In accordance with 807 KAR 5:041, Section 11(2), Company shall provide to Customer requesting permanent service a line extension in excess of 1,000 feet per Customer but Company may require the total cost of the footage in excess of 1,000 feet per Customer, based on the average cost per foot of the total extension, be deposited with Company by Customer.

b. Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension for each additional Customer connected during the first ten (10) year period directly to the original extension for which the deposit was made.

c. Each year for ten (10) years Company shall refund to Customer, who made the deposit for excess footage, the cost of 1,000 feet of extension less the length of the lateral or extension for each additional Customer connected during the first ten (10) year period by a lateral or extension to the original extension for which the deposit was made.

d. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 106.2

Terms and Conditions
Line Extension Plan

5. OTHER LINE EXTENSIONS (continued)

e. Where Non-Residential Customer requires poly-phase distribution service or transformer capacity in excess of 25 kVA and Company provides such facilities, Company shall provide at its own expense the requested line extension, but only to the extent that the cost of the requested extension does not exceed the lesser of (i) the cost of a comparable overhead extension (if an underground extension is requested) or (ii) five (5) times Customer's estimated annual net revenue, where "net revenue" is defined as Customer's total revenue less base fuel, Fuel Adjustment Clause, Demand Side Management, franchise fees, and school taxes. Company may require Non-Residential Customer to pay in advance a non-refundable amount for the additional cost above the five (5) times net revenue calculation to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ a. above.

6. OVERHEAD LINE EXTENSIONS FOR SUBDIVISIONS

a. In accordance with 807 KAR 5:041, Section 11(3), Customer desiring service extended for and through a subdivision may be required by Company to deposit the total cost of the extension.

b. Each year for ten (10) years Company shall refund to Customer, the cost of 1,000 feet of extension for each additional Customer connected during the first ten (10) year period directly to the original extension for which the deposit was made.

c. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends.

7. MOBILE HOME LINE EXTENSIONS

a. Company will make line extensions for service to mobile homes in accordance with 807 KAR 5:041, Section 12, and Commission's Orders.

b. Company shall provide, at no cost, a line extension of up to 300 feet to Customer requesting permanent service for a mobile home.

c. Company shall provide to Customer requesting permanent service for a mobile home a line extension in excess of 300 feet and up to 1,000 feet but Company may require the total cost of the footage in excess of 300 feet, based on the average cost per foot of the total extension, be deposited with Company by Customer. Beyond 1,000 feet, the policies set forth in OTHER LINE EXTENSIONS shall apply.

d. Each year for four (4) years Company shall refund to Customer equal amounts of the deposit for the extension from 300 feet to 1,000 feet.

e. If service is disconnected for sixty (60) days, if the original mobile home is removed and not replaced by another mobile home or a permanent structure in sixty (60) days, the remainder of the deposit is forfeited.

f. No refund will be made except to the original Customer.

8. UNDERGROUND LINE EXTENSIONS

a. General

i. Company will make underground line extensions for service to new residential Customers and subdivisions in accordance with 807 KAR 5:041, Section 21.

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 106.2

Terms and Conditions
Line Extension Plan

5. OTHER LINE EXTENSIONS (continued)

e. Where Non-Residential Customer requires poly-phase distribution service or transformer capacity in excess of 25 kVA and Company provides such facilities, Company shall provide at its own expense the requested line extension, but only to the extent that the cost of the requested extension does not exceed the lesser of (i) the cost of a comparable overhead extension (if an underground extension is requested) or (ii) five (5) times Customer's estimated annual net revenue, where "net revenue" is defined as Customer's total revenue less base fuel, Fuel Adjustment Clause, Demand Side Management, franchise fees, and school taxes. Company may require Non-Residential Customer to pay in advance a non-refundable amount for the additional cost above the five (5) times net revenue calculation to Company in providing facilities above that required in NORMAL LINE EXTENSIONS ¶ a. above.

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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 106.3

Terms and Conditions
Line Extension Plan

8. UNDERGROUND LINE EXTENSIONS T
General (continued) T

ii. In order that Company may make timely provision for materials, and supplies, Company may require Customer to execute a contract for an underground extension under these Terms and Conditions with Company at least six (6) months prior to the anticipated date service is needed and Company may require Customer to deposit with Company at least 10% of any amounts due under the contract at the time of execution. Customer shall deposit the balance of any amounts due under the contract with Company prior to ordering materials or commencement of actual construction by Company of facilities covered by the contract. T

iii. Customer shall give Company at least 120 days written notice prior to the anticipated date service is needed and Company will undertake to complete installation of its facilities at least thirty (30) days prior to that date. However, nothing herein shall be interpreted to require Company to extend service to portions of subdivisions not under active development. T

iv. At Company's discretion, Customer may perform a work contribution to Company's specifications, including but not limited to conduit, setting pads, or any required trenching and backfilling, and Company shall credit amounts due from Customer for underground service by Company's estimated cost for such work contribution. T

v. Customer will provide, own, operate and maintain all electric facilities on Customer's side of the point of delivery with the exception of Company's meter. T

D

vii. Unit charges, where specified herein, are determined from Company's estimate of Company's average unit cost of such construction and the estimated cost differential between underground and overhead distribution systems in representative residential subdivisions. T

viii. Three phase primary required to supply either individual loads or the local distribution system may be overhead unless Customer chooses underground construction and deposits with Company a non-refundable deposit for the cost differential. T

b. Individual Premises T
Where Customer requests and Company agrees to supply underground service (primary) to an individual premise, Company may require Customer to furnish ditching, conduit, backfill, and transformer pad. Company will then use overhead extension policy requirements. T N N D

c. Medium Density Subdivisions T
i. A medium density residential subdivision is defined as containing ten or more lots for the construction of new residential buildings each designed for less than five (5)-family occupancy. T

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 106.3

Terms and Conditions
Line Extension Plan

8. UNDERGROUND LINE EXTENSIONS
General (continued)

ii. In order that Company may make timely provision for materials, and supplies, Company may require Customer to execute a contract for an underground extension under these Terms and Conditions with Company at least six (6) months prior to the anticipated date service is needed and Company may require Customer to deposit with Company at least 10% of any amounts due under the contract at the time of execution. Customer shall deposit the balance of any amounts due under the contract with Company prior to ordering materials or commencement of actual construction by Company of facilities covered by the contract.

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Kentucky Utilities Company

P.S.C. No. 19, First Revision of Original Sheet No. 106.4
Canceling P.S.C. No. 19, Original Sheet No. 106.4

Terms and Conditions
Line Extension Plan

8. UNDERGROUND EXTENSIONS

c. Medium Density Subdivisions (continued)

ii. Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount determined by a unit charge of $9.69 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension. R

iii. Customer may be required to advance to Company's full estimated cost of construction of an underground electric distribution extension. Where Customer is required to provide trenching and backfilling, advance will be Company's full estimate cost of construction. Where Customer is required to deposit with Company a non-refundable advance in place of trenching and backfilling, advance will be determined by a unit charge of $21.87 per aggregate lot front-foot along all streets contiguous to the lots to be served through an underground extension. R

iv. Each year for ten (10) years Company shall refund to Customer an amount determined as follows:
(1) Where Customer is required to provide trenching and backfilling, a refund of $5,000 for each Customer connected during that year.
(2) Where Customer is required to provide a non-refundable advance, 500 times the difference in the unit charge advance amount in iii) and the non-refundable unit charge advance in ii) for each Customer connected during that year.

v. In no case shall the refunds provided for herein exceed the amounts deposited less any non-refundable charges applicable to the project nor shall any refund be made after a ten (10) year refund period ends.

d. High Density Subdivisions

i. A high density residential subdivision is defined as building complexes consisting of two or more buildings each not more than three stories above grade and each designed for five (5) or more family occupancy.

ii. Customer shall provide any required trenching and backfilling or at Company's discretion be required to deposit with Company a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

iii. Customer may be required to advance to Company's full estimated cost of construction of an underground electric distribution extension.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 106.4

Terms and Conditions
Line Extension Plan

8. UNDERGROUND EXTENSIONS

c. Medium Density Subdivisions (continued)

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Lexington, Kentucky

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 106.5

Terms and Conditions
Line Extension Plan

d. High Density Subdivisions (continued) T

i. Company shall refund to Customer any amounts due when permanent service is provided by Company to twenty (20%) percent of the family units in Customer's project.
ii. In no case shall the refunds provided for herein exceed the amounts deposited less any non-refundable charges applicable to the project nor shall any refund be made after a ten (10) year refund period ends.

e. Other Underground Subdivisions T
In cases where a particular residential subdivision does not meet the conditions provided for above and where Customer requests and Company agrees to supply underground service, Company may require Customer to pay in advance a non-refundable amount for the additional cost of the underground extension (including all associated facilities) over the cost of an overhead extension of equivalent capacity.

9. SPECIAL CASES T

a. Where Customer requests service that is seasonal, intermittent, speculative in nature, at voltages of 34.5kV or greater, or where the facilities requested by Customer do not meet the Terms and Conditions outlined in previous sections of LINE EXTENSION PLAN and the anticipated revenues do not justify Company's installing facilities required to meet Customer's needs, Company may request that Customer deposit with Company a refundable amount to justify Company's investment. T

b. Each year for ten (10) years, Company shall refund to Customer, an amount calculated by: T
   i. Adding the sum of Customer's annual base rate monthly electric demand billing for that year to the sum of the annual base rate monthly electric billing of the monthly electric demand billing for that year of any Customer(s), who connects directly to the facilities provided for in this agreement and requiring no further investment by Company T
   ii. times the refundable amount divided by the estimated total ten (10) year base rate electric demand billing required to justify the investment. T

c. The total amount refunded shall not exceed the amount originally deposited nor shall any refund be made after the ten (10) year refund period ends. T

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ISSUED BY: /s/ Robert M. Conroy, Vice President
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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 106.5

Terms and Conditions
Line Extension Plan

d. High Density Subdivisions (continued)

i. Company shall refund to Customer any amounts due when permanent service is provided by Company to twenty (20%) percent of the family units in Customer's project.
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ISSUED BY: /s/ Robert M. Conroy, Vice President
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Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 107

Terms and Conditions
Energy Curtailment and Service Restoration Procedures

PURPOSE

To provide procedures for reducing the consumption of electric energy on Company system in the event of a capacity shortage and to restore service following an outage. Notwithstanding any provisions of these Energy Curtailment and Service Restoration Procedures, Company shall have the right to take whatever steps, with or without notice and without liability on Company's part, that Company believes necessary, in whatever order consistent with good utility practices and not on an unduly discriminatory basis, to preserve system integrity and to prevent the collapse of Company's electric system or interconnected electric network or to restore service following an outage. Such actions will be taken giving priority to maintaining service to Company's retail and full requirements Customers relative to other sales whenever feasible and as allowed by law.

ENERGY CURTAILMENT PROCEDURE

PRIORITY LEVELS

For the purpose of these procedures, the following Priority Levels have been established:

I. Essential Health and Safety Uses -- to be given special consideration in these procedures shall, insofar as the situation permits, include the following types of use

A. "Hospitals", which shall be limited to institutions providing medical care to patients.

B. "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.

C. "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons.

D. "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus.

E. "Communication Services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations, and operation of state and local emergency services.

F. "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.

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ISSUED BY: /s/ Robert M. Conroy, Vice President
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Kentucky Utilities Company

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Terms and Conditions
Energy Curtailment and Service Restoration Procedures

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ENERGY CURTAILMENT PROCEDURE

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For the purpose of these procedures, the following Priority Levels have been established:

I. Essential Health and Safety Uses -- to be given special consideration in these procedures shall, insofar as the situation permits, include the following types of use

A. "Hospitals and Treatment Facilities", which shall be limited to institutions providing patient care to humans as the primary function. T T

B. "Life Support Equipment", which shall be limited to kidney machines, respirators, and similar equipment used to sustain the life of a person.

C. "Police Stations and Government Detention Institutions", which shall be limited to essential uses required for police activities and the operation of facilities used for the detention of persons.

D. "Fire Stations", which shall be limited to facilities housing mobile fire-fighting apparatus.

E. "Communication Services", which shall be limited to essential uses required for telephone, cellular phone, local broadcast networks, radio and newspaper operations, and operation of state and local emergency services. T

F. "Water and Sewage Services", which shall be limited to essential uses required for the supply of water to a community, flood pumping and sewage disposal.

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Terms and Conditions
Energy Curtailment and Service Restoration Procedures

PRIORITY LEVELS (continued)

G. "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services. These uses shall include essential street, highway and signal-lighting services.

Although, when practical, these types of uses will be given special consideration when implementing the manual load-shedding provisions of this program, any Customer may be affected by rotating or unplanned outages and should install emergency generation equipment if continuity of service is essential. Where the emergency is system-wide in nature, consideration will be given to the use of rotating outages as operationally practicable. In case of Customers supplied from two utility sources, only one source will be given special consideration. Also, any other Customers who, in their opinion, have critical equipment should install emergency generation equipment.

Company maintains lists of Customers with life support equipment and other critical needs for the purpose of curtailments and service restorations. Company, lacking knowledge of changes that may occur at any time in Customer's equipment, operation, and backup resources, does not assume the responsibility of identifying Customers with priority needs. It shall, therefore, be the Customer's responsibility to notify Company if Customer has critical needs.

II. Critical Commercial and Industrial Uses -- Except as described in Section III below, these uses shall include commercial or industrial operations requiring regimented shutdowns to prevent conditions hazardous to the general population, and to energy utilities and their support facilities critical to the production, transportation, and distribution of service to the general population. Company shall maintain a list of such Customers for the purpose of curtailments and service restoration.

III. Residential Use -- The priority of residential use during certain weather conditions (for example severe winter weather) will receive precedence over critical commercial and industrial uses. The availability of Company service personnel and the circumstances associated with the outage will also be considered in the restoration of service.

IV. Non-critical commercial and industrial uses.

V. Nonessential Uses -- The following and similar types of uses of electric energy shall be considered nonessential for all Customers:

DATE OF ISSUE: May 14, 2019

DATE EFFECTIVE: With Service Rendered
On and After January 4, 2013

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2009-00548 dated July 30, 2010

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 107.1

Terms and Conditions
Energy Curtailment and Service Restoration Procedures

PRIORITY LEVELS (continued)

G. "Transportation Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the operation of state and local emergency services. These uses shall include essential signal-lighting services. T T T

H. "Defense-related Services", which shall be limited to those uses essential to the national defense and operation of state and local emergency services. N N

I. "Schools", which shall be limited to accredited public or private K-12 educational facilities that may be used for shelters and/or staging areas. N N

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DATE EFFECTIVE: With Service Rendered
On and After January 1, 2021

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the Public Service Commission in Case No. 2020-00349 dated XXXX

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 107.2

Terms and Conditions
Energy Curtailment and Service Restoration Procedures

PRIORITY LEVELS (continued)

A. Outdoor flood and advertising lighting, except for the minimum level to protect life and property, and a single illuminated sign identifying commercial facilities when operating after dark.

B. General interior lighting levels greater than minimum functional levels.

C. Show-window and display lighting.

D. Parking-lot lighting above minimum functional levels.

E. Energy use to lower the temperature below 78 degrees during operation of cooling equipment and above 65 degrees during operation of heating equipment.

F. Elevator and escalator use in excess of the minimum necessary for non-peak hours of use.

G. Energy use greater than that which is the minimum required for lighting, heating, or cooling of commercial or industrial facilities for maintenance cleaning or business-related activities during non-business hours.

Non-jurisdictional Customers will be treated in a manner consistent with the curtailment procedures contained in the service agreement between the parties or the applicable tariff.

CURTAILMENT PROCEDURES

In the event Company's load exceeds internal generation, transmission, or distribution capacity, or other system disturbances exist, and internal efforts have failed to alleviate the problem, including emergency energy purchases, the following steps may be taken, individually or in combination, in the order necessary as time permits:

1. Customers having their own internal generation capacity will be curtailed, and Customers on curtailable contracts will be curtailed for the maximum hours and load allowable under their contract. Nothing in this procedure shall limit Company's rights under the Curtailable Service Rider tariff.

2. Power output will be maximized at Company's generating units.

3. Company use of energy at its generating stations will be reduced to a minimum.

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P.S.C. No. 19, Original Sheet No. 107.3

Terms and Conditions
Energy Curtailment and Service Restoration Procedures

CURTAILMENT PROCEDURES (continued)

4. Company's use of electric energy in the operation of its offices and other facilities will be reduced to a minimum.

5. The Kentucky Public Service Commission will be advised of the situation.

6. An appeal will be made to Customers through the news media and/or personal contact to voluntarily curtail as much load as possible. The appeal will emphasize the defined priority levels as set forth above.

7. Customers will be advised through the use of the news media and personal contact that load interruption is imminent.

8. Implement procedures for interruption of selected distribution circuits.

SERVICE RESTORATION PROCEDURES

Where practical, priority uses will be considered in restoring service and service will be restored in the order I through IV as defined under PRIORITY LEVELS. However, because of the varieties of unpredictable circumstances which may exist or precipitate outages, it may be necessary to balance specific individual needs with infrastructure needs that affect a larger population. When practical, Company will attempt to provide estimates of repair times to aid Customers in assessing the need for alternative power sources and temporary relocations.

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Terms and Conditions
Energy Curtailment and Service Restoration Procedures

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KU Net Metering Service Interconnection Guidelines has been moved to Terms and Conditions from the Net Metering Service-1 (NMS-1) tariff

Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 108

Terms and Conditions
Net Metering Service Interconnection Guidelines

N

GENERAL

Net metering service shall be measured using a single meter or, as determined by Company, additional meters and shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. This net metering equipment shall be provided without any additional cost to Customer. This provision does not relieve Customer's responsibility to pay metering costs embedded in Company's Commission-approved base rates. Additional meters, requested by Customer, will be provided at Customer's expense.

Customer shall operate the generating facility in parallel with Company's system under the following conditions and any other conditions required by Company where unusual circumstances arise not covered herein:

1. Customer to own, operate, and maintain all generating facilities on their premises for the primary purpose of supplying all or part of the customer's own electricity requirements. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between Customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as Company's system voltage.
2. Customer will be responsible for ensuring an anti-islanding safety feature is in place as required by applicable codes and standards.
3. Customer will ensure that all generating facilities comply with the Company's Interconnection Requirements for Customer-Sited Distributed Generation. Those requirements are available on line at www.lge-ku.com and upon request.
4. Customer shall allow data communications between the Customer's distributed generation equipment and the Company's control systems or other assets, where required by the Company for planning, coordination, reliability, or power quality purposes.
5. Customer will be responsible for operating all generating facilities owned by Customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.
6. Customer will be responsible for any damage done to Company's equipment due to failure of Customer's control, safety, or other equipment.
7. Customer agrees to inform Company of any changes it wishes to make to its generating or associated facilities that differ from those initially installed and described to Company in writing to obtain approval from Company.
8. Company will have the right to inspect and approve Customer's facilities described herein, and to conduct any tests necessary to determine that such facilities are installed and operating properly; however, Company will have no obligation to inspect, witness tests, or in any manner be responsible for Customer's facilities or operation thereof.
9. Customer assumes all responsibility for the electric service on Customer's premises at and from the point of delivery of electricity from Company and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence or willful misconduct of Company.

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Lexington, Kentucky

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Kentucky Utilities Company

Terms and Conditions
Net Metering Service Interconnection Guidelines

N

GENERAL (continued)

10. Customer recognizes that Company may or may not have adequate facilities to serve customer's total load at the time of any partial or full failure of customer's self-generation. Company will work with the customer to serve their load requirements which may be at additional cost to the customer.

Level 1 – A Level 1 installation is defined as an inverter-based generator certified as meeting the requirements of Institute of Electrical and Electronics Engineers (IEEE) Standard 1547, Underwriters Laboratories (UL) Standard 1741, and meeting the following conditions:

1. The aggregated net metering generation on a radial distribution circuit will not exceed 15% of the line section's most recent one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.
2. The aggregated net metering generation on a shared single-phase secondary will not exceed 20 kVA or the nameplate rating of the service transformer.
3. A single-phase net metering generator interconnected on the center tap neutral of a 240 volt service shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.
4. A net metering generator interconnected to Company's three-phase, three-wire primary distribution lines, shall appear as a phase-to-phase connection to Company's primary distribution line.
5. A net metering generator interconnected to Company's three-phase, four-wire primary distribution lines, shall appear as an effectively grounded source to Company's primary distribution line.
6. A net metering generator will not be connected to an area or spot network.
7. There are no identified violations of the applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems".
8. Company will not be required to construct any facilities on its own system to accommodate the net metering generator.

Customer desiring a Level 1 interconnection shall submit a "LEVEL 1 - Application for Interconnection and Net Metering." Company shall notify Customer within 20 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 20 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company. Following Company approval of an application, any deviations in the installation from the submitted plan must be re-submitted to the Company for approval. This includes, but is not limited to: modifications in generation capacity, equipment selection, installation methods, and installation of additional equipment. Any modification in generation capacity related to existing customers taking service under NMS-1 will cause their service to be transitioned to NMS-2.

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Kentucky Utilities Company

Terms and Conditions
Net Metering Service Interconnection Guidelines

N

Level 2 – A Level 2 installation is defined as generator that does not meet one or more of the conditions required of a Level 1 net metering generator; that is not inverter-based; or that uses equipment not certified as meeting the requirements of IEEE 1547 and UL 1741.

Customer desiring a Level 2 interconnection shall submit a "LEVEL 2 - Application for Interconnection and Net Metering." Company shall notify Customer within 30 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 30 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company. Following Company approval of an application, any deviations in the installation from the submitted plan must be re-submitted to the Company for approval. This includes, but is not limited to: modifications in generation capacity, equipment selection, installation methods, and installation of additional equipment.

Customer submitting a "Level 2 - Application for Interconnection and Net Metering" will provide a non-refundable inspection and processing fee of $100, and in the event that Company determines an impact study to be necessary, shall be responsible for any reasonable costs of up to $1,000 of documented costs for the initial impact study.

Additional studies requested by Customer shall be at Customer's expense.

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Kentucky Utilities Company

P.S.C. No. 20, Original Sheet No. 108.3

Terms and Conditions
Net Metering Service Interconnection Guidelines

N

CONDITIONS OF INTERCONNECTION

Customer may operate net metering generator(s) in parallel with Company's system when complying with the following conditions:

1. Customer shall install, operate, and maintain, at Customer's sole cost and expense, any control, protective, or other equipment on Customer's system required by Company's Interconnection Requirements for Customer-Sited Distributed Generation, applicable codes and standards, accredited testing laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the net metering generating facility in parallel with Company's system. Customer bears full responsibility for the installation, maintenance and safe operation of the net metering generating facility. Upon reasonable request from Company, Customer shall demonstrate compliance.
2. Customer shall represent and warrant compliance of the net metering generator with:
   a. any applicable safety and power standards established by IEEE, UL and other accredited testing laboratories;
   b. NFPA 70, National Electric Code (NEC), as may be revised from time-to-time;
   c. Company's Interconnection Requirements for Customer-Sited Distributed Generation;
   d. Company's rules and regulations and Terms and Conditions, as may be revised by time-to-time by the Kentucky Public Service Commission;
   e. the rules and regulations of the Kentucky Public Service Commission, as may be revised by time-to-time by the Kentucky Public Service Commission:
   f. all other local, state, and federal codes and laws, as may be in effect from time-to-time.
3. Any changes or additions to Company's system required to accommodate the net metering generator shall be Customer's financial responsibility and Company shall be reimbursed for such changes or additions prior to construction.
4. Customer shall operate the net metering generator in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. Customer shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Company to any of its other Customers or to any electric system interconnected with Company's electric system.
5. Customer shall be responsible for protecting, at Customer's sole cost and expense, the net metering generating facility from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Company shall be responsible for repair of damage caused to the net metering generator resulting solely from the negligence or willful misconduct on the part of Company.
6. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to Customer, Company shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the net metering generator comply with the requirements of this rider.

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Kentucky Utilities Company

Terms and Conditions
Net Metering Service Interconnection Guidelines

N

CONDITIONS OF INTERCONNECTION (continued)

7. Where required by Company, Customer shall furnish and install on Customer's side of the point of interconnection a safety disconnect switch which shall be capable of fully disconnecting Customer's net metering generator from Company's electric service under the full rated conditions of Customer's net metering generator. The external disconnect switch (EDS) shall be located adjacent to Company's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, Customer shall be responsible for ensuring the location of the EDS is properly and legibly identified for so long as the net metering generator is operational.

   The disconnect switch shall be accessible to Company personnel at all times. Certain installations meeting a list of requirements specified in the Company's Interconnection Requirements for Customer-Sited Distributed Generation may be exempt from the EDS requirement. Company may waive the requirement for an external disconnect switch for a net metering generator at its sole discretion, and on a case by case basis.
8. Company shall have the right and authority at Company's sole discretion to isolate the generating facility or require Customer to discontinue operation of the net metering generator if Company believes that:
   a. continued interconnection and parallel operation of the net metering generator with Company's electric system creates or contributes (or may create or contribute) to a system emergency on either Company's or Customer's electric system;
   b. the net metering generator is not in compliance with the requirements of this rider and the non-compliance adversely affects the safety, reliability or power quality of Company's electric system; or
   c. the net metering generator interferes with the operation of Company's electric system. In non-emergency situations, Company shall give Customer notice of noncompliance including a description of the specific noncompliance condition and allow Customer a reasonable time to cure the noncompliance prior to isolating the Generating Facilities. In emergency situations, where Company is unable to immediately isolate or cause Customer to isolate only the net metering generator, Company may isolate Customer's entire facility.
9. Customer agrees that, without the prior written permission from Company, no changes shall be made to the generating facility as initially approved. Increases in net metering generator capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet all applicable codes and standards certification requirements, including but not limited to IEEE 1547 and UL 1741, for Level 1 facilities and not resulting in increases in net metering generator capacity is allowed without approval.
10. Customer shall protect, indemnify and hold harmless Company and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys' fees, for or on account of any injury or death

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Terms and Conditions
Net Metering Service Interconnection Guidelines

N

CONDITIONS OF INTERCONNECTION (continued)

of persons or damage to property caused by Customer or Customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining or operating Customer's net metering generator or any related equipment or any facilities owned by Company, except where such injury, death or damage was caused or contributed to by the fault or negligence of Company or its employees, agents, representatives or contractors. The liability of Company to Customer for injury to person and property shall be governed by the tariff(s) for the class of service under which Customer is taking service.

11. Customer shall maintain general liability insurance coverage (through a standard homeowner's, commercial or other policy) for generating facilities. Customer shall upon request provide Company with proof of such insurance at the time that application is made for net metering.
12. By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
13. Customer's generating facility is transferable to other persons or service locations only after notification to Company has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, Customer, or location, Company will verify that the installation is in compliance with this tariff and provide written notification to the Customer(s) within 20 business days. If the installation is no longer in compliance with this tariff, Company will notify Customer in writing and list what must be done to place the facility in compliance.
14. Customer shall retain any and all Renewable Energy Credits (RECs) generated by Customer's generating facilities.

TERMS AND CONDITIONS

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

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Lexington, Kentucky

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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 6 - 807 KAR 5:001 Section 16(1)(b)(5)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A statement that notice has been given in compliance with Section 17 of this administrative regulation with a copy of the notice.

Response:

Customer notice has been given in compliance with 807 KAR 5:001, Section 17. Notice given pursuant to 807 KAR 5:001, Section 17 satisfies the requirements of 807 KAR 5:051, Section 2. See attached Certificate of Notice.

The Commission granted the request of KU and Louisville Gas and Electric Company ("LG&E") to publish an abbreviated newspaper customer notice (see attached).[1]

[1] *In the Matters of: Electronic Application of Kentucky Utilities Company for an Adjustment of its Electric Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit; Electronic Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit,* Case Nos. 2020-00349 and 2020-00350, Order (Ky. PSC November 10, 2020), Ordering Paragraph No. 1.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY UTILITIES COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC RATES, A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO DEPLOY ADVANCED METERING INFRASTRUCTURE, APPROVAL OF CERTAIN REGULATORY AND ACCOUNTING TREATMENTS, AND ESTABLISHMENT OF A ONE-YEAR SURCREDIT	)	**CASE NO. 2020-00349**

CERTIFICATE OF NOTICE

Pursuant to the Kentucky Public Service Commission's Regulation 807 KAR 5:001, Section 16(1)(b)(5), I hereby certify that I am Robert M. Conroy, Vice President, State Regulation and Rates, for Kentucky Utilities Company ("KU" or "Company"), a utility furnishing retail electric service within the Commonwealth of Kentucky, which, on the 25th day of November, 2020, filed an application with the Kentucky Public Service Commission ("Commission") for the approval of an adjustment of the electric rates, terms, conditions and tariffs of KU, and that notice to the public of the filing of the application is being given in all respects as required by the Commission's Order of November 10, 2020 in this proceeding, as follows:

I certify that more than twenty (20) customers will be affected by said change by way of an increase in their rates or charges, and that on the 10th day of November 2020, there was delivered to the Kentucky Press Association, an agency that acts on behalf of newspapers of general circulation throughout the Commonwealth of Kentucky in which customers affected reside, for publication therein once a week for three consecutive weeks beginning on the 18th day

of November 2020, an abbreviated notice in conformity with the Commission's Order of November 10, 2020 in this proceeding of the filing of KU's Application. A copy of said notice is attached hereto as Exhibit A. A list of newspapers of general circulation throughout the Commonwealth of Kentucky in which KU's customers affected reside is attached hereto as Exhibit B. A certificate of publication of said notice will be furnished to the Kentucky Public Service Commission upon completion pursuant to 807 KAR 5:001, Section 17(3)(b).

On the 18th day of November 2020, the full customer notice to the public, a copy of which is attached hereto as Exhibit C, was delivered for exhibition and public inspection at the offices and places of business of the Company in the territory affected thereby, to-wit, at the following places:

Campbellsville	Maysville
Carrollton	Middlesboro
Danville	Morehead
Earlington	Morganfield
Eddyville	Mt. Sterling
Elizabethtown	Paris
Georgetown	Richmond
Greenville	Shelbyville
Harlan	Somerset
Kevil	Versailles
London	Winchester

and will be kept open to public inspection at said offices and places of business in conformity with the Commission's Order of November 10, 2020.

Beginning on the 18th day of November 2020, KU posted on its website a copy of the full customer notice that 807 KAR 5:001, Section 17 requires and a hyperlink to the location on the Commission's website where the case documents and tariff filings are available.

Beginning on the 25th day of November 2020, KU posted on its website a complete copy of KU's application in this case. KU's application filed with the Commission on the 25th day of

November 2020, includes the customer notice as a separate document labeled "Customer Notice of Rate Adjustment."

In addition, beginning on the 13th day of November 2020, KU issued press advisories to all known news media organizations who cover the areas within its certified territory advising of the filing of its application and including a hyperlink to the location on KU's and the Commission's websites where case documents and tariff filings will be available.

Beginning on the 30th day of November 2020, KU will include a general statement explaining the application in this case with the bills for all Kentucky retail customers during the course of their regular monthly billing cycle. An accurate copy of this general statement is attached as Exhibit D. Both the notice being published in newspapers and the bill inserts being sent to customers include the web address to the online posting.

On the 25th day of November 2020, KU notified by electronic mail the chief executive officer or legal counsel of each entity that had been granted intervention or otherwise permitted to participate in its last general rate case proceeding of the filing of the application and provided a hyperlink to the location on the Commission's website where case documents and tariff filings are available.

On the 25th day of November 2020, at the time of the filing of its application, KU filed the customer notice as a separate document, labeled "Customer Notice of Rate Adjustment," to enable ratepayers checking the Commission's website to easily locate the notice.

Given under my hand this 25th day of November 2020.

Robert M. Conroy
Vice President, State Regulation and Rates
LG&E and KU Services Company
220 West Main Street
Louisville, Kentucky 40202

Subscribed and sworn to before me, a Notary Public in and before Jefferson County, Kentucky, this 25th day of November 2020.

Judy Schooler (SEAL)
Notary Public

Notary No. 603967

My Commission Expires: July 11, 2022

Exhibit A
Notice of the Filing – Abbreviated

CUSTOMER NOTICE OF RATE ADJUSTMENT

PLEASE TAKE NOTICE that, in a November 25, 2020, Application, Kentucky Utilities Company ("KU") is seeking approval by the Kentucky Public Service Commission of an adjustment of its electric rates and charges to become effective on and after January 1, 2021.

KU CURRENT AND PROPOSED RESIDENTIAL ELECTRIC RATES

Residential Service – Rate RS

	Current	Proposed
Basic Service Charge per Day:	$ 0.53	$ 0.61
Plus an Energy Charge per kWh:		
Infrastructure:	$ 0.05886	$ 0.06750
Variable:	$ 0.03077	$ 0.03200
Total:	$ 0.08963	$ 0.09950

Residential Time-of-Day Energy Service - Rate RTOD-Energy

	Current	Proposed
Basic Service Charge per Day:	$ 0.53	$ 0.61
Plus an Energy Charge per kWh:		
Off-Peak Hours (Infrastructure):	$ 0.02683	$ 0.03312
Off-Peak Hours (Variable):	$ 0.03077	$ 0.03200
Off-Peak Hours (Total):	$ 0.05760	$ 0.06512
On-Peak Hours (Infrastructure):	$ 0.24465	$ 0.18924
On-Peak Hours (Variable):	$ 0.03077	$ 0.03200
On-Peak Hours (Total):	$ 0.27542	$ 0.22124

Residential Time-of-Day Demand Service - Rate RTOD-Demand

	Current	Proposed
Basic Service Charge per Day:	$ 0.53	$ 0.61
Plus an Energy Charge per kWh (Infrastructure):	$ 0.01276	$ 0.01276
Plus an Energy Charge per kWh (Variable):	$ 0.03077	$ 0.03200
Plus an Energy Charge per kWh (Total):	$ 0.04353	$ 0.04476
Plus a Demand Charge per kW:		
Base Hours	$ 3.44	$ 4.01
Peak Hours	$ 8.90	$10.37

KU is also proposing changes to the rates for other customer classes. These customer classes and their associated annual revenue changes are listed in the tables shown below. KU is also proposing to change the text of some of its rate schedules and other tariff provisions and to add two optional rate schedules: General Time-of-Day Energy Service ("GTOD-Energy") and General Time-of-Day Demand Service ("GTOD-Demand"). KU's proposed rates reflect a proposed annual increase in electric revenues of approximately 10.4%.

The estimated amount of the annual change and the average monthly bill to which the proposed electric rates will apply for each electric customer class are as follows:

Electric Rate Class	Average Usage (kWh)	Annual $ Increase	Annual % Increase	Monthly Bill $ Increase	Monthly Bill % Increase
Residential	1,120	68,176,839	10.68	12.85	10.67
Residential Time-of-Day	1,184	19,427	10.68	12.08	10.69
General Service	1,689	26,734,943	10.68	26.91	10.68
General Time-of-Day	New Rate Schedule				
All Electric School	25,276	1,453,830	10.68	285.86	10.68
Power Service	31,900	19,592,722	10.67	351.54	10.67
Time-of-Day Secondary	194,032	14,530,948	10.69	1,580.24	10.69
Time-of-Day Primary	1,288,759	26,942,083	10.68	8,786.08	10.68
Retail Transmission	5,852,624	8,787,141	10.68	36,613.09	10.68
Fluctuating Load Service	50,490,867	3,514,118	10.69	292,843.20	10.69
Outdoor Lights	58	(129)	0.00	0.00	0.00
Lighting Energy	3,373	18	0.01	0.02	0.01
Traffic Energy	150	2	0.00	0.00	0.00
PSA	N/A	0.00	0.00	0.00	0.00
Rider – CSR	N/A	0.00	0.00	0.00	0.00
Outdoor Sports Lighting – Pilot Program	6,800	(4,762)	(4.97)	(99.21)	(4.97)

The monthly residential electric bill increase due to the proposed electric base rates will be 10.67 percent, or approximately $12.85, for a customer using 1,120 kWh of electricity (the average monthly consumption of a KU residential electric customer).

KU is also proposing an Economic Relief Surcredit Adjustment Clause, which will credit KU customers a total of $11.9 million over twelve months when new rates go into effect from this proceeding. For the first twelve months of new rates following this proceeding, a $0.00068 per kWh credit will be applied to all standard rate schedules.

KU is proposing to add an optional rider called Warranty Service for Customer-Owned Exterior Facilities. This rider permits firms that provide warranty service for the repair or replacement of customer-owned exterior electric facilities serving a KU customer's residence and connected to KU distribution facilities and that meet certain standards to use KU's billing services to obtain payment for subscribed warranty service.

KU is proposing a new net metering rate schedule, Rider NMS-2, and renaming its existing Rider NMS to be Rider NMS-1. Rider NMS-1 will serve eligible electric generating facilities as defined in KRS 278.465(2) for which customers have submitted an application for net metering service before the effective date of rates established in this proceeding. Rider NMS-2 will apply to all other net metering customers. KU is also proposing new terms and conditions for Net Metering Service Interconnection Guidelines.

KU is requesting a Certificate of Public Convenience and Necessity and other associated relief to exchange all existing non-communicating electric meters in its service area with Advanced Metering Infrastructure (AMI) meters.

KU proposes to eliminate certain Environmental Cost Recovery ("ECR") Projects from its ECR mechanism and monthly filings on a going-forward basis, which will result in rate base costs previously included for recovery in the ECR mechanism being recovered through base rates. The reduction in ECR mechanism revenues creates a corresponding increase in base rate revenues with no change in total revenues.

Other Charges

KU is proposing the following revisions to other charges in the tariff:

Other Charges	**Current Charge**	**Proposed Charge**
Returned Payment Charge	$3.00	$3.50
Meter Test Charge	$75.00	$79.00
Meter Pulse Charge	$24.00	$21.00
Disconnect/Reconnect Service Charge w/o remote service switch	$28.00	$37.00
Disconnect/Reconnect Service Charge w/ remote service switch	New	$0
Unauthorized Connection Charge – without meter replacement	$70.00	$45.00
Unauthorized Connection Charge – for single-phase standard meter replacement	$90.00	$66.00
Unauthorized Connection Charge – for single-phase AMR meter replacement	$110.00	$87.00
Unauthorized Connection Charge – for single-phase AMI meter replacement	$174.00	$149.00
Unauthorized Connection Charge – for three-phase meter replacement	$177.00	$154.00
Advanced Meter Opt-Out Charge (One-Time)	New	$39.00
Advanced Meter Opt-Out Charge (Monthly)	New	$15.00
Redundant Capacity - Secondary	$1.16	$1.36
Redundant Capacity - Primary	$0.99	$0.92
EVSE – Networked Single Charger	$132.09	$132.09
EVSE – Networked Dual Charger	$193.62	$193.62
EVSE – Non-Networked Single Charger	New	$82.86
EVSE-R – Networked Single Charger	$121.79	$121.79
EVSE-R – Networked Dual Charger	$173.02	$173.02
EVSE-R Non-Networked Single Charger	New	$30.86
EVC-L2 – Charge per Hour for First Two Hours	$0.75	$0.75
EVC-L2 – Charge per Hour for Every Hour After First Two Hours	$1.00	$1.00
EVC-FAST – Charge per kWh	New	$0.25
Solar Share Program Rider (One-Time)	$799.00	$799.00
Solar Share Program Rider (Monthly)	$5.55	$5.55
Excess Facilities – w/ no CIAC	1.16%	1.17%
Excess Facilities – w/ CIAC	0.47%	0.47%
TS – Temporary-to-Permanent	15%	15%
TS – Seasonal	100%	100%

A detailed notice of all proposed revisions and a complete copy of the proposed tariffs containing the proposed text changes, terms and conditions and rates may be obtained by submitting a written request by e-mail to myaccount@lge-ku.com or by mail to Kentucky Utilities Company, ATTN: Rates Department, 220 West Main Street, Louisville, Kentucky, 40202, or by visiting KU's website at www.lge-ku.com.

A person may examine KU's application at the offices of KU located at One Quality Street, Lexington, Kentucky or at the other KU business offices, and at KU's website at www.lge-ku.com. A person may also examine this application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m. or may view and download the application through the Commission's Web site at http://psc.ky.gov.

Comments regarding the application may be submitted to the Public Service Commission by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, or by email to psc.info@ky.gov. All comments should reference Case No. 2020-00349.

The rates contained in this notice are the rates proposed by KU, but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602 establishing the grounds for the request including the status and interest of the party. If the commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of this notice, the Commission may take final action on the application.

Kentucky Utilities Company
c/o LG&E and KU Energy LLC
220 West Main Street
P. O. Box 32010
Louisville, Kentucky 40232
800-981-0600

Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602
502-564-3940

Exhibit B

Listing of Newspapers Publishing Notice

List of newspapers running the Notice to Kentucky Utilities Company Customers.

Arlington Carlisle Weekly
Barbourville Mnt. Advocate
Bardstown KY Standard
Bardwell Carlilse Co. News
Barren County Progress
Beattyville Enterprise
Bedford Trimble Banner
Berea Citizen
Bourbon County Citizen
Brooksville Bracken Co.
Brownsville Edmonson New
Calhoun McLean Co. New
Campbellsville Central KY
Carlisle Mercury
Carrollton News Democrat
Central City Leader News
Central City Times Argus
Columbia Adair Comm. Voice
Columbia Adair Progress
Corbin Times Tribune
Cumberland Tri City News
Cynthiana Democrat
Dawson Springs Progress
Eddyville Herald Ledger
Elizabethtown News Enter
Falmouth Outlook
Flemingsburg Gazette
Florence Boone Recorder
Frankfort State Journal
Fulton Leader The Current
Garrard Central Record
Georgetown Graphic
Greensburg Record Herald
Harlan Enterprise
Harrodsburg Herald
Hartford Ohio Co. Times
Henderson Gleaner
Hickman County Times
Hodgenville Larue Herald
Hopkinsville KY New Era
Irvine Citizen Voice Times
Irvine Estill Co. Tribune
Lagrange Oldham Era
Lawrenceburg Ander. News
Lebanon Enterprise
Leitchfield News Gazette

Leitchfield Record
Lexington Herald Leader
Liberty Casey Co. News
London Sentinel Echo
Louisville Courier Journal
Madisonville Messenger
Manchester Enterprise
Marion Crittenden Press
Maysville Ledger Independent
Middlesboro Daily News
Morganfield Union Co. Advocate
Mt. Sterling Advocate
Mt. Vernon Signal
Munfordville Hart Co. News
New Castle Henry Co. Local
Nicholasville Jessamine
Owensboro Messneger Inquirer
Owenton News Herald
Owingsville Bath Outlook
Paducah Sun
Pineville Sun
Princeton Times Leader
Providence Journal Enter
Richmond Register
Robertson Co. News
Rowan Co. News
Russell Springs Times
Sebree Banner
Shelbyville Sentinel News
Shepherdsville Pioneer
Smithland Livingston Ledger
Somerset Commonwealth
Springfield Sun
Stanford Interior Journal
Sturgis News
Taylorsville Spencer Magnet
The Advocate Messenger
Three Forks Tradition
Versailles Woodford Sun
Warsaw Gallatin News
Whitley City McCreary Voice
Wickliffe Advance Yeoman
Williamsburg News Journal
Williamstown Grant Co. News
Winchester Sun

Exhibit C
Notice of the Filing – Full Notice

CUSTOMER NOTICE OF RATE ADJUSTMENT

Notice is hereby given that, in a November 25, 2020, Application, Kentucky Utilities Company is seeking approval by the Public Service Commission of an adjustment of electric rates and charges proposed to become effective on and after January 1, 2021.

KU CURRENT AND PROPOSED ELECTRIC RATES

Residential Service - Rate RS

Rate:

	Current	Proposed
Basic Service Charge per Day:	$0.53	$0.61
Plus an Energy Charge per kWh:		
Infrastructure	$0.05886	$0.06750
Variable	$0.03077	$0.03200
Total	$0.08963	$0.09950

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Home Energy Assistance Program	Sheet No. 92
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Home Energy Assistance Program	Sheet No. 92
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Residential Time-of-Day Energy Service - Rate RTOD-Energy

Rate:

	Current	Proposed
Basic Service Charge per Day:	$ 0.53	$0.61
Plus an Energy Charge per kWh:		
Off-Peak Hours		
Off-Peak Hours (Infrastructure):	$ 0.02683	$0.03312
Off-Peak Hours (Variable):	$ 0.03077	$0.03200
Off-Peak Hours (Total):	$ 0.05760	$0.06512

On-Peak Hours		
On-Peak Hours (Infrastructure):	$ 0.24465	$0.18924
On-Peak Hours (Variable):	$ 0.03077	$0.03200
On-Peak Hours (Total):	$ 0.27542	$0.22124

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Home Energy Assistance Program	Sheet No. 92
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Home Energy Assistance Program	Sheet No. 92
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Rating Periods:

Current

Pricing periods are established in Eastern Standard Time year-round by season for weekdays and weekends. The hours of the pricing periods for the price levels are as follows:

Summer Months of April through October

	Off-Peak	On-Peak
Weekdays	5 PM - 1 PM	1 PM - 5 PM
Weekends	All Hours	

All Other Months of November continuously through March

	Off-Peak	On-Peak
Weekdays	11 AM – 7 AM	7 AM - 11 AM
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday.

Proposed

The rating periods are established in Eastern Standard Time year-round by season for weekdays and weekends throughout the Company's service territory, and shall be as follows:

Summer Months of April through October

	Off-Peak	On-Peak
Weekdays	5 PM - 1 PM	1 PM - 5 PM
Weekends	All Hours	

All Other Months of November continuously through March

	Off-Peak
Weekdays	10 AM - 6 PM and 10 PM – 6 AM
	On-Peak
	6 AM – 10 AM and 6 PM – 10 PM
Weekends	All Hours

If a legal holiday falls on a weekday, it will be considered a weekday.

Residential Time-of-Day Demand Service - Rate RTOD-Demand

Rate:

	Current	Proposed
Basic Service Charge per Day:	$ 0.53	$0.61
Plus an Energy Charge per kWh (Infrastructure):	$ 0.01276	$0.01276
Plus an Energy Charge per kWh (Variable):	$ 0.03077	$0.03200
Plus an Energy Charge per kWh (Total):	$ 0.04353	$0.04476
Plus a Demand Charge per kW:		
Base Hours	$ 3.44	$4.01
Peak Hours	$ 8.90	$10.37

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Home Energy Assistance Program	Sheet No. 92
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Home Energy Assistance Program	Sheet No. 92
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Rating Periods:

Current

Pricing periods are established in Eastern Standard Time year-round by season for weekdays and weekends. The hours of the pricing periods for the price levels are as follows:

Summer Months of April through October

	Base	Peak
Weekdays	All Hours	1 PM - 5 PM
Weekends	All Hours	

All Other Months of November continuously through March

	Base	Peak
Weekdays	All Hours	7 AM - 11 AM
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday.

Proposed

The rating periods are established in Eastern Standard Time year-round by season for weekdays and weekends throughout the Company's service territory, and shall be as follows:

Summer Months of April through October

	Base	Peak
Weekdays	All Hours	1 PM - 5 PM
Weekends	All Hours	

All Other Months of November continuously through March

Weekdays	Base All Hours	
	Peak	6 AM - 10 AM and 6 PM – 10 PM
Weekends	Base All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday.

Volunteer Fire Department Service - Rate VFD

Rate:

	Current	Proposed
Basic Service Charge per Day:	$0.53	$0.61
Plus an Energy Charge per kWh:		
Infrastructure	$ 0.05886	$0.06750
Variable	$ 0.03077	$0.03200
Total	$ 0.08963	$0.09950

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89

Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

LATE PAYMENT CHARGE

Current

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Proposed

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Volunteer Fire Department Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

General Service – Rate GS

Availability:

Current

To general lighting and small power loads for secondary service.

Service under this schedule will be limited to Customers whose twelve (12) month-average monthly maximum loads do not exceed 50 kW. Existing Customers with twelve (12) month-average maximum monthly loads exceeding 50 kW who were receiving service under P.S.C. 13, Fourth Revision of Original Sheet No. 10 as of February 6, 2009, will continue to be served under this rate at their option. If Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule unless and until Customer meets the Availability requirements that would apply to a new Customer.

Proposed

To general lighting and small power loads for secondary service.

Service under this schedule will be limited to Customers whose twelve (12) month-average monthly maximum loads do not exceed 50 kW.

New - Grandfathering:

New

Any Customer that (a) took service under this rate schedule on January 1, 2021, and (b) took service under P.S.C. 13, Fourth Revision of Original Sheet No. 10 on February 6, 2009, is considered "grandfathered" and may continue to take service under this rate schedule until the Customer ceases to be grandfathered.

A grandfathered Customer that elects to take service under another rate schedule after January 1, 2021, ceases to be grandfathered. If such Customer later desires to take service under this rate schedule, Customer may do so only if Customer meets the Availability requirements.

A grandfathered Customer that meets the Availability requirements of this rate schedule on January 1, 2021, based on Customer's usage for the 12 months ending January 31, 2020, ceases to be grandfathered and may continue to take service under this rate schedule only if Customer meets the Availability requirements.

Rate:

Single-Phase	**Current**	**Proposed**
Basic Service Charge per Day:	$ 1.04	$1.35
Plus an Energy Charge per kWh		
Infrastructure	$ 0.08111	$0.09216
Variable	$ 0.03114	$0.03253
Total	$ 0.11225	$0.12469

Three-Phase	**Current**	**Proposed**
Basic Service Charge per Day:	$1.66	$2.15
Plus an Energy Charge per kWh		
Infrastructure	$ 0.08111	$ 0.09216
Variable	$ 0.03114	$ 0.03253
Total	$ 0.11225	$ 0.12469

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

LATE PAYMENT CHARGE

Current

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Proposed

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, General Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

NEW-General Time-of-Day Energy Service – Rate GTOD-Energy

This new standard rate schedule is available to GS Customers participating in the Demand-Side Management ("DSM") program titled Non-Residential Advanced Metering Systems Incentive on Sheet No. 86.6.

Rate:

	Current	Proposed
Basic Service Charge per Day (Single-Phase):	New	$ 1.35
Basic Service Charge per Day (Three-Phase):	New	$ 2.15
Plus an Energy Charge per kWh:		
Off-Peak Hours		
Off-Peak Hours (Infrastructure):	New	$ 0.04841
Off-Peak Hours (Variable):	New	$ 0.03253
Off-Peak Hours (Total):	New	$ 0.08094
On-Peak Hours		
On-Peak Hours (Infrastructure):	New	$ 0.26776
On-Peak Hours (Variable):	New	$ 0.03253
On-Peak Hours (Total):	New	$ 0.30029

Adjustment Clauses:

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

NEW - General Time-of-Day Demand Service - Rate GTOD-Demand

This new standard rate schedule is available to GS Customers participating in the Demand-Side Management ("DSM") program titled Non-Residential Advanced Metering Systems Incentive on Sheet No. 86.6.

Rate:

	Current	Proposed
Basic Service Charge per Day (Single-Phase):	New	$ 1.35
Basic Service Charge per Day (Three-Phase):	New	$ 2.15
Plus an Energy Charge per kWh (Infrastructure):	New	$ 0.03663
Plus an Energy Charge per kWh (Variable):	New	$ 0.03253
Plus an Energy Charge per kWh (Total):	New	$ 0.06916
Plus a Demand Charge per kW:		
Base Hours	New	$ 5.47
Peak Hours	New	$ 14.16

Adjustment Clauses:

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

All Electric School – Rate AES

Rate:

Single-Phase	**Current**	**Proposed**
Basic Service Charge per Day:	$2.80	$2.80
Plus an Energy Charge per kWh		
Infrastructure	$0.05638	$0.06856
Variable	$0.03094	$0.03223
Total	$0.08732	$0.10079
Three-Phase		
Basic Service Charge per Day:	$4.60	$4.60
Plus an Energy Charge per kWh		
Infrastructure	$0.05638	$0.06856
Variable	$0.03094	$0.03223
Total	$0.08732	$0.10079

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

LATE PAYMENT CHARGE

Current

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Proposed

If full payment is not received by the due date of the bill, a 3% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, All-Electric School Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

Power Service – Rate PS

Availability:

Current

Available for secondary or primary service and limited to Customers whose twelve (12) month-average monthly minimum secondary loads exceed 50 kW and whose twelve (12) month-average monthly maximum loads do not exceed 250 kW. Secondary or primary Customers receiving service under P.S.C. 13, Fourth Revision of Original Sheet No. 20, Large Power Service, or Fourth Revision of Original Sheet No. 30, Mine Power Service, as of February 6, 2009, with loads not meeting these criteria will continue to be served under this rate at their option. If Customer is taking service under this rate schedule and subsequently elects to take service under another rate schedule, Customer may not again take service under this rate schedule unless and until Customer meets the Availability requirements that would apply to a new Customer.

Proposed

Available for secondary or primary service and limited to Customers whose twelve (12) month-average monthly minimum secondary loads exceed 50 kW and whose twelve (12) month-average monthly maximum loads do not exceed 250 kW.

New - Grandfathering:

New

Any Customer that (a) took service under this rate schedule on January 1, 2021, and (b) took service under P.S.C. 13, Fourth Revision of Original Sheet No. 20, Large Power Service, or Fourth Revision of Original Sheet No. 30, Mine Power Service, on February 6, 2009, is considered "grandfathered" and may continue to take service under this rate schedule until the Customer ceases to be grandfathered.

A grandfathered Customer that elects to take service under another rate schedule after January 1, 2021, ceases to be grandfathered. If such Customer later desires to take service under this rate schedule, Customer may do so only if Customer meets the Availability requirements.

A grandfathered Customer that meets the Availability requirements of this rate schedule on January 1, 2021, based on Customer's usage for the 12 months ending January 31, 2020, ceases to be grandfathered and may continue to take service under this rate schedule only if Customer meets the Availability requirements.

Rate:

Secondary Service	**Current**	**Proposed**
Basic Service Charge per Day	$2.96	$2.96
Plus an Energy Charge per kWh	$0.03249	$0.03248
Plus a Demand Charge per kW per month of billing demand		
Summer Rate (May through September)	$22.77	$26.57
Winter Rate (All Other Months)	$20.39	$23.80

Primary Service	**Current**	**Proposed**
Basic Service Charge per Day	$7.89	$7.89
Plus an Energy Charge per kWh	$0.03190	$0.03214
Plus a Demand Charge per kW per month of billing demand		
Summer Rate (May through September)	$22.84	$26.52
Winter Rate (All Other Months)	$20.50	$23.80

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Late Payment Charge:

Current

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Proposed

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Power Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

Term of Contract:

Current

Contracts under this rate shall be for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.

Proposed
Contracts under this rate may be required for an initial term of one (1) year, remaining in effect from month to month thereafter until terminated by notice of either party to the other.

Time-of-Day Secondary Service Rate TODS

Rate:

	Current	Proposed
Basic Service Charge per Day	$6.58	$7.32
Plus an Energy Charge per kWh	$0.02658	$0.03210
Plus a Maximum Load Charge per kVA per month		
Peak Demand Period	$8.79	$8.25
Intermediate Demand Period	$7.07	$6.64
Base Demand Period	$1.75	$3.25

Adjustment Clauses:
Current
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed
The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Late Payment Charge:
Current
If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.
Proposed
If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Time-of-Day Secondary Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

Time-of-Day Primary Service Rate TODP

Rate:

	Current	Proposed
Basic Service Charge per Day	$ 10.84	$ 10.84
Plus an Energy Charge per kWh	$ 0.02573	$ 0.03128
Plus a Maximum Load Charge per kVA per month		
Peak Demand Period	$ 8.52	$ 8.36
Intermediate Demand Period	$ 6.84	$ 6.71
Base Demand Period	$ 2.03	$ 2.79

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Late Payment Charge:

Current

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Proposed

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Time-of-Day Primary Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

Retail Transmission Service - Rate RTS

Rate:

	Current	Proposed
Basic Service Charge per Day	$49.28	$49.28
Plus an Energy Charge per kWh	$0.02513	$0.03066
Plus a Maximum Load Charge per kVA per month		

Peak Demand Period	$8.39	$8.04
Intermediate Demand Period	$6.74	$6.46
Base Demand Period	$1.23	$2.16

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Late Payment Charge:

Current

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Proposed

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Retail Transmission Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

Fluctuating Load Service Rate FLS

Rate:

Primary Service	**Current**	**Proposed**
Basic Service Charge per Day	$10.84	$10.84
Plus an Energy Charge per kWh	$0.02573	$0.03128
Plus a Maximum Load Charge per kVA per month		
Peak Demand Period	$7.66	$7.51
Intermediate Demand Period	$6.06	$5.94
Base Demand Period	$2.30	$2.93
Transmission Service	**Current**	**Proposed**
Basic Service Charge per Day	$49.28	$49.28

Plus an Energy Charge per kWh	$0.02513	$0.03051
Plus a Maximum Load Charge per kVA per month		
Peak Demand Period	$4.42	$4.35
Intermediate Demand Period	$3.22	$3.17
Base Demand Period	$1.27	$1.49

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Late Payment Charge:

Current

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Proposed

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Fluctuating Load Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

Lighting Service - Rate LS

Availability:

Current

Available under the conditions set out hereinafter for lighting applications such as, but not limited to, the illumination of streets, driveways, yards, lots, and other outdoor areas where secondary voltage of 120/240 is available.

Service will be provided under written contract, signed by Customer prior to service commencing, when

additional facilities are required.

Proposed

Available under the conditions set out hereinafter for lighting applications such as, but not limited to, the illumination of streets, driveways, yards, lots, and other outdoor areas where secondary voltage of 120/240 is available.

Service will be provided under written contract, signed by Customer prior to service commencing, when additional facilities are required, when the installation includes new underground-fed lights, when the installation includes three (3) or more overhead-fed lights, or when Customer requests conversion to LED.

	Rate Per Light Per Month	
OVERHEAD SERVICE	**Current**	**Proposed**
Light Emitting Diode (LED)		
390 Cobra Head, 6K-8.2K Lumen Range Fixture Only	$ 9.92	$9.58
391 Cobra Head, 13K-16.5K Lumen Range Fixture Only	$11.98	$11.55
392 Cobra Head, 22K-29K Lumen Range Fixture Only	$15.22	$14.86
393 Open Bottom, 4.5K-6K Lumen Range Fixture Only	$ 8.57	$7.84
KC1 Cobra Head, 2.5K-4K Lumen Range Fixture Only	$ 8.67	$8.25
KF1 Directional, 4.5K-6K Lumen Range Fixture Only	$11.28	$10.80
KF2 Directional, 14K-17.5K Lumen Range Fixture Only	$13.10	$12.70
KF3 Directional, 22K-28K Lumen Range Fixture Only	$15.49	$15.06
KF4 Directional, 35K-50K Lumen Range Fixture Only	$22.20	$21.83
Wood Pole		
PK5 Wood Pole	New	$8.61

	Rate Per Light Per Month	
UNDERGROUND SERVICE	**Current**	**Proposed**
Light Emitting Diode (LED)		
KC2 Cobra Head, 2.5K-4K Lumen Range Fixture Only	$ 4.00	$4.03
396 Cobra Head, 5.5K-8.2K Lumen Range Fixture Only	$ 5.24	$5.35
397 Cobra Head, 13K-16.5K Lumen Range Fixture Only	$ 7.30	$7.33
398 Cobra Head, 22K-29K Lumen Range Fixture Only	$10.54	$10.64
399 Colonial, 4-Sided, 4K-7K Lumen Range Fixture Only	$ 7.41	$7.14
KA1 Acorn, 4K-7K Lumen Range Fixture Only	$ 8.83	$8.69
KN1 Contemporary, 4K-7K Lumen Range Fixture Only	$ 6.87	$6.81
KN2 Contemporary, 8K-11K Lumen Range Fixture Only	$ 8.00	$8.16
KN3 Contemporary, 13.5K-16.5K Lumen Range Fixture Only	$ 9.74	$10.05
KN4 Contemporary, 21K-28K Lumen Range Fixture Only	$14.13	$14.59
KN5 Contemporary, 45K-50K Lumen Range Fixture Only	$21.32	$20.29
KF5 Directional, 4.5K-6K Lumen Range Fixture Only	$ 8.17	$8.18
KF6 Directional, 14K-17.5K Lumen Range Fixture Only	$10.00	$10.09
KF7 Directional, 22K-28K Lumen Range Fixture Only	$12.38	$12.44
KF8 Directional, 35K-50K Lumen Range Fixture Only	$19.09	$19.22
KV1 Victorian, 4K-7K Lumen Range Fixture Only	New	$21.70
High-Pressure Sodium		
414 Victorian, 5800 Lumen Fluted Pole	$35.69	Move to RLS
415 Victorian, 9500 Lumen Fluted Pole	$35.85	Move to RLS

Pole Charges

PK1 Cobra	$12.12	$12.77
PK2 Contemporary	$11.64	$11.81
PK3 Post-Top – Decorative Smooth	$8.01	$8.77
PK4 Post-Top – Historic Fluted	$15.02	$14.67

Underground Service

Current

Colonial and Acorn "Post Top" lights must include one of two pole options, a Decorative Smooth pole or a Historic Fluted pole. Underground fed Cobra and Contemporary LEDs must include a Cobra pole charge or Contemporary pole charge, respectively. The Underground fed Directional (Flood) LEDs must include a Cobra or Contemporary pole charge.

Proposed

Colonial and Acorn "Post Top" lights must include one of two pole options, a Decorative Smooth pole charge or a Historic Fluted pole charge. Underground fed Cobra and Contemporary LEDs must include a Cobra pole charge or Contemporary pole charge, respectively. The Underground fed Directional (Flood) LEDs must include a Cobra or Contemporary pole charge. The Victorian "Post Top" light must include a Histroic Fluted pole charge.

Conversion Fee

Current

Customer will be required to pay a monthly conversion fee for 60 months if Customer requests to change current functioning non-LED fixture to an LED fixture. This conversion fee represents the remaining book value of the current working non-LED fixture.

Conversion Fee: $ 6.03 per month for 60 months

Proposed

Customer will be required to pay either a one-time conversion fee or a monthly conversion fee for 60 months if Customer requests to change current functioning non-LED fixture to an LED fixture. This conversion fee represents the remaining book value of the current working non-LED fixture.

One-Time Conversion Fee	$197.16
Monthly Conversion Fee:	$5.01 per month for 60 months

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89

Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Term of Contract

Current

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required. Cancellation by Customer prior to the initial five (5) year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term.

Proposed

For a fixed term of not less than five (5) years and for such time thereafter until terminated by either party giving thirty (30) days prior written notice to the other when additional facilities are required, when the installation includes new underground-fed lights, when the installation includes three (3) or more overhead-fed lights, or when Customer requests conversion to LED. Cancellation by Customer prior to the initial five (5) year term will require Customer to pay to Company a lump sum equal to the monthly charge times the number of months remaining on the original five (5) year term.

Terms and Conditions:

Current

6. If Customer requests the removal of an existing lighting system, including, but not limited to, fixtures, poles, or other supporting facilities, Customer agrees to pay to Company its cost of labor to remove existing facilities. Customer will be required to pay Conversion Fee if Customer requests installation of LED replacement within five (5) years.

Proposed

6. If Customer requests the removal of an existing Restricted Lighting Service (RLS) lighting system, Customer may be required to pay Conversion Fee if Customer requests installation of LED replacement within five (5) years of the removal.

Restricted Lighting Service – Rate RLS

Availability

Current

Availability is restricted to those lighting fixtures/poles in service as of January 1, 2013, except where a spot replacement maintains the continuity of multiple fixtures/poles in a neighborhood lighting system or continuity is desired for a subdivision being developed in phases. Spot placement of restricted fixtures/poles is contingent on the restricted fixtures/poles being available from manufacturers. Spot replacement of restricted units will be made under the terms and conditions provided for under non-restricted Lighting Service Rate LS. Spot replacements will not be available for Mercury Vapor and Incandescent rate codes.

In the event restricted fixtures/poles fail and replacements are unavailable, Customer will be given the choice of having Company remove the failed fixture/pole or replacing the failed fixture/pole with other available fixture/pole.

Proposed

Availability is restricted to those lighting fixtures/poles in service as of January 1, 2021. Spot replacements will not be available for High-Pressure Sodium, Metal Halide, Mercury Vapor and Incandescent rate codes.

In the event restricted fixtures/poles fail, Customer will be given the choice of having Company remove the failed fixture/pole or having Company replace the failed fixture/pole with comparable LED fixture/pole.

OVERHEAD SERVICE	Rate Per Light Per Month Current	Proposed
High-Pressure Sodium		
461 Cobra Head, 4000 Lumen Fixture Only	$9.42	$9.58
471 Cobra Head, 4000 Lumen Fixture & Pole	$12.87	$13.10
462 Cobra Head, 5800 Lumen Fixture Only	$10.53	$10.71
472 Cobra Head, 5800 Lumen Fixture & Pole	$14.34	$14.59
463 Cobra Head, 9500 Lumen Fixture Only	$10.87	$11.06
473 Cobra Head, 9500 Lumen Fixture & Pole	$14.90	$15.16
464 Cobra Head, 22000 Lumen Fixture Only	$16.86	$17.15
474 Cobra Head, 22000 Lumen Fixture & Pole	$21.18	$21.55
465 Cobra Head, 50000 Lumen Fixture Only	$26.57	$27.03
475 Cobra Head, 50000 Lumen Fixture & Pole	$29.45	$29.97
409 Cobra Head, 50000 Lumen Fixture Only	$14.58	$14.84
426 Open Bottom, 5800 Lumen Fixture Only	$9.16	$9.32
428 Open Bottom, 9500 Lumen Fixture Only	$9.34	$9.50
487 Directional, 9500 Lumen Fixture Only	$10.71	$10.90
488 Directional, 22000 Lumen Fixture Only	$16.19	$16.47
489 Directional, 50000 Lumen Fixture Only	$22.76	$23.16
Metal Halide		
450 Directional, 12000 Lumen Fixture Only	$17.10	$17.40
454 Directional, 12000 Lumen Fixture & Pole	$22.05	$22.44
455 Directional, 32000 Lumen Fixture & Pole	$28.81	$29.31
452 Directional, 107800 Lumen Fixture Only	$49.26	$50.12
459 Directional, 107800 Lumen Fixture & Pole	$54.20	$55.15
451 Directional, 32000 Lumen Fixture Only	$23.86	$24.28
Mercury Vapor		
446 Cobra Head 7000L Fixture Only	$11.61	$11.81
456 Cobra Head 7000L Fixture & Pole	$13.87	$14.11
447 Cobra Head 10000 Lumen Fixture Only	$13.69	$13.93
457 Cobra Head 10000 Lumen Fixture & Pole	$15.60	$15.87
448 Cobra Head 20000 Lumen Fixture Only	$14.88	$15.14
458 Cobra Head 20000 Lumen Fixture & Pole	$17.45	$17.76
404 Open Bottom 7000 Lumen Fixture Only	$12.34	$12.56
Incandescent		
421 Tear Drop, 1000 Lumen Fixture Only	$3.96	$4.03
422 Tear Drop, 2500 Lumen Fixture Only	$5.13	$5.22
424 Tear Drop, 4000 Lumen Fixture Only	$7.82	$7.96
425 Tear Drop, 6000 Lumen Fixture Only	$10.18	$10.36

UNDERGROUND SERVICE	Rate Per Light Per Month Current	Proposed
Metal Halide		
460 Directional, 12000 Lumen Fixture & Pole	$32.79	$33.36
469 Directional, 32000 Lumen Fixture & Pole	$38.61	$39.29
470 Directional, 107800 Lumen Fixture & Pole	$63.76	$64.88
490 Contemporary, 12000 Lumen Fixture Only	$18.48	$18.80
491 Contemporary, 32000 Lumen Fixture Only	$25.81	$26.26

493 Contemporary, 107800 Lumen Fixture Only	$53.03	$53.96
494 Contemporary, 12000 Lumen Fixture & Pole	$32.99	$33.57
495 Contemporary, 32000 Lumen Fixture & Pole	$40.55	$41.26
496 Contemporary, 107800 Lumen Fixture & Pole	$67.53	$68.71
High Pressure Sodium		
440 Acorn, 4000 Lumen Fixture & Smooth Pole	$17.03	$17.33
410 Acorn, 4000 Lumen Fixture & Fluted Pole	$24.27	$24.69
401 Acorn, 5800 Lumen Fixture & Smooth Pole	$18.14	$18.45
411 Acorn, 5800 Lumen Fixture & Fluted Pole	$25.76	$26.21
420 Acorn, 9500 Lumen Fixture & Smooth Pole	$18.46	$18.78
430 Acorn, 9500 Lumen Fixture & Fluted Pole	$26.21	$26.67
466 Colonial, 4-Sided 4000 Lumen Fixture & Smooth Pole	$11.85	$12.06
412 Coach, 5800 Lumen Fixture & Smooth Pole	$35.68	$36.30
413 Coach, 9500 Lumen Fixture & Smooth Pole	$35.86	$36.49
467 Colonial, 4-Sided 5800 Lumen Fixture & Smooth Pole	$13.38	$13.61
468 Colonial, 4-Sided 9500 Lumen Fixture & Smooth Pole	$13.56	$13.80
492 Contemporary, 5800 Lumen Fixture Only	$18.07	$18.39
476 Contemporary, 5800 Lumen Fixture & Contemporary Pole	$20.40	$20.76
497 Contemporary, 9500 Lumen Fixture Only	$17.78	$18.09
477 Contemporary, 9500 Lumen Fixture & Contemporary Pole	$25.00	$25.44
498 Contemporary, 22000 Lumen Fixture Only	$20.78	$21.14
478 Contemporary, 22000 Lumen Fixture & Contemporary Pole	$32.21	$32.77
499 Contemporary, 50000 Lumen Fixture Only	$25.05	$25.49
479 Contemporary, 50000 Lumen Fixture & Contemporary Pole	$39.56	$40.25
300 Dark Sky, 4000 Lumen Fixture & Smooth Pole	$26.10	$26.56
301 Dark Sky, 9500 Lumen Fixture & Smooth Pole	$27.16	$27.64
414 Victorian, 5800 Lumen Fixture Only	Moved from LS	$36.31
415 Victorian, 9500 Lumen Fixture Only	Moved from LS	$36.48

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Lighting Energy Service - Rate LE

Rate:

	Current	Proposed
Energy Charge per kWh:	$0.06998	$0.07178

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Traffic Energy Service – Rate TE

Rate:

	Current	Proposed
Basic Service Charge per Day:	$0.13 per delivery point	$0.13 per delivery point
Energy Charge per kWh:	$0.08689	$0.08848

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Conditions of Service

Current

2. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and Customer. Where attachment of Customer's devices is made to Company facilities, Customer must have an attachment agreement with Company.

Proposed

2. The location of each point of delivery of energy supplied hereunder shall be mutually agreed upon by Company and Customer.

Pole and Structure Attachment Charges, Terms and Conditions – Rate PSA

Attachment Charges:

Current	Proposed	
$7.25	$7.25	per year for each wireline pole attachment.
$0.81	$0.81	per year for each linear foot of duct.
$36.25	$36.25	per year for each Wireless Facility located on the top of a Company pole.

7. Attachment Applications and Permits

Current

c. Upon completion of the Make Ready Survey, Company shall notify Attachment Customer in writing whether its application for use of Company's Structures has been granted, of any necessary changes to the proposed construction drawings, and the conditions, if any, imposed on the installation or use of Attachments. Company reserves the right to deny access to any Structure based upon lack of capacity, safety, reliability or engineering standards. Company may deny access to Transmission Poles at its discretion for any reason provided that such denials shall be determined in a non-discriminatory manner. The following types of Transmission Poles that do not support electric supply lines operated at less than 69kV are not available for Attachments under this Schedule: (1) Transmission Poles that do not support electric supply lines operated at less than 69kV; (2) any Transmission Poles that support electric supply lines operated at 138kV or above.

h. If Attachment Customer submits to Company within a thirty (30) day period an application or applications for Attachments to more than 300 poles or to place Cable or conduit through more than ten (10) manholes, such application or applications shall be considered a High-Volume Application. The provisions set forth in Sections 7b through 7g that relate to time period and cost-reimbursement of Company's performance of application review, engineering analysis, and a Make-Ready Survey, and the performance of make-ready work, shall not apply to High-Volume Applications. Company and Attachment Customer submitting a High-Volume Application shall develop a mutually agreeable plan of performance and cost reimbursement for Company's performance of application review, engineering analysis, and a Make-Ready Survey, and the performance of make-ready work, shall set this plan to writing and shall file it with the Commission as a special contract.

Proposed

c. Upon completion of the Make-Ready Survey, Company shall notify Attachment Customer in writing whether its application for use of Company's Structures has been granted, of any necessary changes to the proposed construction drawings, and the conditions, if any, imposed on the installation or use of Attachments. Company reserves the right to deny access to any Structure based upon lack of capacity, safety, reliability or engineering standards. Company may deny access to Transmission Poles at its discretion for any reason provided that such denials shall be determined in a non-discriminatory manner. The following types of Transmission Poles are not available for Attachments under this Schedule: (1) Transmission Poles that do not support electric supply lines operated at less than 69kV and (2) Transmission Poles that support electric supply lines operated at 138kV or above.

h. If Attachment Customer submits to Company within a thirty (30) day period an application or applications for Wireline Attachments to more than 300 poles, for Wireless Attachments to more than thirty (30) poles, or to place Cable or conduit through more than ten (10) manholes, such application or applications shall be considered a High-Volume Application. The provisions set forth in Sections 7b through 7g that relate to time period and cost-reimbursement of Company's performance of application review, engineering analysis, and a Make-Ready Survey, and the performance of make-ready work, shall not apply to High-Volume Applications. Company and Attachment Customer submitting a High-Volume Application shall develop a mutually agreeable plan of performance and cost reimbursement for Company's performance of application review, engineering analysis, and a Make-Ready Survey, and the performance of make-ready work, shall set this plan to writing and shall file it with the Commission as a special contract.

19. Unauthorized Attachments

Current

If Attachment Customer makes any Attachment that requires Company approval or advance notice under this Schedule or the Contract and has not obtained such approval or provided such advance notice, such Attachment shall be deemed an "Unauthorized Attachment," and shall be presumed to have been affixed to Company Structures for two years or since completion of the most recent audit if such audit was completed within that two-year period. Attachment Customer shall be liable for attachment charges for this time period. In addition to the attachment charges for the period of unauthorized attachment, Attachment Customer shall pay a penalty for each Unauthorized Attachment in the amount of $25.00. The Company, however, may not assess an Attachment Customer the $25.00 penalty for Unauthorized Attachments on the basis of the findings of any system-wide audit the Company commenced prior to May 1, 2019. Attachment Customer shall also submit to Company an application for approval of the Unauthorized Attachment within thirty (30) days of the attachment's discovery. If Attachment Customer fails to submit the required applications or fails to timely remit any necessary payments to Company in connection with the application process (including but not limited to any make-ready fees necessary to accommodate the Unauthorized Attachments), Company may remove any or all such Unauthorized Attachments at Attachment Customer's expense.

Proposed

If Attachment Customer makes any Attachment that requires Company approval or advance notice under this Schedule or the Contract and has not obtained such approval or provided such advance notice, such Attachment shall be deemed an "Unauthorized Attachment," and shall be presumed to have been affixed to Company Structures for two years or since completion of the most recent audit if such audit was completed within that two-year period. Attachment Customer shall be liable for attachment charges for this time period. In addition to the attachment charges for the period of unauthorized attachment, Attachment Customer shall pay a penalty for each Unauthorized Attachment in the amount of $25.00. Attachment Customer shall also submit to Company an application for approval of the Unauthorized Attachment within thirty (30) days of the attachment's discovery. If Attachment Customer fails to submit the required applications or fails to timely remit any necessary payments to Company in connection with the application process (including but not limited to any make-ready fees necessary to accommodate the Unauthorized Attachments), Company may remove any or all such Unauthorized Attachments at Attachment Customer's expense.

21. Termination

Current

Attachment Customer may terminate a Contract by providing Company written notice of termination at least sixty (60) days prior to the end of the term of service.

Proposed

Deleted.

Electric Vehicle Supply Equipment – Rate EVSE

Availability

Current

Available to Customers to be served or currently being served under Rates GS (with energy usage of 500 kWh or higher per month), PS, TODS, TODP, RTS, and FLS, for the purpose of charging electric vehicles.

Charging station is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas.

A basic underground service includes the charging station, existing transformer (or secondary pedestal) and 208/240 volt single-phase service, and necessary conductor and equipment typical of an underground service drop. Said service drop can originate from underground or overhead equipment. Company will furnish, own, install, and maintain the charging unit and cable. Customer will furnish, own and install all duct systems and associated equipment.

Where the location of existing facilities is not suitable, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

Company will coordinate charging station installation with Company's current charging station supplier and Customer. Customer shall be responsible for the charging equipment installation costs.

Proposed

Available to Customers to be served or currently being served under Rates GS (with energy usage of 500 kWh or higher per month), GTOD-Energy, GTOD-Demand, PS, TODS, TODP, RTS, and FLS, for the purpose of charging electric vehicles.

Charging station is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas.

A basic underground service includes the charging station, existing transformer (or secondary pedestal) and 208/240 volt single-phase service, and necessary conductor and equipment typical of an underground service drop. Said service drop can originate from underground or overhead equipment. Company will furnish, own, and maintain the charging unit and cable. The Customer will own and maintain duct systems and associated equipment needed to serve the charger.

Where the location of existing facilities is not suitable, and Customer requests service under these conditions, Company may furnish the requested facilities at an additional charge to be determined under the Excess Facilities Rider.

Company may coordinate charging station installation with Company's current charging station suppliers and Customer. Customer shall be responsible for the charging equipment installation costs.

Rate:

	Current	**Proposed**

Monthly Charging Unit Fee:		
Networked Charger:		
Single Charger	$132.09	$132.09
Dual Charger	$193.62	$193.62
Non-Networked Charger:		
Single Charger:	New	$ 82.86

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Energy Consumption:

Current

Determination of energy applies to the non-metered charging station. The applicable fuel clause charge or credit will be based on an annual 5,852 kilowatt-hours.

Proposed

Determination of energy applies to the non-metered charging station. The applicable fuel clause charge or credit will be based on an annual 5,004 kilowatt-hours.

Electric Vehicle Charging Service – Level 2 – Rate EVC-L2

Availability:

Current

Available to operators of licensed electric vehicles (EV). EV Customer is defined as the party who owns/operates a licensed electric vehicle, connects that vehicle for the purpose of receiving vehicle charging service to a Company-owned charging station providing service under this schedule, and willingly accepts Company's fee structure for the vehicle charging service. EVC is offered under the conditions set out hereinafter for the purpose of charging EVs via street parking, parking lots, and other outdoor areas. EV Customers' charging systems must meet applicable charging standards. Service under this rate schedule is limited to a maximum of ten stations. Company will accept Customers on a first-come-first-served basis.

Company assumes no liability or responsibility for any potential automotive-related incidents that occur at specific charging locations. EV Customer accepts all restrictions related to the temporary parking space.

Proposed

Available to operators of licensed electric vehicles (EV). EV Customer is defined as the party who owns/operates a licensed electric vehicle, connects that vehicle for the purpose of receiving vehicle charging service to a Company-owned charging station providing service under this schedule, and willingly accepts Company's fee structure for the vehicle charging service. EVC-L2 is offered under the conditions set out hereinafter for the purpose of charging EVs via street parking, parking lots, and other outdoor areas for stations rated at AC Level 2 speeds. EV Customers' charging systems must meet applicable charging standards. Service under this rate schedule is limited to a maximum of ten stations. Company will accept Customers on a first-come-first-served basis.

Company assumes no liability or responsibility for any potential automotive-related incidents that occur at Company-owned public charging locations. EV Customer accepts all restrictions related to the temporary parking space.

Rate:

	Current	**Proposed**
Fee for First Two (2) Hours (per hour):	$0.75	$0.75
Fee for Every Hour After First Two (2) Hours (per hour):	$1.00	$1.00

Adjustment Clauses:

Current

The bill amount computed at the charges specified above includes the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87

The bill amount specified above will be increased or decreased in accordance with the following:

Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above includes the following:

Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87

The bill amount specified above will be increased or decreased in accordance with the following:

Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

NEW - Electric Vehicle Fast Charging Service – Rate EVC-FAST

NEW Standard Rate:

Available to operators of licensed electric vehicles (EV). EV Customer is defined as the party who owns/operates a licensed electric vehicle, connects that vehicle for the purpose of receiving vehicle charging service to a Company-owned charging station providing service under this schedule, and willingly accepts Company's fee structure for the vehicle charging service. EVC-FAST is offered under the conditions set out hereinafter for the purpose of charging EVs via street parking, parking lots, and other outdoor areas using chargers with an output of 50 kW or greater. EV Customers' charging systems must meet applicable charging standards. Company will accept EV Customers on a first-come-first-served basis.

Company assumes no liability or responsibility for any potential automotive-related incidents that occur at Company-owned public charging locations. EV Customer accepts all restrictions related to the temporary parking space.

Rate:
Fee for use: $0.25 per kWh

Special Charges

Returned Payment Charge

Current Rate	$ 3.00	**Proposed Rate**	$ 3.50

Meter Test Charge

Current Rate	$75.00	**Proposed Rate**	$79.00

Disconnecting and Reconnecting Service Charge

Without "Remote Disconnection and Reconnection"

Current Rate	$28.00	**Proposed Rate**	$37.00

With "Remote Disconnection and Reconnection"

Current Rate	New	**Proposed Rate**	$0

Meter Pulse Charge

Current

Where a Customer desires and Company is willing to provide data meter pulses, a charge of $24.00 per month per installed set of pulse-generating equipment will be made to those data pulses. Time pulses will not be supplied.

Proposed

Where a Customer desires and Company is willing to provide data meter pulses, a charge of $21.00 per month per installed set of pulse-generating equipment will be made to those data pulses. Time pulses will not be supplied.

Service to provide data meter pulses will be furnished only under contract for a fixed term of not less than one (1) year, and for yearly periods thereafter until terminated by either party giving written notice to the other party ninety (90) days prior to termination.

In no event shall Company's meter pulse data have any liability to Customer or any other party affected by the electrical service to Customer for any consequential, indirect, incidental, special, or punitive damages, and such limitation of liability shall apply regardless of claim or theory. In addition, to the extent that Company acts within its rights as set forth herein and/or any applicable law or regulation, Company shall have no liability of any kind to Customer or any other party. In the event that Customer's use of Company's service causes damage to Company's property or injuries to persons, Customer shall be responsible for such damage or injury and shall indemnify, defend, and hold Company harmless from any and all suits, claims, losses, and expenses associated therewith.

Unauthorized Connection Charge:

Current

When Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such

tampering or unauthorized reconnection or connection of service:

(1) A charge of $70.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter;
(2) A charge of $90.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase standard meter;
(3) A charge of $110.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Automatic Meter Reading (AMR) meter;
(4) A charge of $174.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Advanced Metering System (AMS) meter; or
(5) A charge of $177.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a three-phase meter.

Proposed

When Company determines that Customer has tampered with a meter, reconnected service without authorization from Company that previously had been disconnected by Company, or connected service without authorization from Company, then the following charges shall be assessed for each instance of such tampering or unauthorized reconnection or connection of service:

(1) A charge of $45.00 for tampering or an unauthorized connection or reconnection that does not require the replacement of the meter;
(2) A charge of $66.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase standard meter;
(3) A charge of $87.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Automatic Meter Reading (AMR) meter;
(4) A charge of $149.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a single-phase Advanced Metering Infrastructure (AMI) meter; or
(5) A charge of $154.00 for tampering or an unauthorized connection or reconnection that requires the replacement of a three-phase meter.

Company may, in its sole discretion, require Customer to take service using a non-AMI meter and pay AMI Opt Out Charges (see Sheet No. 45.2) if Customer engages in particularly dangerous or repeated instances of tampering with an AMI meter. If there are no additional instances of tampering after twelve (12) months of having an AMI meter removed, Customer may request to have an AMI meter reinstalled and end AMI Opt Out Charges.

New – AMI Opt-Out Charges

Customer may opt out of having an AMI meter by contacting Company to request a non-AMI meter. If Company has a non-AMI meter available, Company will honor Customer's opt-out request and assess the following charges:

1. A one-time opt-out set-up fee of $39.00 per service delivery point. During Company's AMI project deployment phase, if Customer requests a non-AMI meter prior to an AMI meter being installed at Customer's premise, Company will not charge the one-time set-up fee.
2. A monthly opt-out charge of $15.00 per service delivery point.

If Customer chooses to opt out any meter on a single premise, Customer must opt out all Company meters on that premise. Company has sole discretion to determine the alternative metering to be used for opted-out meters.

TERMS AND CONDITIONS

Company has the right to refuse an opt-out request if:

(a) Customer has a history of meter tampering or unauthorized use of electricity at the current or any prior location;

(b) The service creates a safety hazard to consumers or their premises, the public, or the electric utility's personnel or facilities; or

(c) Customer prevents the electric utility's employees or agents access to the meter at the customer's premises for maintenance, connection/disconnection, or meter-reading.

Curtailable Service Rider-1 – CSR-1

Rate:

Primary	**Current**	**Proposed**
Monthly Demand Credit Per kVA:	$3.20	$3.20
Non-Compliance Charge Per kVA:	$16.00	$16.00
Transmission	**Current**	**Proposed**
Monthly Demand Credit Per kVA:	$3.31	$3.31
Non-Compliance Charge Per kVA:	$16.00	$16.00

Curtailable Service Rider-2 – CSR-2

Rate:

Primary	**Current**	**Proposed**
Monthly Demand Credit Per kVA:	$6.00	$6.00
Non-Compliance Charge Per kVA:	$16.00	$16.00
Transmission	**Current**	**Proposed**
Monthly Demand Credit Per kVA:	$5.90	$5.90
Non-Compliance Charge Per kVA:	$16.00	$16.00

Small Capacity Cogeneration and Small Power Production Qualifying Facilities

Rate A: Time-Differentiated Rate

Current

On-peak hours for summer billing months of June through September are defined as weekdays (exclusive of holidays) from 8:01 A.M. to 9:00 P.M., Eastern Standard Time (under 1 above).

On-peak hours for winter billing months of December through February are defined as weekdays (exclusive of holidays) from 6:01 A.M. to 9:00 P.M., Eastern Standard Time (under 2 above).

Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above).

Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.

Proposed

On-peak hours for summer billing months of June through September are defined as weekdays from 8:01 A.M. to 9:00 P.M., Eastern Standard Time (under 1 above).

On-peak hours for winter billing months of December through February are defined as weekdays from 6:01

A.M. to 9:00 P.M., Eastern Standard Time (under 2 above).

Off-peak hours are defined as all hours other than those listed as on-peak (under 3 above).

Company reserves the right to change the hours designated as on-peak from time to time as conditions indicate to be appropriate.

If a legal holiday falls on a weekday, it will be considered a weekday.

Large Capacity Cogeneration and Small Power Production Qualifying Facilities

Energy Component Payments

Current

The hourly avoided energy cost (AEC) in $ per MWh, which is payable to a QF for delivery of energy, shall be equal to Company's actual variable fuel expenses, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to [AEC x EQF], where EQF is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.

Proposed

The hourly avoided energy cost (AEC) in $ per MWh, which is payable to a QF for delivery of energy, shall be equal to Company's actual fuel expenses, excluding those that are fixed and non-avoidable, for Company-owned coal and natural gas-fired production facilities, divided by the associated megawatt-hours of generation, as determined for the previous month. The total amount of the avoided energy cost payment to be made to a QF in an hour is equal to [AEC x EQF], where EQF is the amount of megawatt-hours delivered by a QF in that hour and which are determined by suitable metering.

Net Metering Service-1

Availability

Current

Available to any Customer-generator who owns and operates a generating facility located on Customer's premises that generates electricity using solar, wind, biomass or biogas, or hydro energy in parallel with Company's electric distribution system to provide all or part of Customer's electrical requirements, and who executes Company's written Application for Interconnection and Net Metering. The generation facility shall be limited to a maximum rated capacity of 45 kilowatts. This Standard Rate Rider is intended to comply with all provisions of the Interconnection and Net Metering Guidelines approved by the Kentucky Public Service Commission, which can be found on-line at www.psc.ky.gov as Appendix A to the January 8, 2009 Order in Administrative Case No. 2008-00169.

Proposed

Available for service for any eligible electric generating facility as defined in KRS 278.465(2) owned and operated by a Customer-generator located on Customer's premises that generates electricity using solar, wind, biomass or biogas, or hydro energy in parallel with Company's electric distribution system to provide all or part of Customer's electrical requirements, and for which the Customer has executed Company's written Application for Interconnection and Net Metering before January 1, 2021. The generation facility shall be limited to a maximum rated capacity of 45 kilowatts.

Company will cease to provide service under this Standard Rate Rider on January 1, 2046. At that time, Company will transfer all customers taking service under this Standard Rate Rider to Standard Rate Rider NMS-2.

Metering and Billing

Current

Net metering service shall be measured using a single meter or, as determined by Company, additional meters and shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. This net metering equipment shall be provided without any cost to Customer. This provision does not relieve Customer's responsibility to pay metering costs embedded in Company's Commission-approved base rates. Additional meters, requested by Customer, will be provided at Customer's expense.

If electricity generated by Customer and fed back to Company's system exceeds the electricity supplied to Customer from the system during a billing period, Customer shall receive a billing- period credit for the net delivery on Customer's bill for the succeeding billing periods. If Customer takes service under a time-of-use or time-of-day rate schedule, Company will apply billing-period credits Customer creates in a particular time-of-day or time-of-use block only to offset net energy consumption in the same time-of-day or time-of-use block; such credits will not be used to offset net energy consumption in other time-of-day or time-of-use blocks in any billing period. Any such unused excess billing-period credits will be carried forward and drawn on by Customer as needed. Unused excess billing-period credits existing at the time Customer's service is terminated end with Customer's account and are not transferrable between Customers or locations.

Proposed

If electricity generated by Customer and fed back to Company's system exceeds the electricity supplied to Customer from the system during a billing period, Customer shall receive a billing- period credit for the net delivery on Customer's bill for the succeeding billing periods. If Customer takes service under a time-of-use or time-of-day rate schedule, Company will apply billing-period credits Customer creates in a particular time-of-day or time-of-use block only to offset net energy consumption in the same time-of-day or time-of-use block; such credits will not be used to offset net energy consumption in other time-of-day or time-of-use blocks in any billing period. Any such unused excess billing-period credits will be carried forward and drawn on by Customer as needed. Unused excess billing-period credits existing at the time Customer's service is terminated end with Customer's account and are not transferrable between locations.

Net Metering Interconnection Guidelines moved to Sheet No. 108

Net Metering Applications moved to Company's internet site (https://lge-ku.com/residential/net-metering)

NEW - Net Metering Service-2 – Rider NMS-2

New Rider: Available to any Customer-generator who owns and operates a generating facility located on Customer's premises that generates electricity using solar, wind, biomass or biogas, or hydro energy in parallel with Company's electric distribution system to provide all or part of Customer's electrical requirements, and who executes Company's Application for Interconnection and Net Metering on or after January 1, 2021. The generation facility shall be limited to a maximum rated capacity of 45 kilowatts.

Standard Rider for Excess Facilities – Rider EF

Rate:

Customer shall pay for excess facilities by:	**Current**	**Proposed**
(a) Making a monthly Excess Facilities charge payment equal to the installed cost of the excess facilities times the following percentage:		

Percentage with No Contribution-in-Aid-of-Construction	1.16%	1.17%
(b) Making a one-time Contribution-in-Aid-of-Construction equal to the installed cost of the excess facilities plus a monthly Excess Facilities Charge payment equal to the installed cost of the excess facilities times the following percentage:		
Percentage with Contribution-in-Aid-of-Construction	0.47%	0.47%

Term of Contract

Current

The initial term of contract to Customer under this schedule shall be not less than five (5) years. The term shall continue automatically until terminated by either party upon at least one (1) month's written notice.

Proposed

The initial term of contract to Customer under this schedule shall be not less than five (5) years. The term shall continue automatically until terminated by either party upon at least one (1) month's written notice. Customer may be responsible for removal cost of facilities upon termination of the contract.

Standard Rider for Redundant Capacity Charge – Rider RC

Rate:

Capacity Reservation Charge per Month:	**Current (Per kW/kVA)**	**Proposed (Per kW/kVA)**
Secondary Distribution	$1.16	$1.36
Primary Distribution	$0.99	$0.92

Economic Development Rider – Rider EDR

Terms and Conditions (Economic Development):

Current

4. d. a certification that Customer has been qualified by the Commonwealth of Kentucky for benefits under the Kentucky Business Investment Program (KBI), or the Kentucky Industrial Revitalization Act (KIRA), or the Kentucky Jobs Retention Act (KJRA), or other comparable programs approved by the Commonwealth of Kentucky.

Proposed

4. d. a certification that Customer has been qualified by the Commonwealth of Kentucky for benefits under programs reviewed and approved by the Kentucky Economic Development Finance Authority, or any successor entity authorized by the Commonwealth of Kentucky.

Terms and Conditions (General):

Current

9. Neither the demand charge reduction nor any unjustified capital investment in facilities will be borne by Company's other Customers during the term of the EDR contract.

Proposed

Eliminated

Terms and Conditions (General):

New

12. All EDR contracts will provide for the recovery of EDR customer-specific fixed costs over the life of the contract.

13. All EDR contracts designed to retain the load of existing customers should be accompanied by an affidavit

of the customer stating that, without the rate discount, operations will cease or be severely restricted. Demonstration of financial hardship must also be provided by the customer to Company.

Solar Share Program Rider – Rider SSP

Availability:

Current

This optional, voluntary service is available to Customers taking service under Rates RS, RTOD-Energy, RTOD-Demand, VFD, GS, PS, TODS, and TODP. The terms and conditions set out herein are available for and applicable to participation in Company's Solar Share Program.

Proposed

This optional, voluntary service is available to Customers taking service under Rates RS, RTOD-Energy, RTOD-Demand, VFD, GS, GTOD-Energy, GTOD-Demand, PS, TODS, and TODP. The terms and conditions set out herein are available for and applicable to participation in Company's Solar Share Program.

Rate:

	Current	**Proposed**
	Per quarter-kW	**Per quarter-kW**
Solar Capacity Charge	**Subscribed**	**Subscribed**
One-Time Solar Capacity Charge	$799	$799
Monthly Solar Capacity Charge	$5.55	$5.55

Terms and Conditions

Terms and Conditions were reorganized, but no content changes proposed

Electric Vehicle Supply Equipment – Rider EVSE-R

Availability

Current

Available as a rider to Customers to be served or currently being served under Rates GS (with energy usage of 500 kWh or higher per month), PS, TODS, TODP, RTS, and FLS, for the purpose of charging electrical vehicles, whereby Customer installs and owns facilities on its side of the point of delivery of the energy supplied hereunder necessary to serve Company-provided charging station.

Charging station under this rider is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and other outdoor areas. Customer is responsible for providing the appropriate voltage levels and connections necessary to operate Company-provided charger.

Company will coordinate charging station installation with Company's current charging station supplier and Customer. Customer shall be responsible for the charging equipment installation costs.

Proposed

Available as a rider to Customers to be served or currently being served under Rates GS (with energy usage of 500 kWh or higher per month), GTOD-Energy, GTOD-Demand, PS, TODS, TODP, RTS, and FLS, for the purpose of charging electrical vehicles, whereby Customer installs and owns facilities on its side of the point of delivery of the energy supplied hereunder necessary to serve Company-provided charging station.

Charging station under this rider is offered under the conditions set out hereinafter for electric vehicle supply equipment such as, but not limited to, the charging of electric vehicles via street parking, parking lots, and

other outdoor areas. Company will furnish, own, and maintain the charging unit and cable. The customer will own and maintain duct systems and associated equipment needed to serve the charger.

Company may coordinate charging station installation with Company's current charging station supplier and Customer. Customer shall be responsible for the charging equipment installation costs.

Monthly Charging Unit Fee	**Current**	**Proposed**
Networked Charger:		
Single Charger	$121.79	$121.79
Dual Charger	$173.02	$173.02
Non-Networked Charger:		
Single Charger	New	$ 30.86

NEW - Warranty Service for Customer-Owned Electric Facilities (Billing and Collection) – Rider WT

New - To persons or firms providing warranty service to the Company's residential customers for the repair or replacement of customer-owned exterior electric facilities serving the customer's residence and connected to the Company's distribution facilities.

Outdoor Sports Lighting Service – Pilot OSL

Rate:

Secondary	**Current**	**Proposed**
Basic Service Charge per day	$2.96	$2.96
Plus and Energy Charge per kWh of:	$0.03249	$0.03210
Plus a Maximum Load Charge per kW of:		
Peak Demand Period	$24.17	$19.61
Base Demand Period	$2.02	$2.93
Primary	**Current**	**Proposed**
Basic Service Charge per day	$7.89	$7.89
Plus and Energy Charge per kWh of:	$0.03032	$0.03128
Plus a Maximum Load Charge per kW of:		
Peak Demand Period	$20.04	$16.26
Base Demand Period	$2.03	$2.51

Adjustment Clauses:

Current

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Proposed

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Demand-Side Management Cost Recovery Mechanism	Sheet No. 86
Fuel Adjustment Clause	Sheet No. 85
Off-System Sales Adjustment Clause	Sheet No. 88
Economic Relief Surcredit	Sheet No. 89
Environmental Cost Recovery Surcharge	Sheet No. 87
Franchise Fee	Sheet No. 90
School Tax	Sheet No. 91

Rating Periods:

Current

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Peak
Weekdays	All Hours	1 P.M. - 7 P.M.
Weekends	All Hours	

All other months of October continuously through April

	Base	Peak
Weekdays	All Hours	6 A.M. – 12 Noon
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday.

Proposed

The rating periods applicable to the Maximum Load charges are established in Eastern Standard Time year round by season for weekdays and weekends, throughout Company's service area, and shall be as follows:

Summer peak months of May through September

	Base	Peak
Weekdays	All Hours	1 P.M. - 6 P.M.
Weekends	All Hours	

All other months of October continuously through April

	Base	Peak
Weekdays	All Hours	6 A.M. – 12 Noon
Weekends	All Hours	

If a legal holiday falls on a weekday, it will be considered a weekday.

Late Payment Charge:

Current

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Proposed

If full payment is not received by the due date of the bill, a 1% late payment charge will be assessed on the current month's charges.

Beginning January 1, 2021, Outdoor Sports Lighting Service Customers in good standing by not having been assessed a Late Payment Charge for the previous eleven (11) months have the option of waiving one (1) late payment charge upon request. This option may only be used once every twelve (12) months as long as the Customer remains in good standing.

Environmental Cost Recovery Surcharge

Availability of Service:

Current

This schedule is mandatory to all rate schedules listed in Section 1 of the General Index except Rate PSA and Special Charges, all Pilot Programs listed in Section 3 of the General Index, and FAC (including OSS) and DSM Adjustment Clauses. Rate schedules subject to this adjustment clause are divided into Group 1 or Group 2 as follows:

Group 1: Rates RS; RTOD-Energy; RTOD-Demand; VFD; AES; LS; RLS; LE; and TE.
Group 2: Rates GS; PS; TODS; TODP; RTS; FLS; EVSE; EVC; and OSL.

Proposed

This schedule is mandatory to all rate schedules listed in Section 1 of the General Index except Rate PSA and Special Charges, all Pilot Programs listed in Section 3 of the General Index, and FAC (including OSS) and DSM Adjustment Clauses. Rate schedules subject to this adjustment clause are divided into Group 1 or Group 2 as follows:

Group 1: Rates RS; RTOD-Energy; RTOD-Demand; VFD; AES; LS; RLS; LE; and TE.
Group 2: Rates GS; GTOD-Energy; GTOD-Demand; PS; TODS; TODP; RTS; FLS; EVSE; EVC-L2; EVC-FAST; and OSL.

Definitions:

Current

e. OE is the Operating Expenses. OE includes operation and maintenance expense recovery authorized by the K.P.S.C. in all approved ECR Plan proceedings.
f. EAS is the total proceeds from emission allowance sales.

Proposed

e. OE is the Operating Expenses. OE includes operation and maintenance expense recovery authorized by the Kentucky Public Service Commission in all approved ECR Plan proceedings.
f. BAS is the total proceeds from by-product and allowance sales.

Definitions:

Current

3. The Group 1 R(m) is the average of total Group 1 monthly base revenue for the twelve (12) months ending with the current expense month. Base revenue includes Customer, energy, and lighting charges for each rate schedule included in Group 1 to which this mechanism is applicable and automatic adjustment clause revenues for the Fuel Adjustment Clause and the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 1.

Proposed

3.The Group 1 R(m) is the average of total Group 1 monthly base revenue for the twelve (12) months ending with the current expense month. Base revenue includes Customer, energy, and lighting charges for each rate schedule included in Group 1 to which this mechanism is applicable and automatic adjustment clause revenues for the Fuel Adjustment Clause, Off-System Sales Adjustment Clause, and the Demand-Side Management Cost Recovery Mechanism as applicable for each rate schedule in Group 1.

New - Economic Relief Surcredit – ERS

New – KU is proposing an Economic Relief Surcredit Adjustment Clause, which will credit KU customers a total of $11.9 million over twelve months when new rates go into effect from this proceeding. For the first twelve months of new rates following this proceeding, a $0.00068 per kWh credit will be applied to all standard rate schedules.

Home Energy Assistance Program Adjustment Clause - HEA

Rate:

Current **Proposed**

$0.30 per month. $0.30 per month.

Terms and Conditions – Customer Bill of Rights

Current

You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance has been corrected.

Proposed

You have the right to prompt restoration of your service when the discontinuance for cause has been corrected within 24 hours or by the end of the next business day, whichever is greater.

Terms and Conditions – Customer Responsibilities

Owner's Consent to Occupy:

Current

Customer shall grant easements and rights-of-way on and across Customer's property at no cost to Company.

Proposed

Customer shall grant such easements and rights-of-way on and across Customer's property that are reasonably necessary to provide service to the Customer at no cost to Company.

Terms and Conditions – Residential Rate Specific Terms and Conditions

Current

2. DEFINITION OF SINGLE FAMILY UNIT - A single family unit is a structure or part of a structure used or intended to be used as a home, residence, or sleeping place by one or more persons maintaining a common household. Residential service is not available to transient multi-family structures including, but not limited to, hotels, motels, studio apartments, college dormitories, or any structure without a permanent foundation or attached to sanitation facilities. Fraternity or sorority organizations associated with educational institutions may be classified as residential and billed at the residential rate.

Proposed

2. DEFINITION OF SINGLE FAMILY UNIT - A single family unit is a structure or part of a structure used or intended to be used as a home, residence, or sleeping place by one or more persons maintaining a common household. Residential service is not available to transient multi-family structures including, but not limited to, hotels, motels, studio apartments, college dormitories, separately metered vacation rentals, boat slips, campers, or any structure without a permanent foundation or attached to sanitation facilities. Fraternity or sorority organizations associated with educational institutions may be classified as residential and billed at the residential rate.

Terms and Conditions – Billing

Meter Readings and Bills

Current

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, the minimum charges of the applicable rate schedules will be prorated on the basis of the ratio of the actual number of days in such period to thirty (30) days, unless an applicable rate schedule has a daily Basic Service Charge, in which case a full daily Basic Service Charge will be charged to a customer for each day or partial day during which the customer's account was open and served under that rate schedule.

Proposed

In the case of opening and closing bills when the total period between regular and special meter readings is less than thirty days, any demand or monthly charges of the applicable rate schedules will be prorated

on the basis of the ratio of the actual number of days in such period to thirty (30) days.

Meter Readings and Bills

Current

Bills are due and payable at the office of Company during business hours, or at other locations designated by Company, within sixteen (16) business days (no less than twenty-two (22) calendar days) from date of rendition thereof. If full payment is not received by the due date of the bill, a late payment charge will be assessed on the current month's charges. Beginning October 1, 2010, residential customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice. There will be no adverse credit impact on the customer's payment and credit record, including credit scoring, both internally and externally, and the account will not be considered delinquent for any purpose if the Company receives the customer's payment within fifteen days after the date on which the Company issues the customer's bill.

Proposed

Bills are due and payable at the office of Company during business hours, or at other locations designated by Company, within sixteen (16) business days (no less than twenty-two (22) calendar days) from date of rendition thereof. If full payment is not received by the due date of the bill, a late payment charge will be assessed on the current month's charges. Beginning October 1, 2010, residential customers who receive a pledge for or notice of low income energy assistance from an authorized agency will not be assessed or required to pay a late payment charge for the bill for which the pledge or notice is received, nor will they be assessed or required to pay a late payment charge in any of the eleven (11) months following receipt of such pledge or notice. There will be no adverse credit impact on the customer's payment and credit record, and the account will not be considered delinquent for any purpose if the Company receives the customer's payment within fifteen days after the date on which the Company issues the customer's bill.

Terms and Conditions – Deposits

General Service

Current

1. General service Customers are those Customers served under General Service Rate GS, Sheet No. 10.

Proposed

1. General service Customers are those Customers served under General Service Rate GS, Sheet No. 10, General Time-of-Day Energy Service Rate GTOD-Energy Sheet No. 11, and General Time-of-Day Demand Service Rate GTOD-Demand Sheet No. 12.

Terms and Conditions – Budget Payment Plan

Current

Company's Budget Payment Plan is available to any residential Customer served under Residential Service Rate RS or any general service Customer served under General Service Rate GS. If a residential Customer, who is currently served under Residential Service Rate RS and is currently enrolled in the Budget Payment Plan, elects to take service under Residential Time-of-Day Energy Service Rate RTOD-Energy or Residential Time-of-Day Demand Service Rate RTOD-Demand, such Customer would be removed from the Budget Payment Plan and restored to regular billing.

Proposed

Company's Budget Payment Plan is available to any residential Customer served under Residential

Service Rate RS or any general service Customer served under General Service Rate GS. If a residential Customer, who is currently served under Residential Service Rate RS and is currently enrolled in the Budget Payment Plan, elects to take service under Residential Time-of-Day Energy Service Rate RTOD-Energy or Residential Time-of-Day Demand Service Rate RTOD-Demand, such Customer would be removed from the Budget Payment Plan and restored to regular billing. If a Customer, who is currently served under General Service Rate GS and is currently enrolled in the Budget Payment Plan, elects to take service under General Time-of-Day Energy Service Rate GTOD-Energy or General Time-of-Day Demand Service Rate GTOD-Demand, such Customer would be removed from the Budget Payment Plan and restored to regular billing.

Terms and Conditions – Energy Curtailment and Service Restoration Procedures

Priority Levels

Current

A. "Hospitals", which shall be limited to institutions providing medical care to patients.

E. "Communication Services", which shall be limited to essential uses required for telephone, telegraph, television, radio and newspaper operations, and operation of state and local emergency services.

G. "Transportation and Defense-related Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the national defense and operation of state and local emergency services. These uses shall include essential street, highway and signal-lighting services.

Proposed

A. "Hospitals and Treatment Facilities", which shall be limited to institutions providing patient care to humans as the primary function.

E. "Communication Services", which shall be limited to essential uses required for telephone, cellular phone, local broadcast networks, radio and newspaper operations, and operation of state and local emergency services.

G. "Transportation Services", which shall be limited to essential uses required for the operation, guidance control and navigation of air, rail and mass transit systems, including those uses essential to the operation of state and local emergency services. These uses shall include essential and signal-lighting services.

New – H. "Defense-related Services", which shall be limited to those uses essential to the national defense and operation of state and local emergency services.

New – I. "Schools", which shall be limited to accredited public or private K-12 educational facilities that may be used for shelters and/or staging areas.

NEW - Terms and Conditions – Net Metering Service Interconnection Guidelines

Current

NET METERING SERVICE INTERCONNECTION GUIDELINES

General – Customer shall operate the generating facility in parallel with Company's system under the following conditions and any other conditions required by Company where unusual circumstances arise not covered herein:

1. Customer to own, operate, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between Customer's and Company's system as well as adequate protective equipment

between the two systems. Customer's voltage at the point of interconnection will be the same as Company's system voltage.

2. Customer will be responsible for operating all generating facilities owned by Customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.

3. Customer will be responsible for any damage done to Company's equipment due to failure of Customer's control, safety, or other equipment.

4. Customer agrees to inform Company of any changes it wishes to make to its generating or associated facilities that differ from those initially installed and described to Company in writing and obtain prior approval from Company.

5. Company will have the right to inspect and approve Customer's facilities described herein, and to conduct any tests necessary to determine that such facilities are installed and operating properly; however, Company will have no obligation to inspect, witness tests, or in any manner be responsible for Customer's facilities or operation thereof.

6. Customer assumes all responsibility for the electric service on Customer's premises at and from the point of delivery of electricity from Company and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence or willful misconduct of Company.

Level 1 – A Level 1 installation is defined as an inverter-based generator certified as meeting the requirements of Underwriters Laboratories Standard 1741 and meeting the following conditions:

1.The aggregated net metering generation on a radial distribution circuit will not exceed 15% of the line section's most recent one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.

2.The aggregated net metering generation on a shared singled-phase secondary will not exceed 20 kVA or the nameplate rating of the service transformer.

3.A single-phase net metering generator interconnected on the center tap neutral of a 240 volt service shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.

4.A net metering generator interconnected to Company's three-phase, three-wire primary distribution lines, shall appear as a phase-to-phase connection to Company's primary distribution line.

5.A net metering generator interconnected to Company's three-phase, four-wire primary distribution lines, shall appear as an effectively grounded source to Company's primary distribution line.

6.A net metering generator will not be connected to an area or spot network.

7.There are no identified violations of the applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems".

8.Company will not be required to construct any facilities on its own system to accommodate the net metering generator.

Customer desiring a Level 1 interconnection shall submit a "LEVEL 1 - Application for Interconnection and Net Metering." Company shall notify Customer within 20 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 20 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company.

Level 2 – A Level 2 installation is defined as generator that is not inverter-based; that uses equipment not certified as meeting the requirements of Underwriters Laboratories Standard 1741; or that does not meet one or more of the conditions required of a Level 1 net metering generator. A Level 2 Application will be approved if the generating facility meets Company's technical interconnection requirements. Those requirements are available on line at www.lge-ku.com and upon request.

Customer desiring a Level 2 interconnection shall submit a "LEVEL 2 - Application for Interconnection and Net Metering." Company shall notify Customer within 30 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 30 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company.

Customer submitting a "Level 2 - Application for Interconnection and Net Metering" will provide a non-refundable inspection and processing fee of $100, and in the event that Company determines an impact study to be necessary, shall be responsible for any reasonable costs of up to $1,000 of documented costs for the initial impact study.

Additional studies requested by Customer shall be at Customer's expense.

CONDITIONS OF INTERCONNECTION

Customer may operate his net metering generator in parallel with Company's system when complying with the following conditions:

1.Customer shall install, operate, and maintain, at Customer's sole cost and expense, any control, protective, or other equipment on Customer's system required by Company's technical interconnection requirements based on IEEE 1547, NEC, accredited testing laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the net metering generating facility in parallel with Company's system. Customer bears full responsibility for the installation, maintenance and safe operation of the net metering generating facility. Upon reasonable request from Company, Customer shall demonstrate compliance.

2.Customer shall represent and warrant compliance of the net metering generator with:

a.any applicable safety and power standards established by IEEE and accredited testing laboratories;

b.NEC, as may be revised from time-to-time;

c.Company's rules and regulations and Terms and Conditions, as may be revised by time-to-time by the Kentucky Public Service Commission;

d.the rules and regulations of the Kentucky Public Service Commission, as may be revised by time-to-time by the Kentucky Public Service Commission:

e.all other local, state, and federal codes and laws, as may be in effect from time-to-time.

3.Any changes or additions to Company's system required to accommodate the net metering generator shall be Customer's financial responsibility and Company shall be reimbursed for such changes or additions prior to construction.

4.Customer shall operate the net metering generator in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. Customer shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Company to any of its other Customers or to any electric system interconnected with Company's electric system.

5.Customer shall be responsible for protecting, at Customer's sole cost and expense, the net metering generating facility from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment

failures, and lightning or switching surges, except that Company shall be responsible for repair of damage caused to the net metering generator resulting solely from the negligence or willful misconduct on the part of Company.

6.Following the initial testing and inspection of the generating facility and upon reasonable advance notice to Customer, Company shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the net metering generator comply with the requirements of this rider.

7.Where required by Company, Customer shall furnish and install on Customer's side of the point of interconnection a safety disconnect switch which shall be capable of fully disconnecting Customer's net metering generator from Company's electric service under the full rated conditions of Customer's net metering generator. The external disconnect switch (EDS) shall be located adjacent to Company's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, Customer shall be responsible for ensuring the location of the EDS is properly and legibly identified for so long as the net metering generator is operational.

The disconnect switch shall be accessible to Company personnel at all times. Company may waive the requirement for an external disconnect switch for a net metering generator at its sole discretion, and on a case by case basis.

8.Company shall have the right and authority at Company's sole discretion to isolate the generating facility or require Customer to discontinue operation of the net metering generator if Company believes that:

a.continued interconnection and parallel operation of the net metering generator with Company's electric system creates or contributes (or may create or contribute) to a system emergency on either Company's or Customer's electric system;

b.the net metering generator is not in compliance with the requirements of this rider and the non-compliance adversely affects the safety, reliability or power quality of Company's electric system; or

c.the net metering generator interferes with the operation of Company's electric system.

In non-emergency situations, Company shall give Customer notice of noncompliance including a description of the specific noncompliance condition and allow Customer a reasonable time to cure the noncompliance prior to isolating the Generating Facilities. In emergency situations, where Company is unable to immediately isolate or cause Customer to isolate only the net metering generator, Company may isolate Customer's entire facility.

9.Customer agrees that, without the prior written permission from Company, no changes shall be made to the generating facility as initially approved. Increases in net metering generator capacity will require a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet UL 1741 certification requirements for Level 1 facilities and not resulting in increases in net metering generator capacity is allowed without approval.

10. Customer shall protect, indemnify and hold harmless Company and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys' fees, for or on account of any injury or death of persons or damage to property caused by Customer or Customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining or operating Customer's net metering generator or any related equipment or any facilities owned by Company, except where such injury, death or damage was caused or contributed to by the fault or negligence of Company or its employees, agents, representatives or contractors. The liability of Company to Customer for injury to person and property shall be governed by the tariff(s) for the class of service under which Customer is taking service.

11. Customer shall maintain general liability insurance coverage (through a standard homeowner's, commercial or other policy) for generating facilities. Customer shall upon request provide Company with proof of such insurance at the time that application is made for net metering.
12. By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.
13. Customer's generating facility is transferable to other persons or service locations only after notification to Company has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, Customer, or location, Company will verify that the installation is in compliance with this tariff and provide written notification to the Customer(s) within 20 business days. If the installation is no longer in compliance with this tariff, Company will notify Customer in writing and list what must be done to place the facility in compliance.
14. Customer shall retain any and all Renewable Energy Credits (RECs) generated by Customer's generating facilities.

TERMS AND CONDITIONS
Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

Net Metering Applications moved to Companies' Net Metering website (https://lge-ku.com/residential/net-metering)

Proposed
GENERAL
Net metering service shall be measured using a single meter or, as determined by Company, additional meters and shall be measured in accordance with standard metering practices by metering equipment capable of registering power flow in both directions for each time period defined by the applicable rate schedule. This net metering equipment shall be provided without any additional cost to Customer. This provision does not relieve Customer's responsibility to pay metering costs embedded in Company's Commission-approved base rates. Additional meters, requested by Customer, will be provided at Customer's expense.

Customer shall operate the generating facility in parallel with Company's system under the following conditions and any other conditions required by Company where unusual circumstances arise not covered herein:
1.Customer to own, operate, and maintain all generating facilities on their premises for the primary purpose of supplying all or part of the customer's own electricity requirements. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between Customer's and Company's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as Company's system voltage.
2.Customer will be responsible for ensuring an anti-islanding safety feature is in place as required by applicable codes and standards.
3.Customer will ensure that all generating facilities comply with the Company's Interconnection Requirements for Customer-Sited Distributed Generation. Those requirements are available on line at www.lge-ku.com and upon request.

4.Customer shall allow data communications between the Customer's distributed generation equipment and the Company's control systems or other assets, where required by the Company for planning, coordination, reliability, or power quality purposes.

5. Customer will be responsible for operating all generating facilities owned by Customer, except as specified hereinafter. Customer will maintain its system in synchronization with Company's system.

6. Customer will be responsible for any damage done to Company's equipment due to failure of Customer's control, safety, or other equipment.

7. Customer agrees to inform Company of any changes it wishes to make to its generating or associated facilities that differ from those initially installed and described to Company in writing to obtain approval from Company.

8. Company will have the right to inspect and approve Customer's facilities described herein, and to conduct any tests necessary to determine that such facilities are installed and operating properly; however, Company will have no obligation to inspect, witness tests, or in any manner be responsible for Customer's facilities or operation thereof.

9. Customer assumes all responsibility for the electric service on Customer's premises at and from the point of delivery of electricity from Company and for the wires and equipment used in connection therewith, and will protect and save Company harmless from all claims for injury or damage to persons or property occurring on Customer's premises or at and from the point of delivery of electricity from Company, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence or willful misconduct of Company.

10. Customer recognizes that Company may or may not have adequate facilities to serve customer's total load at the time of any partial or full failure of customer's self-generation. Company will work with the customer to serve their load requirements which may be at additional cost to the customer.

Level 1 – A Level 1 installation is defined as an inverter-based generator certified as meeting the requirements of Institute of Electrical and Electronics Engineers (IEEE) Standard 1547, Underwriters Laboratories (UL) Standard 1741, and meeting the following conditions:

1.The aggregated net metering generation on a radial distribution circuit will not exceed 15% of the line section's most recent one hour peak load. A line section is the smallest part of the primary distribution system the generating facility could remain connected to after operation of any sectionalizing devices.

2.The aggregated net metering generation on a shared single-phase secondary will not exceed 20 kVA or the nameplate rating of the service transformer.

3.A single-phase net metering generator interconnected on the center tap neutral of a 240 volt service shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.

4. A net metering generator interconnected to Company's three-phase, three-wire primary distribution lines, shall appear as a phase-to-phase connection to Company's primary distribution line.

5.A net metering generator interconnected to Company's three-phase, four-wire primary distribution lines, shall appear as an effectively grounded source to Company's primary distribution line.

6.A net metering generator will not be connected to an area or spot network.

7.There are no identified violations of the applicable provisions of IEEE 1547, "Standard for Interconnecting Distributed Resources with Electric Power Systems".

8.Company will not be required to construct any facilities on its own system to accommodate the net metering generator.

Customer desiring a Level 1 interconnection shall submit a "LEVEL 1 - Application for Interconnection and Net Metering." Company shall notify Customer within 20 business days as to whether the request

is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 20 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company. Following Company approval of an application, any deviations in the installation from the submitted plan must be re-submitted to the Company for approval. This includes, but is not limited to: modifications in generation capacity, equipment selection, installation methods, and installation of additional equipment. Any modification in generation capacity related to existing customers taking service under NMS-1 will cause their service to be transitioned to NMS-2.

Level 2 – A Level 2 installation is defined as generator that does not meet one or more of the conditions required of a Level 1 net metering generator; that is not inverter-based; or that uses equipment not certified as meeting the requirements of IEEE 1547 and UL 1741.

Customer desiring a Level 2 interconnection shall submit a "LEVEL 2 - Application for Interconnection and Net Metering." Company shall notify Customer within 30 business days as to whether the request is approved or, if denied, the reason(s) for denial. If additional information is required, Company will notify Customer, and the time between notification and submission of the information shall not be counted towards the 30 business days. Approval is contingent upon an initial inspection and witness test at the discretion of Company. Following Company approval of an application, any deviations in the installation from the submitted plan must be re-submitted to the Company for approval. This includes, but is not limited to: modifications in generation capacity, equipment selection, installation methods, and installation of additional equipment.

Customer submitting a "Level 2 - Application for Interconnection and Net Metering" will provide a non-refundable inspection and processing fee of $100, and in the event that Company determines an impact study to be necessary, shall be responsible for any reasonable costs of up to $1,000 of documented costs for the initial impact study.

Additional studies requested by Customer shall be at Customer's expense.

CONDITIONS OF INTERCONNECTION

Customer may operate net metering generator(s) in parallel with Company's system when complying with the following conditions:

1.Customer shall install, operate, and maintain, at Customer's sole cost and expense, any control, protective, or other equipment on Customer's system required by Company's Interconnection Requirements for Customer-Sited Distributed Generation, applicable codes and standards, accredited testing laboratories, and the manufacturer's suggested practices for safe, efficient and reliable operation of the net metering generating facility in parallel with Company's system. Customer bears full responsibility for the installation, maintenance and safe operation of the net metering generating facility. Upon reasonable request from Company, Customer shall demonstrate compliance.

2.Customer shall represent and warrant compliance of the net metering generator with:

a.any applicable safety and power standards established by IEEE, UL and other accredited testing laboratories;

b.NFPA 70, National Electric Code (NEC), as may be revised from time-to-time;

c.Company's Interconnection Requirements for Customer-Sited Distributed Generation;

d.Company's rules and regulations and Terms and Conditions, as may be revised by time-to-time by the Kentucky Public Service Commission;

e.the rules and regulations of the Kentucky Public Service Commission, as may be revised by time-to-time by the Kentucky Public Service Commission:

f. all other local, state, and federal codes and laws, as may be in effect from time-to-time.

3. Any changes or additions to Company's system required to accommodate the net metering generator shall be Customer's financial responsibility and Company shall be reimbursed for such changes or additions prior to construction.

4. Customer shall operate the net metering generator in such a manner as not to cause undue fluctuations in voltage, intermittent load characteristics or otherwise interfere with the operation of Company's electric system. Customer shall so operate the generating facility in such a manner that no adverse impacts will be produced thereby to the service quality rendered by Company to any of its other Customers or to any electric system interconnected with Company's electric system.

5. Customer shall be responsible for protecting, at Customer's sole cost and expense, the net metering generating facility from any condition or disturbance on Company's electric system, including, but not limited to, voltage sags or swells, system faults, outages, loss of a single phase of supply, equipment failures, and lightning or switching surges, except that Company shall be responsible for repair of damage caused to the net metering generator resulting solely from the negligence or willful misconduct on the part of Company.

6. Following the initial testing and inspection of the generating facility and upon reasonable advance notice to Customer, Company shall have access at reasonable times to the generating facility to perform reasonable on-site inspections to verify that the installation, maintenance and operation of the net metering generator comply with the requirements of this rider.

7. Where required by Company, Customer shall furnish and install on Customer's side of the point of interconnection a safety disconnect switch which shall be capable of fully disconnecting Customer's net metering generator from Company's electric service under the full rated conditions of Customer's net metering generator. The external disconnect switch (EDS) shall be located adjacent to Company's meters or the location of the EDS shall be noted by placing a sticker on the meter, and shall be of the visible break type in a metal enclosure which can be secured by a padlock. If the EDS is not located directly adjacent to the meter, Customer shall be responsible for ensuring the location of the EDS is properly and legibly identified for so long as the net metering generator is operational.

The disconnect switch shall be accessible to Company personnel at all times. Certain installations meeting a list of requirements specified in the Company's Interconnection Requirements for Customer-Sited Distributed Generation may be exempt from the EDS requirement. Company may waive the requirement for an external disconnect switch for a net metering generator at its sole discretion, and on a case by case basis.

8. Company shall have the right and authority at Company's sole discretion to isolate the generating facility or require Customer to discontinue operation of the net metering generator if Company believes that:

a. continued interconnection and parallel operation of the net metering generator with Company's electric system creates or contributes (or may create or contribute) to a system emergency on either Company's or Customer's electric system;

b. the net metering generator is not in compliance with the requirements of this rider and the non-compliance adversely affects the safety, reliability or power quality of Company's electric system; or

c. the net metering generator interferes with the operation of Company's electric system.

In non-emergency situations, Company shall give Customer notice of noncompliance including a description of the specific noncompliance condition and allow Customer a reasonable time to cure the noncompliance prior to isolating the Generating Facilities. In emergency situations, where Company is unable to immediately isolate or cause Customer to isolate only the net metering generator, Company may isolate Customer's entire facility.

9. Customer agrees that, without the prior written permission from Company, no changes shall be made to the generating facility as initially approved. Increases in net metering generator capacity will require

a new "Application for Interconnection and Net Metering" which will be evaluated on the same basis as any other new application. Repair and replacement of existing generating facility components with like components that meet all applicable codes and standards certification requirements, including but not limited to IEEE 1547 and UL 1741, for Level 1 facilities and not resulting in increases in net metering generator capacity is allowed without approval.

10. Customer shall protect, indemnify and hold harmless Company and its directors, officers, employees, agents, representatives and contractors against and from all loss, claims, actions or suits, including costs and attorneys' fees, for or on account of any injury or death of persons or damage to property caused by Customer or Customer's employees, agents, representatives and contractors in tampering with, repairing, maintaining or operating Customer's net metering generator or any related equipment or any facilities owned by Company, except where such injury, death or damage was caused or contributed to by the fault or negligence of Company or its employees, agents, representatives or contractors. The liability of Company to Customer for injury to person and property shall be governed by the tariff(s) for the class of service under which Customer is taking service.

11. Customer shall maintain general liability insurance coverage (through a standard homeowner's, commercial or other policy) for generating facilities. Customer shall upon request provide Company with proof of such insurance at the time that application is made for net metering.

12. By entering into an Interconnection Agreement, or by inspection, if any, or by non-rejection, or by approval, or in any other way, Company does not give any warranty, express or implied, as to the adequacy, safety, compliance with applicable codes or requirements, or as to any other characteristics, of the generating facility equipment, controls, and protective relays and equipment.

13. Customer's generating facility is transferable to other persons or service locations only after notification to Company has been made and verification that the installation is in compliance with this tariff. Upon written notification that an approved generating facility is being transferred to another person, Customer, or location, Company will verify that the installation is in compliance with this tariff and provide written notification to the Customer(s) within 20 business days. If the installation is no longer in compliance with this tariff, Company will notify Customer in writing and list what must be done to place the facility in compliance.

14. Customer shall retain any and all Renewable Energy Credits (RECs) generated by Customer's generating facilities.

TERMS AND CONDITIONS

Except as provided herein, service will be furnished under Company's Terms and Conditions applicable hereto.

Net Metering Applications moved to Companies' Net Metering website (https://lge-ku.com/residential/net-metering)

Kentucky Utilities Company also proposes to change the text of the following electric tariff rate schedules and provisions: Residential Service Rate RS, Residential Time-of-Day Energy Service Rate RTOD-Energy, Residential Time-of-Day Demand Service Rate RTOD-Demand, Volunteer Fire Department Service Rate VFD, General Service Rate GS, All-Electric School Service Rate AES, Power Service Rate PS, Time-of-Day Secondary Service Rate TODS, Time-of-Day Primary Service Rate TODP, Retail Transmission Service Rate RTS, Fluctuating Load Service Rate FLS, Lighting Service Rate LS, Restricted Lighting Service Rate RLS, Lighting Energy Rate LE, Traffic Energy Service Rate TE, Pole and Structure Attachment Charges PSA, Electric Vehicle Supply Equipment Rate EVSE, Electric Vehicle Charging Service Level 2 Rate EVC-L2, Electric Vehicle Fast Charging Service Rate EVC-FAST, Special Charges, Curtailable Service Rider-1 CSR-1, Curtailable Service Rider-2 CSR-2, Green Tariff Rider GT, Economic Development Rider EDR, Solar Share Program Rider SSP, Electric Vehicle Supply Equipment Rider

EVSE-R, Outdoor Sports Lighting Service OSL, Demand-Side Management Cost Recovery Mechanism DSM, Environmental Cost Recovery Surcharge ECR, and the Terms and Conditions.

KU proposes to add two new rate schedules, General Time-of-Day Energy Service ("GTOD-Energy") and General Time-of-Day Demand Service ("GTOD-Demand"), and an optional rider called Warranty Service for Customer-Owned Exterior Facilities ("WT").

KU's proposed rates reflect a proposed annual increase in electric revenues of approximately 10.4%.

The estimated amount of the annual change and the average monthly bill to which the proposed electric rates will apply for each electric customer class are as follows:

Electric Rate Class	**Average Usage (kWh)**	**Annual $ Increase**	**Annual % Increase**	**Monthly Bill $ Increase**	**Monthly Bill % Increase**
Residential	1,120	68,176,839	10.68	12.85	10.67
Residential Time-of-Day	1,184	19,427	10.68	12.08	10.69
General Service	1,689	26,734,943	10.68	26.91	10.68
General Time-of-Day	New Rate Schedule				
All Electric School	25,276	1,453,830	10.68	285.86	10.68
Power Service	31,900	19,592,722	10.67	351.54	10.67
Time-of-Day Secondary	194,032	14,530,948	10.69	1,580.24	10.69
Time-of-Day Primary	1,288,759	26,942,083	10.68	8,786.08	10.68
Retail Transmission	5,852,624	8,787,141	10.68	36,613.09	10.68
Fluctuating Load Service	50,490,867	3,514,118	10.69	292,843.20	10.69
Outdoor Lights	58	(129)	0.00	0.00	0.00
Lighting Energy	3,373	18	0.01	0.02	0.01
Traffic Energy	150	2	0.00	0.00	0.00
PSA	N/A	0.00	0.00	0.00	0.00
Rider – CSR	N/A	0.00	0.00	0.00	0.00
Outdoor Sports Lighting – Pilot Program	6,800	(4,762)	(4.97)	(99.21)	(4.97)

The monthly residential electric bill increase due to the proposed electric base rates will be 10.67 percent, or approximately $12.85, for a customer using 1,120 kWh of electricity (the average monthly consumption of a KU residential electric customer).

KU is also proposing an Economic Relief Surcredit Adjustment Clause, which will credit KU customers a total of $11.9 million over twelve months when new rates go into effect from this proceeding. For the first twelve months of new rates following this proceeding, a $0.00068 per kWh credit will be applied to all standard rate schedules.

KU is proposing to add an optional rider called Warranty Service for Customer-Owned Exterior Facilities. This rider permits firms that provide warranty service for the repair or replacement of customer-owned exterior electric facilities serving a KU customer's residence and connected to KU distribution facilities and that meet certain standards to use KU's billing services to obtain payment for subscribed warranty service.

KU is proposing a new net metering rate schedule, Rider NMS-2, and renaming its existing Rider NMS to be Rider NMS-1. Rider NMS-1 will serve eligible electric generating facilities as defined in KRS 278.465(2)

for which customers have submitted an application for net metering service before the effective date of rates established in this proceeding. Rider NMS-2 will apply to all other net metering customers. KU is also proposing new terms and conditions for Net Metering Service Interconnection Guidelines.

KU is requesting a Certificate of Public Convenience and Necessity and other associated relief to exchange all existing non-communicating electric meters in its service area with Advanced Metering Infrastructure (AMI) meters.

KU proposes to eliminate certain Environmental Cost Recovery ("ECR") Projects from its ECR mechanism and monthly filings on a going-forward basis, which will result in rate base costs previously included for recovery in the ECR mechanism being recovered through base rates. The reduction in ECR mechanism revenues creates a corresponding increase in base rate revenues with no change in total revenues.
A complete copy of the proposed tariff containing the proposed rates, text changes, and terms and conditions may be obtained by: submitting a written request by e-mail to myaccount@lge-ku.com; mailing a request to Kentucky Utilities Company, ATTN: Rates Department, 220 West Main Street, Louisville, Kentucky, 40202; calling KU at 1-800-981-0600; or visiting KU's website at www.lge-ku.com.

A person may examine KU's application at KU's main office at One Quality Street, Lexington, Kentucky, at local KU business offices, or at KU's website at www.lge-ku.com. A person may also examine KU's application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or may view and download the application through the Commission's Web site at http://psc.ky.gov.

Comments regarding the application may be submitted to the Public Service Commission by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, through its Web site, or by sending an email to the Commission's Public Information Officer at psc.info@ky.gov. All comments should reference Case No. 2020-00349.

The rates contained in this notice are the rates proposed by KU, but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the Commission may take final action on the application.

Kentucky Utilities Company
c/o LG&E and KU Energy LLC
220 West Main Street
P. O. Box 32010
Louisville, Kentucky 40232
1-800-981-0600

Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602
502-564-3940

Exhibit D
Customer Bill Insert
General Statement

NOTICE TO CUSTOMERS OF
KENTUCKY UTILITIES COMPANY

PLEASE TAKE NOTICE that, in a November 25, 2020 Application, Kentucky Utilities Company ("KU") is seeking approval by the Kentucky Public Service Commission of an adjustment of its rates and charges to become effective on and after January 1, 2021.

The proposed rates reflect a proposed annual increase in revenues of approximately 10.4% to KU.

The estimated amount of the annual change and the average monthly bill to which the proposed electric rates will apply for each electric customer class are as follows:

Electric Rate Class	Average Usage (kWh)	Annual $ Increase	Annual % Increase	Monthly Bill $ Increase	Monthly Bill % Increase
Residential	1,120	68,176,839	10.68	12.85	10.67
Residential Time-of-Day	1,184	19,427	10.68	12.08	10.69
General Service	1,689	26,734,943	10.68	26.91	10.68
General Time-of-Day	New Rate Schedule				
All Electric School	25,276	1,453,830	10.68	285.86	10.68
Power Service	31,900	19,592,722	10.67	351.54	10.67
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Time-of-Day Primary	1,288,759	26,942,083	10.68	8,786.08	10.68
Retail Transmission	5,852,624	8,787,141	10.68	36,613.09	10.68
Fluctuating Load Service	50,490,867	3,514,118	10.69	292,843.20	10.69
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Lighting Energy	3,373	18	0.01	0.02	0.01
Traffic Energy	150	2	0.00	0.00	0.00
PSA	N/A	0.00	0.00	0.00	0.00
Rider – CSR	N/A	0.00	0.00	0.00	0.00
Outdoor Sports Lighting – Pilot Program	6,800	(4,762)	(4.97)	(99.21)	(4.97)

The monthly residential electric bill increase due to the proposed electric base rates will be 10.67 percent, or approximately $12.85, for a customer using 1,120 kWh of electricity (the average monthly consumption of a KU residential electric customer).

KU is also proposing an Economic Relief Surcredit Adjustment Clause, which will credit KU customers a total of $11.9 million over twelve months when new rates go into effect from this proceeding. For the first twelve months of new rates following this proceeding, a $0.00068 per kWh credit will be applied to all standard rate schedules.

KU is proposing to add an optional rider called Warranty Service for Customer-Owned Exterior Facilities. This rider permits firms that provide warranty service for the repair or replacement of customer-owned exterior electric facilities serving a KU customer's residence and connected to KU distribution facilities and that meet certain standards to use KU's billing services to obtain payment for subscribed warranty service.

KU is proposing a new net metering rate schedule, Rider NMS-2, and renaming its existing Rider NMS to be Rider NMS-1. Rider NMS-1 will serve eligible electric generating facilities as defined

in KRS 278.465(2) for which customers have submitted an application for net metering service before the effective date of rates established in this proceeding. Rider NMS-2 will apply to all other net metering customers. KU also is proposing new terms and conditions for Net Metering Service Interconnection Guidelines.

KU is requesting a Certificate of Public Convenience and Necessity and other associated relief to exchange all existing non-communicating electric meters in its service area with Advanced Metering Infrastructure (AMI) meters.

KU proposes to eliminate certain Environmental Cost Recovery ("ECR") Projects from its ECR mechanism and monthly filings on a going-forward basis, which will result in rate base costs previously included for recovery in the ECR mechanism being recovered through base rates. The reduction in ECR mechanism revenues creates a corresponding increase in base rate revenues with no change in total revenues.

KU also is proposing changes in the text of some of its rate schedules and other tariff provisions, including its terms and conditions for electric service. Complete copies of the proposed tariffs containing the proposed text changes and rates may be obtained by contacting Kentucky Utilities Company by mail at 220 West Main Street, Louisville, Kentucky 40202; by phone at 800-981-0600; or by visiting KU's website at lge-ku.com.

Notice is further given that a person may examine this application at the offices of KU, One Quality Street, Lexington, Kentucky; the application also may be examined at KU's website at lge-ku.com. A person also may examine this application at the Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8 a.m. to 4:30 p.m. or through the Commission's website at http://psc.ky.gov.

Comments regarding the application may be submitted to the Public Service Commission by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602 or by email to psc.info@ky.gov. All comments should reference Case No. 2020-00349.

The rates contained in this notice are the rates proposed by KU, but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602 establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of this notice, the Commission may take final action on the application.

A copy of the Notice of Filing and the proposed tariff, once filed, also shall be available for public inspection on KU's website at lge-ku.com, or through the Public Service Commission's website at http://psc.ky.gov.

Kentucky Utilities Company
c/o LG&E and KU Energy LLC
220 West Main Street
P. O. Box 32010
Louisville, Kentucky 40232
800-981-0600

Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602
502-564-3940

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 7 - 807 KAR 5:001 Section 16(2)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

Notice of Intent. Utilities with gross annual revenues greater than $5,000,000 shall notify the Commission in writing of its intent to file a rate application at least thirty (30) days, but not more than sixty (60) days, prior to filing its application.

(a) The notice of intent shall state if the rate application will be supported by a historical test period or a fully forecasted test period.

(b) Upon filing the notice of intent, an application may be made to the commission for permission to use an abbreviated form of newspaper notice of proposed rate increases provided the notice includes a coupon that may be used to obtain a copy from the applicant of the full schedule of increases or rate changes.

(c) Upon filing the notice of intent with the commission, the applicant shall mail to the Attorney General's Office of Rate Intervention at a copy of the notice of intent or send by electronic mail in a portable document format, to rateintervention@ag.ky.gov.

Response:

See attached.

The Commission granted the request of KU and LG&E to publish an abbreviated newspaper customer notice.[2]

[2] *In the Matters of: Electronic Application of Kentucky Utilities Company for an Adjustment of its Electric Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit; Electronic Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit,* Case Nos. 2020-00349 and 2020-00350, Order (Ky. PSC November 10, 2020), Ordering Paragraph No. 1.

a PPL company

Kent A. Chandler
Acting Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, Kentucky 40602-0615

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, KY 40232
www.lge-ku.com

Robert M. Conroy
Vice President
T 502-627-3324
F 502-217-4985
robert.conroy@lge-ku.com

October 23, 2020

RE: Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit
Case No. 2020-00___

Dear Mr. Chandler:

Please take notice that Kentucky Utilities Company ("KU") intends to file on or after November 25, 2020, an application for a general adjustment in its electric rates, including changes to its electric tariffs, a Certificate of Public Convenience and Necessity to deploy advanced metering infrastructure, approval of certain regulatory and accounting treatments, and establishment of a one-year surcredit. This application will be supported by a fully forecasted test period ending June 30, 2022.

KU is contemporaneously filing a Notice of Election of Use of Electronic Filing Procedures for this proceeding.

Please assign this matter a case number and style and advise us of same so that it can be incorporated in the application and supporting testimony before filing with the Commission.

Under separate cover, KU will be filing a motion for an order approving the publication of an abbreviate notice of this filing.

Sincerely,

Robert M. Conroy

cc: John G. Horne, II, Esq.
Executive Director, Office of the Attorney General,
Office of Rate Intervention (via electronic mail)

Allyson K. Sturgeon, Managing Senior Counsel, Regulatory and Transactions, LG&E and KU Services Company

Kendrick R. Riggs, Stoll Keenon Ogden PLLC

a PPL company

Kent A. Chandler
Acting Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
PO Box 615
Frankfort, Kentucky 40602-0615

Kentucky Utilities Company
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www.lge-ku.com

Robert M. Conroy
Vice President
T 502-627-3324
F 502-217-4985
robert.conroy@lge-ku.com

October 23, 2020

RE: Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit
Case No. 2020-00___

Dear Mr. Chandler:

Please find enclosed and accept for filing a notice of election of use of electronic filing procedures in accordance with 807 KAR 5:001, Section 8.

Under separate cover, Kentucky Utilities Company is giving notice this same day of its intention to file on or after November 25, 2020, an application for a general adjustment in its electric rates, including changes to its electric tariffs, a Certificate of Public Convenience and Necessity to deploy advanced metering infrastructure, approval of certain regulatory and accounting treatments, and establishment of a one-year surcredit.

Should you have any questions regarding the enclosed, please do not hesitate to contact me.

Sincerely,

Robert M. Conroy

cc: John G. Horne, II, Esq.
Executive Director, Office of the Attorney General,
Office of Rate Intervention (via electronic mail)

Allyson K. Sturgeon, Managing Senior Counsel, Regulatory and Transactions, LG&E and KU Services Company

Kendrick R. Riggs, Stoll Keenon Ogden PLLC

NOTICE OF ELECTION OF USE OF ELECTRONIC FILING PROCEDURES

(Complete All Shaded Areas and Check Applicable Boxes)

In accordance with 807 KAR 5:001, Section 8, Kentucky Utilities Company gives notice of its intent to file an application for an adjustment of its electric rates, etc... with the Public Service Commission no later than November 25, 2020 and to use the electronic filing procedures set forth in that regulation.

Kentucky Utilities Company further states that:

	Yes	No
1. It requests that the Public Service Commission assign a case number to the intended application and advise it of that number as soon as possible;	☒	☐
2. It or its authorized representatives have registered with the Public Service Commission and are authorized to make electronic filings with the Public Service Commission;	☒	☐
3. Neither it nor its authorized representatives have registered with the Public Service Commission for authorization to make electronic filings but will do so no later than seven days before the date of its filing of its application for rate adjustment;	☐	☒
4. It or its authorized agents possess the facilities to receive electronic transmissions;	☒	☐

5. The following persons are authorized to make filings on its behalf and to receive electronic service of Public Service Commission orders and any pleadings filed by any party or the Public Service Commission Staff:

Name	Electronic Mail Address
Robert M. Conroy	robert.conroy@lge-ku.com
Allyson K. Sturgeon	allyson.sturgeon@lge-ku.com
Kendrick R. Riggs	kendrick.riggs@skofirm.com

6. It and its authorized representatives listed above have read and understand the procedures for electronic filing set forth in 807 KAR 5:001 and will fully comply with those procedures unless the Public Service Commission directs otherwise.	☒	☐

Signed

Name: Robert M. Conroy
Title: VP, State Regulation and Rates
Address: 220 West Main Street
Louisville, KY 40202
Telephone Number: 502-627-3324

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 8 - 807 KAR 5:001 Section 16(6)(a)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

The financial data for the forecasted period shall be presented in the form of pro forma adjustments to the base period.

Response:

The financial data for the forecasted period is presented in the form of pro forma adjustments to the base period.

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 9 - 807 KAR 5:001 Section 16(6)(b)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

Forecasted adjustments shall be limited to the twelve (12) months immediately following the suspension period.

Response:

Forecasted adjustments have been limited to the twelve (12) months immediately following the suspension period.

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 10 - 807 KAR 5:001 Section 16(6)(c)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

Capitalization and net investment rate base shall be based on a thirteen (13) month average for the forecasted period.

Response:

Capitalization and net investment rate base are based on a thirteen (13) month average for the forecasted period.

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 11 - 807 KAR 5:001 Section 16(6)(d)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless the revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.

Response:

KU acknowledges this requirement.

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 12 - 807 KAR 5:001 Section 16(6)(e)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.

Response:

KU acknowledges this requirement.

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 13 - 807 KAR 5:001 Section 16(6)(f)
Sponsoring Witness: Christopher M. Garrett

Description of Filing Requirement:

The utility shall provide a reconciliation of the rate base and capital used to determine its revenue requirements.

Response:

See attached.

KENTUCKY UTILITIES COMPANY

Reconciliation of Capitalization and Rate Base

Line No.	Description	13 Month Average Total Company Balance	13 Month Average Kentucky Jurisdictional	13 Month Average Other Jurisdictional
1	Rate Base Percentage (Schedule J-1.1/J-1.2)		93.60%	6.40%
2	Capitalization:			
3	Common Equity	$ 3,316,136,256		
4	Long-Term Debt	2,806,177,780		
5	Short-Term Debt	107,025,432		
6	Subtotal	$ 6,229,339,467	$ 5,830,661,741	$ 398,677,726
7	Adjustments to Capitalization:			
8	Investment in EEI	(323,302)	(302,611)	(20,691)
9	Investment in OVEC and Other	(931,648)	(872,023)	(59,625)
10	ADIT Proration Adjustment	(1,158,784)	(1,084,622)	(74,162)
11	AMI Adjustment	(420,539)	(393,625)	(26,914)
12	Environmental Compliance Plans		(580,126,507)	-
13	Demand Side Management Plans		(2,840,422)	-
14	AMI Rate Base		(9,291,496)	-
15	Subtotal	(2,834,273)	(594,911,304)	(181,393)
16				
17	Total Adjusted Capitalization (Schedule J-1.1/J-1.2)	$ 6,226,505,194	$ 5,235,750,437	$ 398,496,333
18				
19	Assets per books not included in rate base:			
20	Net ARO Assets		(40,595,732)	
21	Other Property and Investments	(15,478,673)	(14,488,038)	(990,635)
22	Cash and Temporary Investments	(5,057,530)	(4,733,848)	(323,682)
23	Accounts Receivable	(165,800,081)	(155,188,875)	(10,611,205)
24	Other Current Assets	(87,545,417)	(81,942,510)	(5,602,907)
25	Deferred Regulatory Assets	(144,988,895)	(135,709,606)	(9,279,289)
26	Other Deferred Debits	(32,284,516)	(30,218,307)	(2,066,209)
27	Subtotal	(451,155,112)	(462,876,917)	(28,873,927)
28				
29	Liabilities per books not included in rate base:			
30	Other Deferred Credits	-	-	-
31	Regulatory Liabilities	646,325,425	604,960,597	41,364,827
32	ARO Liabilities	85,344,734	79,882,671	5,462,063
33	Other Current Liabilities	223,922,458	209,591,421	14,331,037
34	Miscellaneous Long-Term Liabilities	12,880,491	12,056,139	824,351
35	Accumulated Deferred Income Taxes	(577,182,731)	(540,243,036)	(36,939,695)
36	Subtotal	391,290,377	366,247,792	25,042,584
37				
38	Items not included in rate base:			
39	Environmental Compliance Cash Working Capital		(144,218)	-
40				
41	Items included in rate base:			
42	Cash Working Capital (Income Statement)	62,925,698	56,328,517	6,741,399
43	Capitalization / Rate Base Allocation Differences	-	2,526,414	(2,526,414)
44	Subtotal	62,925,698	58,854,931	4,214,985
45				
46	Total Reconciliation	3,060,962	(37,918,411)	383,642
47				
48	Total Rate Base (Schedule B-1)	$ 6,229,566,156	$ 5,197,832,025	$ 398,879,975

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 14 - 807 KAR 5:001 Section 16(7)(a)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

The written testimony of each witness the utility proposes to use to support its application, which shall include testimony from the utility's chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.

Response:

Please refer to the testimonies and exhibits of the following persons:

- Paul W. Thompson
- Kent W. Blake
- Lonnie E. Bellar
- David S. Sinclair
- John K. Wolfe
- Eileen L. Saunders
- Gregory J. Meiman
- Daniel K. Arbough
- Adrien M. McKenzie
- Christopher M. Garrett
- John J. Spanos
- Robert M. Conroy
- William Steven Seelye

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 15 - 807 KAR 5:001 Section 16(7)(b)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

The utility's most recent capital construction budget containing at a minimum a three (3) year forecast of construction expenditures.

Response:

See attached.

Kentucky Utilities Company
Case No. 2020-00349
Capital Expenditure Budget
Years 2020-2023

	Projected Capital Expenditures			
Category of Spend	**2020**	**2021**	**2022**	**2023**
Generation	225,203,354	265,562,592	159,131,818	151,058,903
Transmission	149,378,602	185,243,505	105,003,775	94,938,379
Distribution	151,807,524	139,347,788	127,367,863	121,339,718
Customer Services	20,703,621	39,733,932	42,218,250	53,167,397
IT & Other	31,195,649	32,120,223	20,958,319	22,561,561
Total	**578,288,750**	**662,008,039**	**454,680,026**	**443,065,958**

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 16 - 807 KAR 5:001 Section 16(7)(c)
Sponsoring Witnesses: Daniel K. Arbough / Lonnie E. Bellar / Kent W. Blake / David S. Sinclair

Description of Filing Requirement:

A complete description, which may be filed in written testimony form, of all factors used in preparing the utility's forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.

Response:

A complete description of all factors used in preparing KU's forecast period, including the quantification, explanation and support for all econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels in KU's forecast period are contained in the written direct testimony of Daniel K. Arbough and David S. Sinclair filed with KU's application and are also otherwise quantified, explained and properly supported in the following documents attached to this Filing Schedule. All confidential information responsive to this request is being provided under seal pursuant to a Petition for Confidential Protection.

A. Financial Planning Modeling Process	Daniel K. Arbough
B. Electric Sales & Demand Forecast Process	David S. Sinclair
C. 2021 Business Plan Electric Sales Forecast	David S. Sinclair
D. [This line intentionally left blank.]	
E. Electric Class Load Profile Forecast Process	David S. Sinclair
F. [This line intentionally left blank.]	
G. Generation Forecast Process	David S. Sinclair
H. 2021 Business Plan Generation and OSS Forecast	David S. Sinclair
I. Line of Business Presentations	Lonnie E. Bellar / Kent W. Blake

Financial Planning Modeling Process

Table of Contents

1. General.....3
2. Revenue and Load Forecast.....6
3. Mechanisms.....8
4. Generation Forecast and Other Cost of Sales (COS) 10
5. Operations & Maintenance (O&M) (Non-fuel) 12
6. Property Tax 13
7. Other Income Statement Items 13
8. Taxes.....13
9. Capital / Utility Plant 14
10. Closings to Plant in Service and Depreciation 14
11. Dividends, Debt and Equity 15
12. Pension & Postretirement.....16
13. Other Balance Sheet assumptions.....17

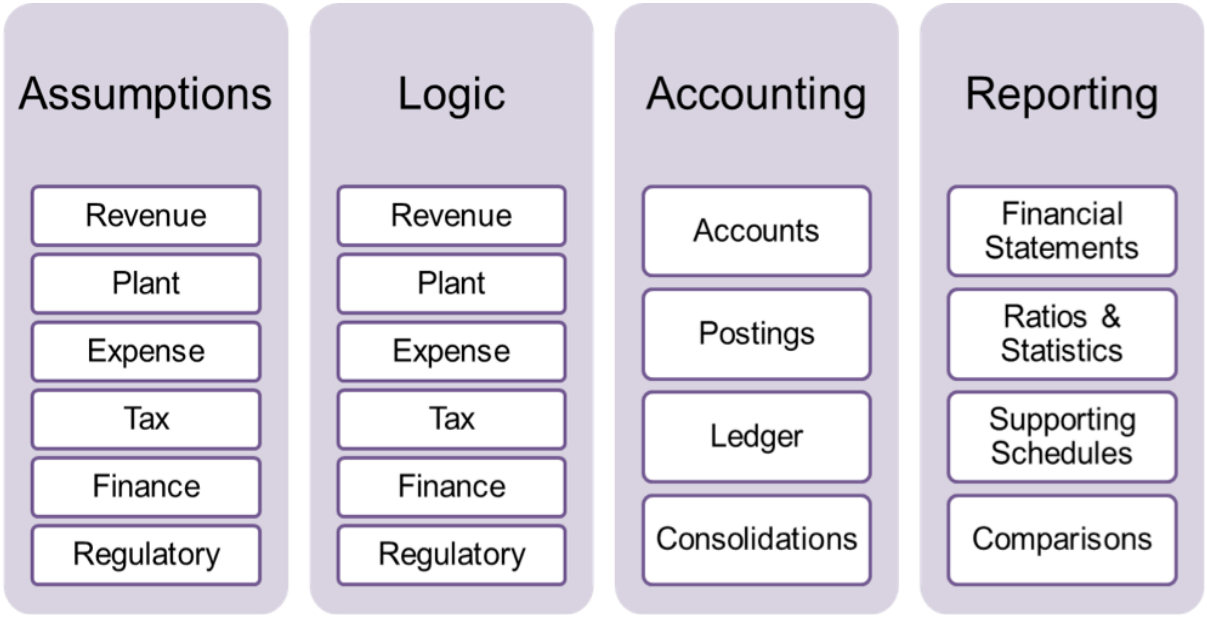
1. General

Introduction

The Financial Planning & Analysis group develops the five-year Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") and LG&E and KU Energy LLC ("LKE" or collectively "the Companies") business plan. The business plan is developed using the financial planning system, UIPlanner, an iterative model, which incorporates numerous inputs from the business as well as various formulas, algorithms and set logic. The business plan includes the projected five-year income statements, balance sheets and cash flows for the Companies.

UIPlanner (UI)

UI allows the Companies to manage all of the assumptions in the business plan, integrates the business logic, utilizes built-in accounting controls, and produces robust analyses and reports.



[1]

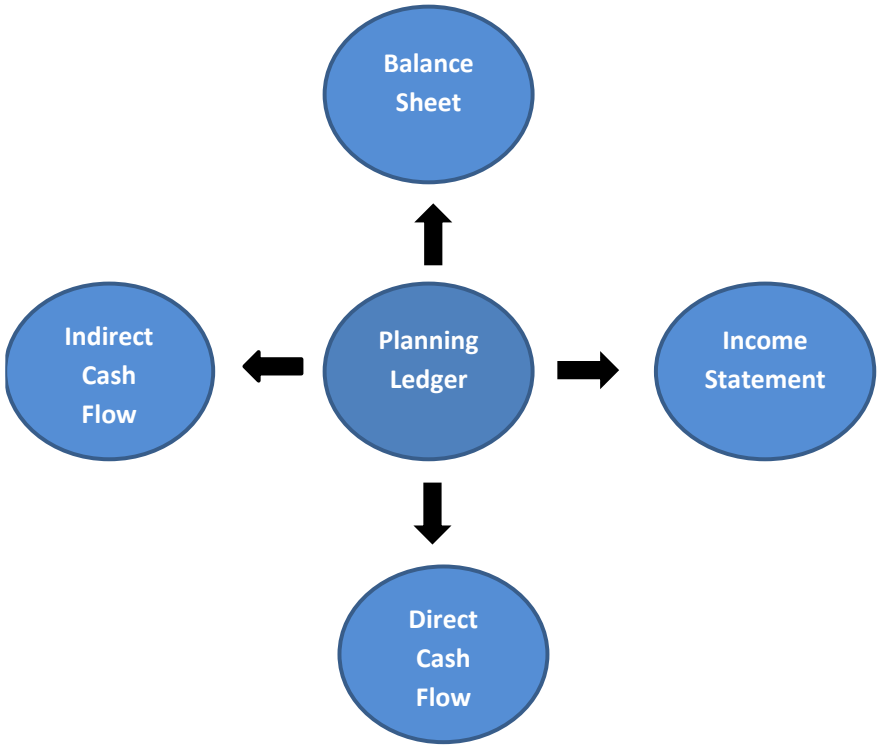
Planning assumptions are managed in UI. UI is superior to an Excel-based model because it allows for sharing assumptions in a common database. UI tracks changes to assumptions and maintains a record of who made the change and when.

UI has built-in accounting capabilities, which function identical to a general ledger (see Planning Ledger flow chart below). Double-entry accounting of debits and credits is developed in UI to maintain integrity of financial statements. If a posting is not entered in UI or if one side of the debit/credit is missing, UI will produce an error message before it

[1] http://utilitiesinternational.com/uiplanner-software/planning/

will produce a financial statement. Ledger accounts are organized with a configurable roll-up structure. UI also allows for combining several accounts to a summary account for consistent and concise formatting in the production of financial statements. These summary accounts are rolled up into a high-level area (asset, direct cash, expense, indirect cash, liability, or revenue). Each account in the ledger is also associated with an indirect cash flow account which can be customized to generate a detailed cash flow statement.

Planning Ledger Flow Chart



Each month actual balances are imported from the Oracle General Ledger (GL) to update UI with the latest balances and to compare the budget and revised forecast to actuals. The actuals imported into UI are compared to the trial balance in Oracle monthly to ensure completeness and accuracy.

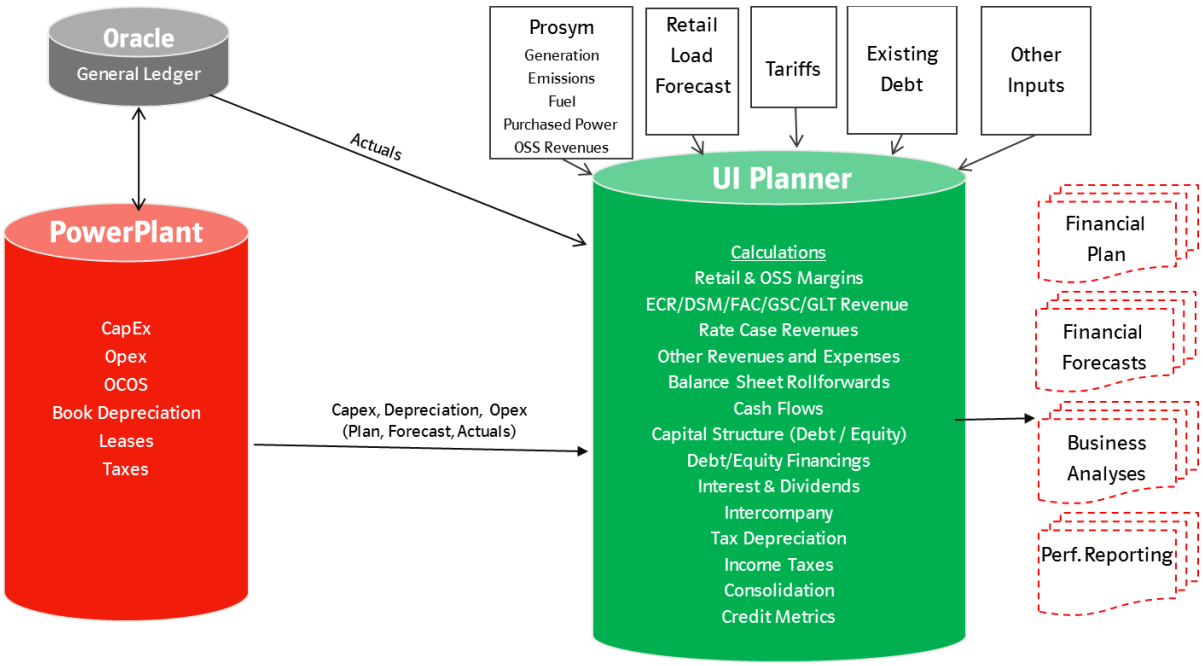
Data in UI is entered into UI either manually or through a download from text files and housed within "cases". A collection of cases is grouped to create a "scenario". For example, the "2021 Business Plan" is a scenario in UI. After a scenario runs through the iterative process in UI, users can view the Financial Statements and other various reports in UI.

Security is specific by user in UI. When data assumptions are entered, the person entering the assumptions is tracked within UI for auditing purposes. Only certain users have the ability to edit data entry and logic assumptions. In addition, when a scenario, such as the business plan, is finalized, the scenario is locked so no further changes can be made. Only certain users have the ability to lock and unlock scenarios and cases. Logic from a case

and/or scenario can be copied and utilized in additional what-if analyses. UI allows for creating and managing multiple scenarios with various planning assumptions and business logic in a transparent and efficient manner.

See the Financial Planning Software Flow Diagram below, detailing which systems provide data and other forms of inputs to UI to create the financial plan, forecast, business analysis and other management reports. This document summarizes the systems used to produce the business plan.

Financial Planning Software Flow Diagram



Budgeting Overview

LKE uses a "bottom up" budgeting approach. The process begins with the various business units preparing detailed budgets for their individual areas of responsibility, consisting of expense items, certain types of LOB managed revenues, and capital spending. The budgets prepared by the business units are reviewed and approved by LKE management. The LKE Officers ultimately approve the LKE consolidated annual budget. If any changes occur during the review and approval process, the changes are communicated to the appropriate line of business (LOB), and each LOB submits a revised budget through the same review and approval process.

Each year, LKE prepares a five-year forecast of operating revenues and expenses, which is the starting point for preparing the annual budget and the five-year business plan. Each business unit is required to create its own five-year capital and operation and maintenance (O&M) expense plan to produce an all-inclusive operating plan which is presented for review by the Officers. The five-year capital and O&M plan is developed and accumulated in PowerPlan, the Company's corporate budgeting application. These details from PowerPlan are uploaded into the financial planning system – UI.

2. Revenue and Load Forecast

Retail Revenue

In order to calculate revenues, UI logic uses the load forecast and the tariffs that need to be applied to the forecast. For energy, UI multiplies megawatt hours times the energy tariff. For demand, UI calculates base, intermediate and peak demand revenue by multiplying the megawatt or kilovolt-ampere (kVA) times the demand tariff for base, intermediate and peak demand. For customer charge revenue, UI multiplies the number of customers times the customer charge. For base fuel revenues, UI multiplies the base fuel rate times the megawatt hour sales by jurisdiction.

The first step in preparing the operating revenues is to obtain an energy, demand and customer forecast of the projected electric and gas sales. The load forecasts are calculated on a yearly basis for each tariff. See the Annual Electric Sales and Demand Forecast Process Document, the Annual Natural Gas Volume Forecast Process Document and associated presentations, for detailed descriptions of the assumptions and methodology used in developing the electricity and gas load forecast. The following information is uploaded into UI:

- Energy forecast for each month and year, by tariff
- Demand forecast by month and year, by tariff
- Customer count by month and year, by tariff
- Base fuel revenues forecast by month and year
- Negative kWh for Solar Share to calculate the energy credits and positive Solar Share customer count to calculate the capacity charges.

Tariff rates are entered into UI based upon the tariff book currently in effect. UI then calculates energy, demand, and customer revenues by tariff. Allocators are used to convert the load from tariff rate to revenue class in UI. The allocators are supplied by the Sales Analysis and Forecasting group. The previous calendar year actuals data is utilized to calculate the allocators. The revenues are then posted to the income statement by revenue class.

Transmission Revenue

External Transmission revenue is imported into UI from an excel spreadsheet prepared by the Transmission Policy and Tariffs department. The projected external transmission amounts are calculated as follows:

1. Network Service (the forecast multiplied by the associated rates)
    a. The volumetric forecasts are provided by the customer by year.
    b. Volumetric forecasts are based on the summer and winter peaks provided and interpolated over a twelve-month period.
    c. The transmission rates are forecasted based on Attachment O of the Open Access Transmission Tariff (OATT).
2. Point to Point Service (Service request multiplied by the associated rates)
    a. Long term service – is based on the original transmission request, these volumes remain fixed until their expiration unless there was newer information which indicated these long-term reservations would be rolled over.
    b. Short-term firm service – is projected based on annual historical revenue.
    c. The transmission rates are forecasted based on Attachment O of the OATT.

The projected intercompany transmission revenue is imported into UI from PowerPlan based on the generation forecast provided by the Generation Planning department.

The transmission rates are documented in the LG&E and KU OATT, which is reviewed and approved by the FERC. The projected load is applied to the appropriate transmission rates to calculate the transmission revenue.

Miscellaneous Revenue

Miscellaneous revenue is comprised of:

- Forfeited discounts/late payment charges
- Reconnect, temporary service, unauthorized reconnect, gas meter and inspection charges and other service charges
- Rent from electric and gas property
- Other Electric and Gas revenues
- Refined coal license and reservation fees
- Electric vehicle charging station rental revenues

For most of the above items, the miscellaneous revenue is calculated by utilizing historical trends based on the most recent three years of data. Three years gives an appropriate distribution of data to evaluate the account activity. This data is then uploaded into UI based on the calculations done in Excel.

Accounts associated with cable TV attachments, facility charges, and rent received from pole attachments, property, and equipment utilize the most recent year of data.

Forfeited discounts/late payment charge revenue is calculated by utilizing a five-year historical average to match the methodology used in the calculation of bad debt expense.

Refined coal license and reservation fee revenues are based on the amortization of refined coal proceeds..

Electric vehicle charging station rental revenues are based on budgeted EVSE-R electric vehicle charging station installations and monthly charging unit fees per existing tariffs.

3. Mechanisms

Background

The Kentucky Public Service Commission (KPSC) has adopted a series of regulatory mechanisms that reduce regulatory lag and provide for timely recovery of and a return on, in some instances, prudently incurred costs. The following represents an overview of certain key mechanisms and assumptions reflected in the business plan.

Environmental Cost Recovery (ECR)

The Utilities are entitled to recovery of operating costs and recovery of and a return on capital costs of complying with Federal Clean Air Act with a two-month lag. The first step is to calculate the total revenue requirement which involves determination of environmental rate base and operating expenses for each KPSC approved ECR project.

Within UI the revenue requirement for ECR is calculated using the following:

- The logic calculates a monthly ending rate base by adding ECR capital expenditures from the capital plan to the previous months' ending rate base; subtracting ECR depreciation for the period and increase/decrease in ECR deferred taxes calculated within UI. A return on the ending rate base is calculated using a weighted average cost of capital computed within UI using weighted average cost of debt and allowed return on equity;
- ECR Depreciation and O&M is then added to the return on rate base to calculate a total revenue requirement;
- A jurisdictional factor is computed within UI using a ratio of KY retail to total revenue and applied to the total revenue requirement to calculate a jurisdictionalized ECR Revenue Requirement;
- The model then deducts any ECR revenue recovered within the base rates to generate a net ECR mechanism revenue.

Demand Side Management (DSM)

DSM provides for concurrent recovery of DSM costs and provides incentive for implementing DSM programs, including lost revenue.

In UI, there are four components for DSM revenue:

- DSM expense as imported from PowerPlan within the Cost of Sales import
- DSM incentive revenue as calculated in UI on the eligible portion of programs
- DSM lost sales revenue as calculated in UI using the imported lost sales volume and rates from the DSM Energy Efficiency model
- DSM capital revenue requirement is calculated in UI by adding the capital spend imported from PowerPlan to the previous month's ending DSM rate base, adjusted for depreciation and the increase/decrease in deferred taxes. A return on the DSM rate base is calculated using a weighted average cost of capital computed within UI using weighted average cost of debt and allowed return on equity. In addition, the depreciation and O&M expenses are added to the return on the DSM rate base to calculate the total DSM Capital Revenue Requirement.
- DSM expense, incentive revenue, and lost sales revenues are added to the capital revenue requirement to calculate the total DSM revenue requirement.

Gas Line Tracker (GLT)

GLT provides for recovery of costs associated with replacing, installing, and repairing customers' service lines, and leak mitigation costs associated with replacing company services.

The GLT revenue requirement is calculated in UI using the following:

- The rate base is rolled forward for identified GLT projects using capital spend and in-service dates per PowerPlan as well as the calculated deferred income taxes;
- The rate of return on rate base is computed within UI using weighted average cost of debt and allowed rate of return on equity.
- GLT Depreciation, Property Tax and O&M are then added to the return on rate base to calculate a total revenue requirement;

Fuel Adjustment Clause (FAC)

The FAC mechanism allows for near-real time recovery of allowed fuel expenses.

Total fuel expense incurred consists of all generation and purchased power costs. For FAC purposes, total recoverable fuel expense includes total incurred expense reduced by the following components: non-energy components of purchased power expense; substitute generation or purchased power costs during forced outages; coal burned for Off-System Sales (OSS) electric generation, company use, line loss and unrecoverable intercompany sales. The total recoverable fuel expenses is then compared to the base fuel revenues. The over/under is booked to the FAC.

OSS

Included in a previous rate case settlement was an OSS Tracker which results in sharing the OSS margins on a 75 percent - 25 percent basis, with 75 percent of the OSS margins being credited to customers via the FAC.

Mechanism Revenue Calculations

For all mechanisms, except for the GLT, the total mechanism revenue requirement is divided by the total forecasted megawatt hours by electric rate code associated with each mechanism. These values are applied as a dollar per megawatt hour to calculate the revenue by electric rate code.

For GLT, the total mechanism revenue requirement is allocated to the customer class associated with GLT based on the class allocation percentages from the most recent filing.

The revenues from all mechanisms are recorded to the income statement as revenues from customers.

4. Generation Forecast and Other Cost of Sales (OCOS)

The PROSYM application is used to calculate generation and OSS. See the annual Plan Generation Forecast Process Document and related presentations, for a detailed description of the assumptions and methodology used to calculate these inputs.

The projected data includes fuel burn, generation, purchase power, emissions, and OSS levels from an hourly dispatch model. Monthly, by unit, volumes, revenues and costs associated with off system sales, purchased power, emissions, generation, and fuel burn for the planning period are imported into UI.

Power Purchase Agreement

Power purchase agreement costs are based on the contracts set with the third-party power producers. The amounts per the contracts are imported into UI, which is recorded on the income statement as the purchased power cost. The information uploaded into UI by month and year includes the following costs:

- Capacity and demand payments
- Energy payments, and
- Firm gas transport costs, if applicable

UI logic ensures the power purchase cost reflects the recovery of the energy and firm gas transport costs through the FAC and the capacity and demand costs through base rates.

Other Cost of sales (OCOS)

OCOS inputs come from PowerPlan and PROSYM. OSS, purchased power, and fuel related costs come from PROSYM, as noted above. Emissions, mechanism (DSM, ECR, ECR, Gas Supply Clause, and GLT), and transmission related costs come from PowerPlan.

OCOS includes variable production consumables used by the power plants in the generation of electricity. For coal generating units, this includes the cost of operating environmental controls and the cost of controlling coal combustion residuals (CCR). This includes:

- Limestone – SO_2 emission control for flue gas desulfurization (FGD) systems
- Ammonia – NO_X emission control for selective catalytic reduction (SCR) systems
- Hydrated Lime – SO_3 emission control for sorbent injection systems
- Powder Activated Carbon – Hg emission control for pulse jet fabric filter systems

The individual power plant's budget coordinator, in coordination with the operations leadership team at the plant, calculates the costs. This is a function of the usage rates for the consumables utilized by each individual operating unit. This is multiplied by the unit price determined by fleet wide contracts with suppliers. Planned outages and forecasted generation levels by year are included in these assumptions for each unit.

The calculation for these consumables includes the following inputs and calculations:

Unit Price	Usage Rate	Unit Production	Conversion	Total Projected Cost
$/ton (lbs.)	lbs. /hour	MWH's by unit	$/MWH	Total $ by month and year

These costs are loaded into PowerPlan under the appropriate FERC account and then uploaded into UI and incorporated into the Income Statement.

The cost of sales items related to fuel burn, emissions and purchased power are reflected in the Cost of Electric Sales section of the Income Statement.

Gas Supply

Gas supply costs are calculated by using the gas load forecast priced out at contracted rates and market prices for open/indexed positions.

5. Operations & Maintenance (O&M) (Non-fuel)

O&M expenses are included as part of the Income Statement and reflect the labor and non-labor expenditures incurred and charged to the appropriate FERC account and company location. The budget is developed in a "bottom up" approach and is reviewed and approved by several levels of management before being entered into PowerPlan for consolidation. This information is then uploaded to UI.

Labor Cost

The Company's current labor base is obtained from PeopleSoft annually in March. This data is imported into PowerPlan and includes full-time and part-time regular employees and interns. It also includes data on approved open positions. The data is by employee and includes salary, position, hire date, and expenditure organization. The PowerPlan budget administrator updates tables with the wage increases, vacation hours, personal days, working days, holidays, and sick time. The budget coordinator for each expenditure organization runs a process to update the data from Peoplesoft with the data from the tables to calculate off-duty amounts and available labor hours and dollars.

This updated data is used to calculate employee benefit costs (also referred to as 'burdens' - which include costs such as pension, savings plan, medical, dental, and payroll taxes), which will be added to the forecast by mid-April. The labor forecast is not finalized at this time and changes can be made, as required.

Non-labor Expenses

The management teams and budget coordinators throughout the LOBs prepare the budget for non-labor O&M expenses at the same time as the labor budget. These expenses are budgeted to the appropriate FERC account in PowerPlan.

Planned changes in costs within accounts can be specifically escalated according to contractual changes and other volume based assumptions or expected changes in primary cost categories such as generation facilities, outages, workforce plan changes, demand-side management, and environmental costs.

- The labor rates are subject to possible adjustment pursuant to union negotiations. The rate increase assumptions are based on annual benchmarking studies performed.
- Non-labor expenses are increased at known cost increases due to contract language, fixed amounts, or historical trend increases in costs. Non-labor expenses do not contain a general inflationary increase.

6. Property Tax

Property taxes are estimated annually based on net book asset values, including CWIP, as of December 31 of the previous year and include several current asset balances such as; fuel inventory and materials and supplies. The expense accrual is spread evenly over twelve months while cash payments are based on historic trends, which normally result in large cash payments during the fourth quarter of a calendar year.

The primary source of data used to calculate the estimates is within the UI report labeled "KY Plant Account". The plant account assignment determines the property classification (real estate, manufacturing machinery, other tangible) and then the appropriate tax rates are applied to those balances. State and local tax rates are based on prior year settlements with an assumed increase to local tax rates of two percent per year.

7. Other Income Statement Items

Other income and expense items not included above include:

- Donations – annual budget is approved by Senior Officers based on planned commitments and in support of Community and Corporate Responsibility initiatives
- Employee Recognition costs (non-safety related) – based on detailed review of historical and projected expenses for employee recognition programs under each business unit
- Non-Utility Revenues and Expenses – based on detailed review of historical and projected items, including contractual based amounts and projected increases
- Interest income and dividends received – primarily interest received which is based on the interest income from temporary cash investments. The interest rate is obtained from the Corporate Finance department and UI calculates the monthly expected interest income based on the temporary cash investment balance.

8. Taxes

Current and Deferred Income Taxes

Income taxes are calculated using several schedules within UI. The calculation starts by utilizing the monthly pretax book income per UI's income statement. Pretax book income is then adjusted by permanent and temporary book/tax differences to derive taxable income. The book/tax differences are primarily pulled from multiple sources within UI, which include;

- tax depreciation,
- book depreciation,
- regulatory asset & liability movement,
- pensions/post-retirements, and

- capitalized interest

Other book/tax differences are manually input into UI. Taxable income is multiplied by the statutory tax rates to determine current tax expense before tax credits. Available tax credits are then applied against remaining current tax expense. Quarterly tax payments are derived based on current tax expense after tax credits.

Deferred taxes are calculated within UI by using the temporary book/tax differences used in the current tax calculation and applying the statutory tax rates. Adjustments to deferred tax expense are made for excess deferred taxes, investment tax credit (ITC) amortizations, and ITC basis reductions as provided by the Tax department. Additionally, regulatory tax movements are manually entered into UI based on schedules maintained by the Tax department.

9. Capital / Utility Plant

Background

Each LOB develops a five-year Capital plan by individual project that includes the start date, the timing of expected spend projections and the in-service date for each project. The Capital plan is entered and maintained in PowerPlan.

The Senior Officers approve the Capital plan each year. The Capital plan is presented to the Senior Officers for approval by a subcommittee referred to as the Resource Allocation Committee ("RAC"). The RAC includes leaders from multiple LOBs so that Capital decisions are made based on priorities of the company as a whole.

In order to import the capital budget into UI, Financial Planning receives an excel file from PowerPlan containing monthly capital construction expenditures (CWIP) and cost of removal (RWIP) by utility. There are categories in the model used to separate mechanism capital (ECR, DSM, GLT) from non-mechanism capital.

10. Closings to Plant in Service and Depreciation

After capital spending is booked to CWIP on the balance sheet, UI gets an import from PowerPlan by plant account to determine additions to Plant in Service.

UI also imports a depreciation forecast that is done based on the Capital plan, including property classifications and in-service dates, and approved depreciation rates.

The approved depreciation rates[2] are from the latest depreciation study, which are broken into life, salvage, and cost of removal per depreciation group. The rates are annual, so they are divided by 12. The depreciation group to which an asset belongs is determined by the location and plant account selected at the time the capital project is setup in PowerPlan.

The Plant in Service ending balance for the most recent month of actuals is pulled out of PowerPlan. The ending balance of each forecast month is calculated as the beginning Plant

[2] Filed rates based on most recent depreciation study to be approved by the KPSC.

in Service balance plus any capital additions placed in service for the month minus any asset retirements for the month. We use a half-month convention for additions and retirements. In the first month of an addition or retirement to Plant in service, we divide the normal depreciation amount by two. This is done to average out the spend since the addition or retirement does not always occur on day one of the month.

The additions to Plant in Service are based on the Capital plan and the estimated in-service dates on those assets. If the asset is already in service and additional money is spent on the asset, the spend is put in Plant in Service in that same month of spend. If the asset is not yet in service and spend occurs, it is held in CWIP until the month of the estimated in-service date in PowerPlan, on which date the entire CWIP balance is moved to plant in service.

11. Dividends, Debt and Equity

Dividends:

LG&E and KU (the "Utilities") pay dividends to their parent, LKE, on a quarterly basis. The dividend has historically been calculated in the model using a payout assumption equal to 65 percent of the previous quarter's net income. This percentage may be revised to maintain a balanced capital structure. Equity contributions from the parent may also be received by LG&E and KU to maintain the desired capital structure. These payout ratios may change over time.

To maintain the desired capital structure at LG&E and KU (53% equity/47% debt), LKE makes equity contributions to the Utilities or the Utilities pay extra dividends to LKE. At any time where the Utilities can pay dividends in excess of 65 percent, that amount is paid to LKE.

Capital Structure:

LG&E and KU strive to maintain a ratio of 53% equity and 47% debt. Within UI, the debt balancing and equity ratio targeting logic is different on the quarter versus non-quarter months. Equity ratio targeting reviews the capitalization ratios and rebalances it every quarter to 53% equity and 47% debt. LKE serves as the medium to move cash from the Utilities to parent or from the parent to the Utilities to maintain this ratio. Cash balancing logic looks at the cash needs and calculates how to fund those needs. It is important to note that UI limits cash balances at the Utilities to $5 million unless short-term debt is zero and there is positive cash flow from operating and investing operations.

The following information is entered into UI for each individual long-term debt issuance:

- company,
- issue date,
- interest rate,
- first interest payment date,
- issue amount, and
- maturity date

These debt issuance properties are entered and maintained in UI under the Edit Attributes module. The attributes in the Business Plan are compiled to create a case, which is used to run the Business Plan scenario.

On the non-quarter months, UI calculates cash needs from operating and investing activities and issues debt equal to cash shortage. Short-term debt in the form of commercial paper is issued first until it reaches a maximum as prescribed by the Corporate Finance department (typically $300 million by Utility). The Utilities each have approved commercial paper programs of $350 million and FERC has approved short-term debt of up to $750 million for LG&E and $650 million for KU. However, the Utilities need to maintain liquidity for emergencies and to support certain floating rate tax-exempt bonds. Therefore, the Utilities have a general modeling limit of $300 million on the commercial paper balances. The maximum can be changed after discussions with the Treasurer and the CFO. Once the maximum short-term debt is reached, long-term debt is issued in increments of $300 million or more and the balancing starts again the next month. The $300 million minimum is used because at that size the bonds are index-eligible and more attractive to investors, which results in a lower interest rate. In some situations, amounts of less than $300 million are assumed to be issued when the long-term need is less than $300 million.

On the quarter months, the model balances equity and debt to a 53:47 ratio over multiple iterations. While performing the debt to equity targeting, UI issues only short-term debt to fund cash needs from operating and investing activities. The model is monitored to make sure that short-term debt balances are always within the acceptable limits. Similarly, to the non-quarter months, once the maximum short-term debt is reached, long-term debt is issued in increments of $300 million or more. Capital contributions in the form of equity from LKE are used to maintain the proper equity to debt ratios.

All short-term interest rates on cash balances are based on a spread to the one-month LIBOR. The spread is based on current market issuances for similarly rated companies. For long-term debt, the rates are based on a spread to the US treasury rates (five-year, ten-year, thirty-year, etc.). The long-term debt spreads are also based on current levels for similarly rated entities and projected changes in those spreads for forecast periods. The forward curve as of a selected date is used to determine future LIBOR and US treasury rates.

12. Pension & Postretirement

Plan assumptions are evaluated by senior officers and directors in Finance and Human Resources as well as the independent actuary. These assumptions are approved on an annual basis, barring any events requiring an interim re-measurement.

During the first half of the year, the independent actuary delivers a projection of estimated Plan funding pension cost for the five-year Business Plan based on management's assumptions. These assumptions include discount rate, expected return on plan assets, expected annual wage increase, mortality base rate and mortality improvement tables, funding policy and other assumptions as needed.

The actuary's projections used in the Business Plan incorporate the 15-year amortization of gains and losses as agreed in the 2014/2015 Kentucky rate case. Additionally, the actuary provides a forecast based upon amortization of gains/loss using the Company's GAAP

accounting policy. The Business Plan incorporates adjustments needed to record the difference between the 15 year amortization and the GAAP accounting amortization as a regulatory asset.

The projected pension and postretirement costs received from the actuary are summarized by company and by plan. These amounts are used to update the annual budget by reflecting changes to the balance sheet for the revised liability projections and the pension cost used when calculating the employee burden rates by company. The pension burden rates are included in the O&M and Capital budgets entered into PowerPlan. These amounts are spread by month consistent with the timing of the labor budget.

Pension funding is assumed to occur annually in January while postretirement funding is assumed quarterly.

13. Other Balance Sheet assumptions

a. Balances

The last actual monthly balances from the Balance Sheets were the starting points for this forecast (for this budget it was August). The amounts were imported to UI from the G/L. A detailed and thorough balancing process is also done to ensure all details from Oracle translate appropriately into UI.

b. Leases

Beginning January 1, 2019 upon the adoption of Accounting Standards Codification (ASC) 842 Leases, all leases are recorded on the balance sheet. The monthly balance sheet amounts are obtained from the lease report obtained from the Financial Accounting and Analysis department using the PowerPlan Lease module and this is uploaded into UI from a text file.

c. Cash

As noted above, minimum cash balances are set each year at $5 million per utility. This is based on discussion with Corporate Finance and if UI determines insufficient cash balances based on the projected activity short-term debt is issued.

d. Accounts Receivable and Unbilled Revenue

The monthly balances are based on forecasted revenues from customers and projected days of sales in receivables based on historical trends.

e. Fuels, materials and supplies (M&S)

Fuel inventory balances are developed based on targeted inventory levels for each generation plant. PROSYM is utilized to determine the amount of purchases needed to achieve the targeted inventory levels. Price assumptions for coal purchases utilize existing contract information as well as the assumed cost of coal that will be contracted in the future.

Natural Gas Inventory: Storage inventory levels are set within storage operating parameters in order to achieve maximum deliverability needed to meet winter season

requirements. Price assumptions for gas purchases reflect forecasted gas prices and estimated pipeline transport costs.

Materials and supplies inventory is based on the actual August balance and is adjusted for forecasted additions and disposals.

f. Prepayments affecting the balance sheet include insurance, Information Technology (IT) contracts, Kentucky Public Service Commission Fees (PSC), and Tennessee Valley Authority (TVA) fees. For insurance, the amortization of the balance/expense begins at the start of the policy and continues through the term of the policy. For IT contracts, the estimated balances are amortized monthly over the period of services. For the PSC and TVA fees, we receive a bill for the current year. The out years of the budget are escalated at an appropriate rate and the yearly cost is amortized over twelve months.

g. Unamortized debt expenses

For each bond issued, the Company incurs debt issuance costs, which are amortized over the period required by GAAP, generally the life of the debt issued. Additional financing costs that require amortization are unamortized loss on reacquired or remarketed debt, which is the expense that remains to be amortized when a debt instrument is remarketed/ refinanced / repurchased. The financing costs are amortized over the life of the replacement debt. Amortized financing costs are provided by Corporate Finance for future periods and input into UI. The amortization expense flows to the income statement under interest expense. The unamortized financing costs are found on the balance sheet under other non-current assets and the unamortized loss on reacquired or remarketed debt are found on the balance sheet under regulatory assets.

h. Regulatory Assets and Liabilities

Adjustments to the regulatory assets and liabilities are obtained from schedules produced by the Company's Regulatory Accounting Department, reflecting amortization rates previously approved by the Commission on existing line items and line of business proponent estimates for proposed line items. These schedules include storm costs, rate case expenses, deferred income taxes, CCR Asset Retirement Obligation (ARO) recovery, etc.

Unrecognized pension and post-retirement costs are amortized as part of the monthly expense projections discussed earlier.

UI performs calculations for regulatory assets and liabilities associated with the various rate mechanisms to address regulatory lag issues and under/over recoveries. The amortization of interest rate swap regulatory assets and liabilities are performed using UI logic.

i. ARO

The calculation of accretion expense is performed in an automated fashion within the PowerPlan Fixed Asset System. Accretion and depreciation expense are calculated by taking the beginning ARO liability balance multiplied by the discount rate / depreciation rate for each ARO. The ARO depreciation and accretion are recorded onto the income statement and then reclassified back into the balance sheet as a regulatory asset.

j. Accounts Payable

The material monthly balances are based on a lag utilizing capital spend and operation and maintenance expense monthly totals. Actual payables range from 15 days to 45 days from invoice date, the budget utilizes 50% of the current month and 50% of the prior month as it relates to capital spend and operation and maintenance expense monthly totals.

Electric Sales & Demand Forecast Process

PPL companies

Sales Analysis & Forecasting
July 2020

Table of Contents

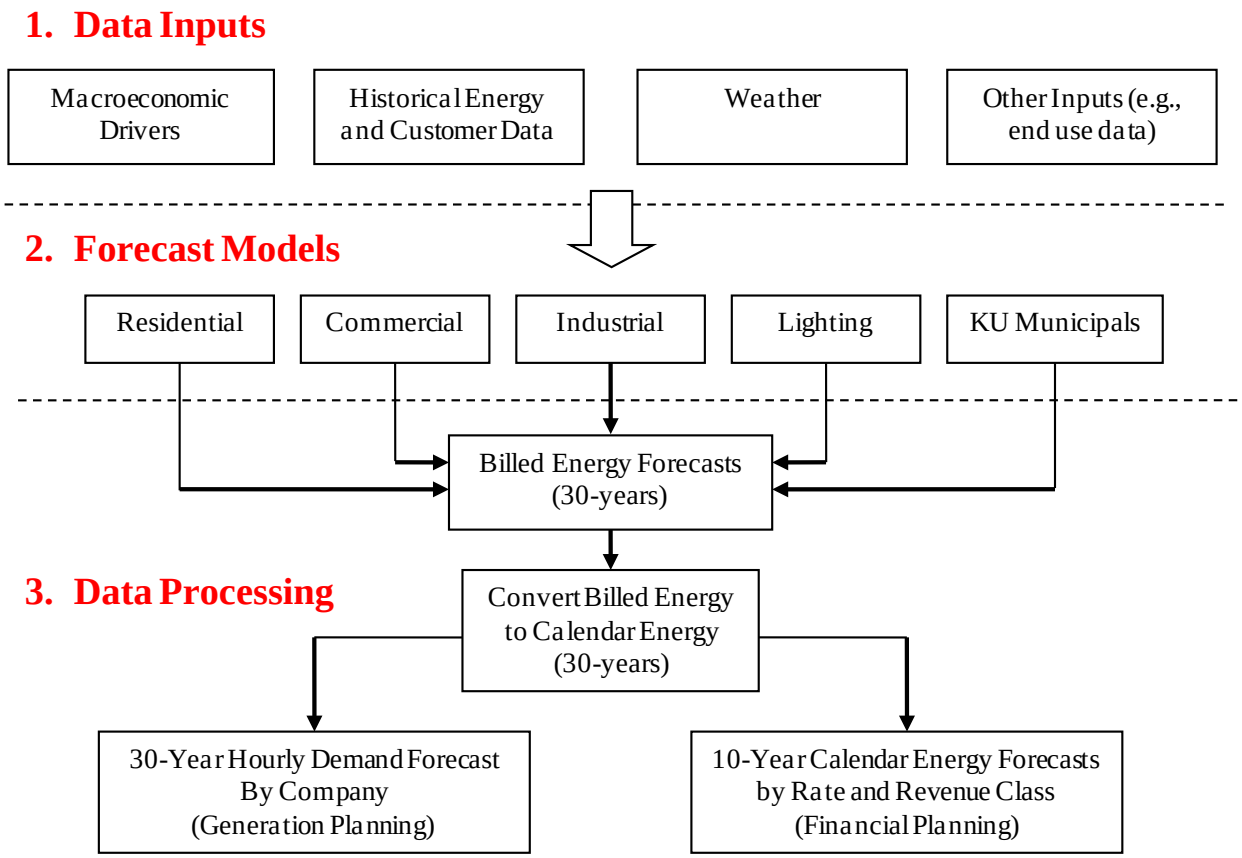
1. Introduction 3
2. Software Tools 4
3. Input Data 5
   3.1 Processing of Weather Data 6
      3.1.1 Historical Weather by Billing Period 6
      3.1.2 Normal Weather Forecast by Billing Period 6
4. Forecast Models 7
   4.1 Residential Forecasts 7
      4.1.1 Residential Customer Forecasts 8
      4.1.2 Residential Use-per-Customer Forecasts 8
   4.2 Commercial and Industrial Forecasts 8
      4.2.1 General Service Forecasts 9
      4.2.2 KU Secondary Forecast 9
      4.2.3 KU All-Electric School Forecast 9
      4.2.4 ODP School Service Forecast 9
      4.2.5 LG&E Secondary Forecast 9
      4.2.6 LG&E Special Contract Forecast 10
      4.2.7 ODP Secondary Forecast 10
      4.2.8 ODP Municipal Pumping Forecast 10
      4.2.9 KU Primary Forecast 10
      4.2.10 KU Retail Transmission Service Forecast 10
      4.2.11 KU Fluctuating Load Service Forecast 10
      4.2.12 LG&E Primary Forecast 10
      4.2.13 LG&E Retail Transmission Service Forecast 10
      4.2.14 ODP Industrial Forecast 11
   4.3 KU Municipal Forecasts 11
   4.4 Lighting and EV Charging Forecasts 11
   4.5 Distributed Solar Generation Forecast 11
   4.6 Electric Vehicle Forecast 12
   4.7 Billed Demand Forecasts 12
   4.8 Weather-Year Forecasts 12
5. Data Processing 13
   5.1 Billed-to-Calendar Energy Conversion 13
   5.2 Hourly Energy Requirements Forecast 14
6. Review 15

1. Introduction

The Sales Analysis & Forecasting group develops the sales and demand forecasts for Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively, "the Companies"). These forecasts serve as foundational inputs for the Generation Planning department's Generation Forecast and the Financial Planning department's Business Plan. This document summarizes the processes used to produce the sales and demand forecasts.

The forecast process can be divided into three parts (see Figure 1). The first part of the forecast process involves gathering and processing input data. Key inputs to the forecast process include macroeconomic data, historical energy and customer data, weather data, and other data such as residential appliance shares and efficiencies.

Figure 1 – Load Forecasting Process Diagram



In the second part of the forecast process, input data is used to specify a number of forecast models for each company. Generally, each model is used to forecast energy sales for a group of customers with homogeneous energy-use patterns within the same, or similar, tariff rates.

Most of the forecast models produce monthly energy forecasts on a billed basis.[1] In the third part of the forecast process, the billed energy forecasts are allocated to calendar months and then to rate and revenue classes for the Financial Planning department.[2] In addition, a forecast of hourly energy requirements is developed for the Generation Planning department.[3]

Throughout the forecast process, the forecast results are reviewed to ensure they are reasonable. For example, the new forecast is compared to (i) the previous forecast and (ii) weather-normalized actual sales for the comparable period in prior years. Each of these parts and the software tools used to produce the forecast are discussed in more detail in the following sections.

2. Software Tools

The following software packages are used in the forecast process:

- SAS, R
- Metrix ND (Itron)
- Microsoft Office: Excel, PowerPoint, Access
- @Risk

SAS, R, and Metrix ND are used to specify forecast models. The Microsoft Office tools are primarily used for analysis and presentations. Finally, @Risk is used to assess the reasonableness of the forecast.

[1] All customers are assigned to one of 20 billing portions. A billing portion determines what day of the month, generally, a customer's meter is read. Because the beginning and end of most billing portions do not coincide with the beginning and end of calendar months, most customers' monthly bills will include energy that was consumed in multiple calendar months. The energy on customers' bills is referred to as "billed" energy.
[2] Rate class defines the tariff assigned to each customer meter while Revenue class is a higher-level grouping; a Revenue class consists of one or more rate classes.
[3] Energy requirements are equal to sales plus transmission and distribution losses.

3. Input Data

Table 1 provides a summary of data inputs. The sections that follow describe key processes used to prepare the data for use in the forecast process.

Table 1 – Summary of Forecast Data Inputs

Data	***Source***	***Format***
State Macroeconomic and Demographic Drivers (e.g., Employment, Wages, Households, Population)	IHS Markit, Kentucky Data Center	Annual or Quarterly by County – History and Forecast
National Macroeconomic Drivers	IHS Markit	Annual or Quarterly – History and Forecast
Personal Income	IHS Markit	Annual by County
Weather	National Oceanic and Atmospheric Administration ("NOAA")	Daily HDD/CDD Data and Hourly Solar Irradiance by Weather Station – History
Billing Portion Schedule	Revenue Accounting	Monthly Collection Dates – History and Forecast
Appliance Saturations/Efficiencies	Energy Information Administration ("EIA"), ITRON	Annual – History and Forecast
Structural Variables (e.g., dwelling size, age, and type)	EIA, ITRON	Annual – History and Forecast
Elasticities of Demand	EIA / Historical Trend	Annual – History
Billed Sales History	CCS Billing System	Monthly by Service Territory and Rate Group
Number of Customers History	CCS Billing System	Monthly by Service Territory and Rate Group
Energy Requirements History	Energy Management System ("EMS")	Hourly Energy Requirements by Company
Annual Loss Factors	2012 Loss Factor Study (by Management Applications Consulting, Inc.)	Annual Average Loss Factors by Company
Solar Installations	CCS Billing System, National Renewable Energy Laboratory ("NREL")	Net Metering/Qualifying Facility Customers, Solar Net Metering Customer Forecast
Electric Vehicles	IHS Markit, Bloomberg New Energy Finance ("BNEF"), NREL, Electric Power Research Institute ("EPRI")	Monthly Cars on Road (historical), Monthly Cars on Road (forecast), Hourly EV Charging Shapes

3.1 Processing of Weather Data

Weather is a key explanatory variable in the electric forecast models. The weather dataset from NOAA's National Climatic Data Center ("NCDC") contains temperature (maximum, minimum, and average), heating degree days ("HDD"), and cooling degree days ("CDD") for each day and weather station over the past 20+ years. This data is used to create (a) a historical weather series by billing period, (b) a forecast of "normal" weather by billing period, and (c) a forecast of "normal" daily weather.[4] Each of these processes is summarized below.

3.1.1 Historical Weather by Billing Period

The process used to create the historical weather series by billing period consists of the following steps:

1. Using the historical daily weather data from the NCDC, sum the HDD and CDD values by billing portion.[5] Each historical billing period consists of 20 portions. The Companies' historical meter reading schedule contains the beginning and ending date for each billing portion.
2. Average the billing portion total HDDs and CDDs by billing period.

3.1.2 Normal Weather Forecast by Billing Period

The process used to produce the forecast of normal weather by billing period includes the production of a daily forecast of normal weather. The process used to develop the daily forecast (summarized below in Steps 2-5) is consistent with the process used by the NCDC to create its daily normal weather forecast.[6] The following steps are used to create the forecast of normal weather by billing period:

1. Compute the forecast of normal monthly weather by *calendar* month by averaging monthly degree-day values over the period of history upon which the normal forecast is based. The normal weather forecast is based on the most recent 20-year historical period. Therefore, the normal HDD value for January is the average of the 20 January HDD values in this period.
2. Compute "unsmoothed" daily normal weather values by averaging temperature, HDDs, and CDDs by calendar day. The unsmoothed normal temperature for January 1, for example, is computed as the average of the 20 January 1 temperatures in the historical period. This process excludes February 29.
3. Smooth the daily values using a 30-day moving average centered on the desired day. The "smoothed" normal temperature for January 1, for example, is computed as the average of the unsmoothed daily normal temperatures between December 16 and January 15.
4. Manually adjust the integer values in Step 3 so that the following criteria are met:

[4] "Normal" weather is defined as the average weather over a 20-year historical period. The Companies do not attempt to forecast any trends in weather.

[5] Weather data in the electric forecast is taken from the weather stations at the Bowman Field Airport in Louisville, Bluegrass Field Airport in Lexington, and Tri-Cities Airport in Tennessee.

[6] The NCDC derives daily normal values by applying a cubic spline to a specially prepared series of the monthly normal values.

a. The sum of the daily HDDs and CDDs by month should match the normal monthly HDDs and CDDs in Step 1.
b. The daily temperatures and CDDs should be monotonically increasing from winter to summer and monotonically decreasing from summer to winter. The daily HDD series should follow a reverse trend.

These criteria ensure the daily normal series is consistent with the monthly normal series.

5. The Companies' forecasted meter reading schedule contains the beginning and ending date for each billing portion through the end of the forecast period. In this step, sum the HDD and CDD values by billing portion. Use the February 28 weather data as a proxy for February 29 when billing portions include leap days.
6. Average the billing portion totals by billing period.

4. Forecast Models

LG&E and KU's electricity sales forecasts are developed through econometric modeling of energy sales by rate class, but also incorporate specific intelligence on the prospective energy requirements of the utilities' largest customers. Econometric modeling captures the (observed) statistical relationship between energy consumption – the dependent variable – and one or more independent explanatory variables such as the number of households or the level of economic activity in the service territory. Forecasts of electricity sales are then derived from a projection of the independent variable(s).

This widely accepted approach can readily accommodate the influences of national, regional and local (service territory) drivers of electricity sales. This approach may be applied to forecast the number of customers, energy sales, or use-per-customer. The statistical relationships will vary depending upon the jurisdiction being modeled and the class of service.

The LG&E sales forecast comprises one jurisdiction: Kentucky-retail. The KU sales forecast comprises three jurisdictions: Kentucky-retail, Virginia-retail, and FERC-wholesale.[7] Within the retail jurisdictions, the forecast typically distinguishes several classes of customers including residential, commercial, public authority, and industrial.

The econometric models used to produce the forecast pass two critical tests. First, the explanatory variables of the models must be theoretically appropriate and widely used in electricity sales forecasting. Second, the inclusion of these explanatory variables must produce statistically significant results that lead to an intuitively reasonable forecast. In other words, the models must be theoretically and empirically robust to explain the historical behavior of the Companies' customers. These forecast models are discussed in detail in the following sections.

4.1 Residential Forecasts

The Companies develop a residential forecast for each service territory. For the KU and LG&E service territories, the residential forecast includes all customers on the Residential Service ("RS"),

[7] For the purposes of this document, the KU service territory comprises KU's Kentucky-retail and FERC-wholesale jurisdictions. The ODP service territory comprises the Virginia-retail jurisdiction.

Residential Time of Day ("RTOD"), and Volunteer Fire Department ("VFD") rate schedules. The ODP Residential forecast includes all customers on the RS rate schedule.[8] Residential sales are forecasted for each service territory as the product of a customer forecast and a use-per-customer forecast.

4.1.1 Residential Customer Forecasts

The number of residential customers is forecasted by service territory as a function of the number of forecasted households or forecasted population in the service territory. Household and population data by county and Metropolitan Statistical Area ("MSA") is available from IHS Markit and the Kentucky Data Center.

4.1.2 Residential Use-per-Customer Forecasts

Average use-per-customer is forecast using a Statistically-Adjusted End-Use ("SAE") Model. The SAE model combines econometric modeling with traditional end-use modeling. The SAE approach defines energy use as a function of energy used by heating equipment, cooling equipment, and other equipment.

$$\text{Use-per-Customer} = a1*XHeat + a2*XCool + a3*XOther$$

Inputs for developing the heating, cooling, and other variables include weather (heating and cooling degree days), appliance saturations, efficiencies, and economic and demographic variables such as income, population, members per household and electricity prices. Once the historical profile of these explanatory variables has been established, a regression model is specified to identify the statistical relationship between changes in these variables and changes in the dependent variable, use-per-customer. A more detailed discussion of each of these components and the methodology used to develop them is contained in Appendix A.

4.2 Commercial and Industrial Forecasts

Table 2 lists the rate schedules included in the commercial and industrial forecasts. A relatively small number of the Companies' largest industrial customers account for a significant portion of total industrial sales, and any expansion or reduction in operations by these customers can significantly impact the Companies' load forecast. As a result, sales to these customers are forecast based on information obtained through direct discussions with these customers. During these discussions, the customers are given the opportunity to review and comment on the usage and billed demand forecasts that the Companies create for them. These regular communications allow the Companies to directly adjust sales expectations given the first-hand knowledge of the utilization outlook for these companies. The following sections summarize the Companies' commercial and industrial forecasts.

[8] KU's Virginia-retail jurisdiction does not have RTOD or VFD rate schedules.

Table 2: Commercial and Industrial Rate Schedules

Service Territory	Rate Schedules
LG&E	General Service ("GS"), Power Service ("PS"), Retail Transmission Service ("RTS"), Time-of-Day Primary Service ("TODP"), Time-of-Day Secondary Service ("TODS")
KU	All-Electric School ("AES"), Fluctuating Load Service ("FLS"), GS, PS, RTS, TODP, TODS
ODP	GS, PS, RTS, SS, TODP, TODS, Water Pumping Service ("M")

4.2.1 General Service Forecasts

The general service forecasts include all customers on the GS rate schedule. For each service territory, the GS sales forecast employs an SAE model similar to the model used to forecast residential use-per-customer, and defines energy use as a function of energy used by heating equipment, cooling equipment, and other equipment as well as binary variables to account for anomalies in the historical data. A more detailed discussion of this model is included in Appendix B.

4.2.2 KU Secondary Forecast

The KU Secondary forecast includes all customers who receive secondary service on the PS rate schedule and all customers on the TODS rate schedule. Sales to these customers are modeled as a function of weather, economic variables, end-use intensity projections, cooling efficiencies, and binary variables which account for anomalies in the historical data.

4.2.3 KU All-Electric School Forecast

The KU All-Electric School forecast includes all customers on the AES rate schedule. Sales to these customers are modeled as a function of the number of KU households, weather, and binary variables to account for anomalies in the historical data.

4.2.4 ODP School Service Forecast

The ODP School Service forecast includes all customers on the SS rate schedule. Sales to these customers are modeled as a function of weather and historical trends.

4.2.5 LG&E Secondary Forecast

The LG&E Secondary forecast includes all customers who receive secondary service on the PS rate schedule and all customers on the TODS rate schedule. Sales to these customers are modeled as a function of weather, economic variables, end-use intensity projections, and other binary variables to account for anomalies in the historical data.

4.2.6 LG&E Special Contract Forecast

LG&E has one customer that is served under a special contract. This customer's consumption is forecasted separately based on information obtained through direct discussions with the customer.

4.2.7 ODP Secondary Forecast

The ODP Secondary forecast includes all customers who receive secondary service on the PS rate schedule and all customers on the TODS rate schedule. Sales to these customers are modeled as a function of weather, economic variables, end-use intensity projections, and other binary variables to account for anomalies in the historical data.

4.2.8 ODP Municipal Pumping Forecast

The ODP municipal pumping forecast consists of customers on the Water Pumping Service rate schedule. Sales to these customers are modeled using a trend based on recent sales.

4.2.9 KU Primary Forecast

The KU Primary forecast includes all customers who receive primary service on the PS rate schedule and all customers on the TODP rate schedule. Sales to these customers are modeled as a function of an economic variable and weather. If necessary, the forecast is adjusted to reflect significant expansions or reductions for large customers in these rate classes that are forecast individually based on information obtained through direct discussions with these customers.

4.2.10 KU Retail Transmission Service Forecast

The KU Retail Transmission Service forecast includes customers who receive service on the RTS rate schedule. Sales for a number of large KU RTS customers are forecast individually based on information obtained through direct discussions with these customers. The majority of the remaining RTS customers are mining customers. Sales to these customers are modeled as a function of a mining index and weather.

4.2.11 KU Fluctuating Load Service Forecast

The KU Fluctuating Load Service forecast includes the one customer on the FLS rate schedule and is developed based on information obtained through direct discussions with this customer.

4.2.12 LG&E Primary Forecast

The LG&E Primary forecast includes all customers who receive primary service on the PS rate schedule and all customers on the TODP rate schedule. Sales to these customers are modeled as a function of an economic variable, recent sales, and weather. If necessary, the forecast is adjusted to reflect significant expansions or reductions for large customers on these rate schedules that are forecast individually based on information obtained through direct discussions with these customers.

4.2.13 LG&E Retail Transmission Service Forecast

The LG&E Retail Transmission Service forecast includes customers who receive service on the RTS rate schedule. Sales for a number of large LG&E RTS customers are forecast individually

based on information obtained through direct discussions with these customers. Sales to the remaining customers are modeled using an industry-weighted Industrial Production Index and weather.

4.2.14 ODP Industrial Forecast

The ODP industrial forecast includes all customers receiving primary service on the PS rate schedule as well as customers receiving service on the TODP or RTS rate schedules. ODP industrial sales are modeled as a function of mining production forecasts and weather.

4.3 KU Municipal Forecasts

KU's municipal customers develop their own sales forecasts. These forecasts are reviewed by KU for consistency and compared to historical sales trends. Any questions or concerns regarding the forecasts are directed to the municipal customers and any forecast revisions resulting from this process are made by the municipal customers.

4.4 Lighting and EV Charging Forecasts

The Lighting and EV Charging forecasts include customers receiving service on the following rate schedules:

- LG&E
  - Electric Vehicle Charging ("EVC")
  - Lighting Energy Service ("LES")
  - Outdoor Sports Lighting Service ("OSL")
  - Traffic Energy Service ("TES")
  - Unmetered Street Lighting ("UM")
- KU
  - EVC
  - LES
  - OSL
  - TES
  - UM
- ODP
  - UM

All Lighting and EV Charging energy is modeled using a trend based on recent sales.

4.5 Distributed Solar Generation Forecast

The distributed solar generation forecast is based upon a consumer choice model. The consumer choice model is driven by the levelized cost of energy ("LCOE") for solar installations and retail price of electricity from the grid. After 2021, there is an assumption that the grandfathering period has ended along with the Investment Tax Credit (ITC) for residential customers, so the adoption rates slow to a linear trend of historical adoptions. Additionally, the size of new solar installations decreases from what has been seen historically due to the assumed change in the net

metering tariff. The modeling is at the combined Companies' level and the forecast is allocated as a reduction the RS, GS, and PS forecasts.

4.6 Electric Vehicle Forecast

The electric vehicle forecast comprises both a consumer choice model and a forecast adapted to the Companies' service territories from EIA. The consumer choice model is driven by the declines in the price of electric vehicles due to projected declines in battery pack costs as well as the cost of internal combustion engine vehicles. The consumer choice model output is used in the initial period of the forecast and is blended gradually towards the EIA adapted forecast output, which acts as an anchor point in 2050. Certain efficiency and miles driven assumptions are used to translate the vehicles-in-operation into an energy impact and that impact is allocated entirely to the Residential class. The EV sales forecast is allocated as an increase to the RS forecasts.

4.7 Billed Demand Forecasts

For most rates, regression models are developed to forecast billed demands primarily as a function of energy. For some rates, billed demand forecasts are developed by applying historical ratios of billed demand and energy to the energy forecast. For a given customer and month, tariff provisions can impact the relationship between billed demands and energy. For example, the base demand for a TODP customer is computed as the greater of several factors including the customer's contract capacity and highest measured demand for the preceding 11 billing periods. The Companies' forecasting process considers the potential impact of these factors on the overall forecasts. Base, peak, and intermediate demands for the Companies' largest customers are developed with input from the customer.

4.8 Weather-Year Forecasts

The Companies develop their hourly energy requirements forecast with the assumption that weather will be average or "normal" in every year (see discussion below in Section 5.2). While this is a reasonable assumption for long-term resource planning, weather from one year to the next is never the same. For this reason, to support the Companies' Reserve Margin Analysis and other studies focused on generation reliability, the Companies produced 46 hourly energy requirement forecasts for each year of the forecast based on actual weather in each of the last 46 years.

To create these "weather year" forecasts, the Companies develop a model to forecast daily energy requirements as a function of temperature and calendar variables such as day of week and holidays. This model is used to forecast daily energy requirements in each year of the forecast period based on weather from the prior 46 calendar years and calendar variables from the forecast period. Forecasted daily energy requirements are allocated to hours using daily load shapes derived from recent energy requirement profiles for days with similar weather. Finally, to ensure consistency with the Companies' energy forecast, the weather year forecasts are adjusted so that the mean of monthly energy requirements from the weather year forecasts equals monthly energy requirements in the base energy forecast.[9]

[9] The process for computing monthly energy requirements in the base forecast is discussed in Section 5.2.

5. Data Processing

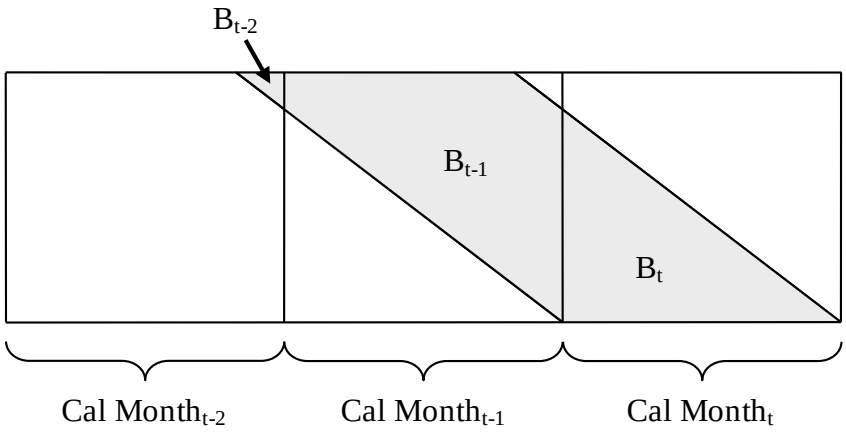
All customers are assigned to one of 20 billing portions. A billing portion determines what day of the month, generally, a customer's meter is read. Most customers' monthly bills include energy that was consumed in portions of more than one calendar month. This energy is referred to as "billed" energy and the majority of the Companies' forecast models are initially specified to forecast "billed" sales. The following processes are completed to prepare the forecasts for use as inputs to the Companies' revenue and generation forecasts:

1. Billed-to-Calendar Energy Conversion
2. Hourly Energy Requirements Forecast

5.1 Billed-to-Calendar Energy Conversion

Most forecast volumes must be converted from a billed to calendar basis to meet the needs of the Financial Planning department. The shaded area in Figure 2 represents a typical billing period (B). Area B_t represents the portion of billed energy consumed in the current calendar month (Cal $Month_t$). Area B_{t-1} represents the portion of billed energy consumed in the previous calendar month (Cal $Month_{t-1}$). Area B_{t-2} represents the portion of billed energy consumed in the calendar month two months prior to the current month (Cal $Month_{t-2}$). Not all billing periods include volumes that were consumed in the calendar month two months prior to the current month.

Figure 2 – Billed and Calendar Energy



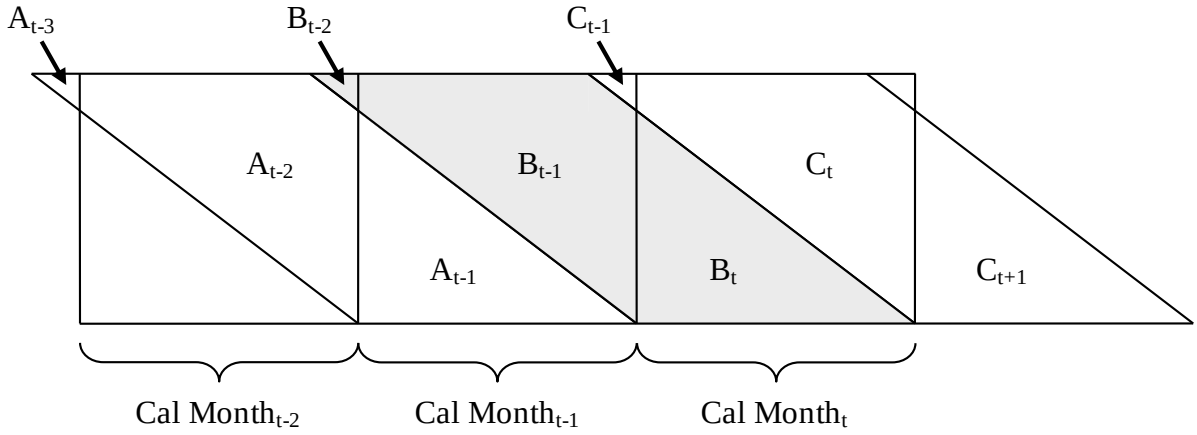
In this process, billed energy is allocated to calendar months based on when the energy is consumed. Furthermore, the weather-sensitive portion of the billed energy forecast is allocated to calendar months based on degree days (HDDs and CDDs) and the non-weather-sensitive portion is allocated based on billing days.[10] For example, the June billing period includes portions of June, May, and possibly April. Under normal weather conditions, June will have

[10] For a given billing period, the number of degree days and billing days in each calendar month is computed as an average over the 20 billing portions.

more CDDs than May. Therefore, a greater portion of the weather-sensitive energy in the June billing period will be allocated to the calendar month of June.

Figure 3 contains two additional billing periods (A & C). Calendar sales for Cal Month$_{t-1}$ is equal to the sum of energy in in billing period segments A_{t-1}, B_{t-1}, and C_{t-1}.

Figure 3 – Billed and Calendar Energy



5.2 Hourly Energy Requirements Forecast

The Generation Planning department uses the hourly energy requirements forecast to develop resource expansion plans and a forecast of generation production costs. An hourly energy requirements forecast is developed for each company by adding losses to calendar-month sales and allocating the sum to hours. The result reflects customers' hourly energy requirements under normal weather conditions. The following process is used to develop this forecast:

1. Sum calendar-month forecast volumes by company and add transmission and distribution losses to compute monthly energy requirements. The sum of calendar-month forecast volumes for KU includes forecast volumes for the KU and ODP service territories.
2. Develop normalized load duration curves for each company and month based on 10 years of historical hourly energy requirements. For KU, to model the impact of the municipal departure, this process is completed based on historical energy requirements where the impact of the departing municipals has been removed.
    a. Compute the ratio of hourly energy requirements and monthly energy requirements for each hour and company. Rank the ratios in each month from highest to lowest.
    b. In all months except January and August, the normalized load duration curve is computed by averaging the ratios by month, rank, and company. Because the winter and summer peak can occur in multiple months and the average peak for a season is higher than the average peak for any individual month in the season, the normalized load duration curves for January and August are computed based on the Januaries and Augusts in the historical period with lower-than-average load

factors.[11] This process produces seasonal peak demand forecasts for January and August.

3. Allocate monthly energy requirements to hours using the normalized load duration curves. For KU, the normalized load durations curves reflect the municipal departure.
4. Assign hourly energy requirements to specific hours in each month based on the ordering of days and weekends in the month.
5. Adjust the hourly energy requirements forecast to reflect the forecasted impact of distributed solar generation and electric vehicle load.

6. Review

The final part of the forecast process includes validating and documenting the forecast results. To ensure results are reasonable, the new forecast is compared to (i) the previous forecast and (ii) weather-normalized actual sales for the comparable period in prior years. This process ensures that the forecast is consistent with recent trends in the way customers are using electricity.

[11] Specifically, of the ten Januaries and Augusts in the historical period, the analysis uses the months with the 2nd, 3rd, 4th, and 5th lowest load factors.

Appendix A: Residential SAE Modeling Framework

The traditional approach to forecasting monthly sales for a customer class is to develop an econometric model that relates monthly sales to weather, seasonal variables, and economic conditions. Econometric models are well suited to identifying historical trends and to projecting these trends into the future. In contrast, end-use models are able to identify and isolate the end-use factors that are driving energy use. By incorporating end-use structure into an econometric model, the statistically adjusted end-use (SAE) modeling framework exploits the strengths of both approaches.

There are several advantages to this approach.

- The equipment efficiency and saturation trends, dwelling square footage, and thermal integrity changes embodied in the long-run end-use forecasts are introduced explicitly into the short-term monthly sales forecast. This provides a strong bridge between the two forecasts.
- By explicitly incorporating trends in equipment saturations, equipment efficiency, dwelling square footage, and thermal integrity levels, it is easier to explain changes in usage levels and changes in weather-sensitivity over time.
- Data for short-term models are often not sufficiently robust to support estimation of a full set of price, economic, and demographic effects. By bundling these factors with equipment-oriented drivers, a rich set of elasticities can be incorporated into the final model.

This section describes this approach, the associated supporting SAE spreadsheets, and the *MetrixND* project files that are used in the implementation. The main source of the SAE spreadsheets is the 2019 Annual Energy Outlook (AEO) database provided by the Energy Information Administration (EIA).

Statistically Adjusted End-Use Modeling Framework

The statistically adjusted end-use modeling framework begins by defining energy use ($USE_{y,m}$) in year (y) and month (m) as the sum of energy used by heating equipment ($Heat_{y,m}$), cooling equipment ($Cool_{y,m}$), and other equipment ($Other_{y,m}$). Formally,

$$USE_{y,m} = Heat_{y,m} + Cool_{y,m} + Other_{y,m} \quad (1)$$

Although monthly sales are measured for individual customers, the end-use components are not. Substituting estimates for the end-use elements gives the following econometric equation.

$$USE_{m} = a + b_1 \times XHeat_{m} + b_2 \times XCool_{m} + b_3 \times XOther_{m} + \varepsilon_{m} \quad (2)$$

$XHeat_m$, $XCool_m$, and $XOther_m$ are explanatory variables constructed from end-use information, dwelling data, weather data, and market data. As will be shown below, the equations used to construct these X-variables are simplified end-use models, and the X-variables are the estimated usage levels for each of the major end uses based on these models. The estimated model can then be thought of as a statistically adjusted end-use model, where the estimated slopes are the adjustment factors.

Constructing XHeat

As represented in the SAE spreadsheets, energy use by space heating systems depends on the following types of variables.

- Heating degree days
- Heating equipment saturation levels
- Heating equipment operating efficiencies
- Average number of days in the billing cycle for each month
- Thermal integrity and footage of homes
- Average household size, household income, and energy prices

The heating variable is represented as the product of an annual equipment index and a monthly usage multiplier:

$$XHeat_{y,m} = HeatIndex_{y,m} \times HeatUse_{y,m} \quad (3)$$

Where:

- $XHeat_{y,m}$ is estimated heating energy use in year (y) and month (m)
- $HeatIndex_{y,m}$ is the monthly index of heating equipment
- $HeatUse_{y,m}$ is the monthly usage multiplier

The heating equipment index is defined as a weighted average across equipment types of equipment saturation levels normalized by operating efficiency levels. Given a set of fixed weights, the index will change over time with changes in equipment saturations (*Sat*), operating efficiencies (*Eff*), building structural index (*StructuralIndex*), and energy prices. Formally, the equipment index is defined as:

$$HeatIndex_y = StructuralIndex_y \times \sum_{Type} Weight^{Type} \times \frac{\left(Sat_y^{Type} / Eff_y^{Type} \right)}{\left(Sat_{15}^{Type} / Eff_{15}^{Type} \right)} \quad (4)$$

The *StructuralIndex* is constructed by combining the EIA's building shell efficiency index trends with surface area estimates, and then it is indexed to the 2015 value:

$$StructuralIndex_y = \frac{BuildingShellEfficiencyIndex_y \times SurfaceArea_y}{BuildingShellEfficiencyIndex_{15} \times SurfaceArea_{15}} \quad (5)$$

The *StructuralIndex* is defined on the *StructuralVars* tab of the SAE spreadsheets. Surface area is derived to account for roof and wall area of a standard dwelling based on the regional average square footage data obtained from EIA. The relationship between the square footage and surface area is constructed assuming an aspect ratio of 0.75 and an average of 25% two-story and 75% single-story. Given these assumptions, the approximate linear relationship for surface area is:

$$SurfaceArea_y = 892 + 1.44 \times Footage_y \quad (6)$$

In Equation 4, 2015 is used as a base year for normalizing the index. As a result, the ratio on the right is equal to 1.0 in 2015. In other years, it will be greater than 1.0 if equipment saturation levels are above their 2015 level. This will be counteracted by higher efficiency levels, which will drive the index downward. The weights are defined as follows.

$$Weight^{Type} = \frac{Energy_{15}^{Type}}{HH_{15}} \times HeatShare_{15}^{Type} \quad (7)$$

In the SAE spreadsheets, these weights are referred to as *Intensities* and are defined on the *EIAData* tab. With these weights, the *HeatIndex* value in 2015 will be equal to estimated annual heating intensity per household in that year. Variations from this value in other years will be proportional to saturation and efficiency variations around their base values.

For electric heating equipment, the SAE spreadsheets contain two equipment types: electric resistance furnaces/room units and electric space heating heat pumps. Examples of weights for these two equipment types for the U.S. are given in Table 2.

Table 2: Electric Space Heating Equipment Weights

Equipment Type	Weight (kWh)
Electric Resistance Furnace/Room units	916
Electric Space Heating Heat Pump	346

Data for the equipment saturation and efficiency trends are presented on the *Shares* and *Efficiencies* tabs of the SAE spreadsheets. The efficiency for electric space heating heat pumps are given in terms of Heating Seasonal Performance Factor [BTU/Wh], and the efficiencies for electric furnaces and room units are estimated as 100%, which is equivalent to 3.41 BTU/Wh.

Price Impacts. In the 2007 version of the SAE models and thereafter, the Heat Index has been extended to account for the long-run impact of electric and natural gas prices. Since the Heat Index represents changes in the stock of space heating equipment, the price impacts are modeled to play themselves out over a 10-year horizon. To introduce price effects, the Heat Index as defined by

Equation 4 above is multiplied by a 10-year moving-average of electric and gas prices. The level of the price impact is guided by the long-term price elasticities:

$$HeatIndex_y = StructuralIndex_y \times \sum_{Type} Weight^{Type} \times \frac{\left(Sat_y^{Type} \Big/ Eff_y^{Type} \right)}{\left(Sat_{15}^{Type} \Big/ Eff_{15}^{Type} \right)} \times \left(TenYearMovingAverageElectric\,\mathrm{Price}_{y,m} \right)^{\phi} \times \left(TenYearMovingAverageGas\,\mathrm{Price}_{y,m} \right)^{\gamma} \quad (8)$$

Since the trends in the Structural index (the equipment saturations and efficiency levels) are provided exogenously by the EIA, the price impacts are introduced in a multiplicative form. As a result, the long-run change in the Heat Index represents a combination of adjustments to the structural integrity of new homes, saturations in equipment and efficiency levels relative to what was contained in the base EIA long-term forecast.

Heating system usage levels are impacted on a monthly basis by several factors, including weather, household size, income levels, prices, and billing days. The estimates for space heating equipment usage levels are computed as follows:

$$HeatUse_{y,m} = \left(\frac{WgtHDD_{y,m}}{HDD_{15}} \right) \times \left(\frac{HHSize_y}{HHSize_{15}} \right)^{0.25} \times \left(\frac{Income_y}{Income_{15}} \right)^{0.20} \times \left(\frac{Elec\,\mathrm{Price}_{y,m}}{Elec\,\mathrm{Price}_{15,7}} \right)^{\lambda} \times \left(\frac{Gas\,\mathrm{Price}_{y,m}}{Gas\,\mathrm{Price}_{15,7}} \right)^{\kappa} \quad (9)$$

Where:

- *WgtHDD* is the weighted number of heating degree days in year (*y*) and month (*m*). This is constructed as the weighted sum of the current month's HDD and the prior month's HDD. The weights are 75% on the current month and 25% on the prior month.
- *HDD* is the annual heating degree days for 2015
- *HHSize* is average household size in a year (*y*)
- *Income* is average real income per household in year (*y*)
- *ElecPrice* is the average real price of electricity in month (*m*) and year (*y*)
- *GasPrice* is the average real price of natural gas in month (*m*) and year (*y*)

By construction, the $HeatUse_{y,m}$ variable has an annual sum that is close to 1.0 in the base year (2015). The first two terms, which involve billing days and heating degree days, serve to allocate annual values to months of the year. The remaining terms average to 1.0 in the base year. In other years, the values will reflect changes in the economic drivers, as transformed through the end-use elasticity parameters. The price impacts captured by the Usage equation represent short-term price response.

Constructing XCool

The explanatory variable for cooling loads is constructed in a similar manner. The amount of energy used by cooling systems depends on the following types of variables.

- Cooling degree days
- Cooling equipment saturation levels
- Cooling equipment operating efficiencies
- Average number of days in the billing cycle for each month
- Thermal integrity and footage of homes
- Average household size, household income, and energy prices

The cooling variable is represented as the product of an equipment-based index and monthly usage multiplier. That is,

$$XCool_{y,m} = CoolIndex_{y} \times CoolUse_{y,m} \qquad (10)$$

Where

- $XCool_{y,m}$ is estimated cooling energy use in year (y) and month (m)
- $CoolIndex_{y}$ is an index of cooling equipment
- $CoolUse_{y,m}$ is the monthly usage multiplier

As with heating, the cooling equipment index is defined as a weighted average across equipment types of equipment saturation levels normalized by operating efficiency levels. Formally, the cooling equipment index is defined as:

$$CoolIndex_y = StructuralIndex_y \times \sum_{Type} Weight^{Type} \times \frac{\left(Sat_y^{Type} / Eff_y^{Type} \right)}{\left(Sat_{15}^{Type} / Eff_{15}^{Type} \right)} \quad (11)$$

Data values in 2015 are used as a base year for normalizing the index, and the ratio on the right is equal to 1.0 in 2015. In other years, it will be greater than 1.0 if equipment saturation levels are above their 2015 level. This will be counteracted by higher efficiency levels, which will drive the index downward. The weights are defined as follows.

$$Weight^{Type} = \frac{Energy_{15}^{Type}}{HH_{15}} \times CoolShare_{15}^{Type} \quad (12)$$

In the SAE spreadsheets, these weights are referred to as *Intensities* and are defined on the *EIAData* tab. With these weights, the *CoolIndex* value in 2015 will be equal to estimated annual cooling intensity per household in that year. Variations from this value in other years will be proportional to saturation and efficiency variations around their base values.

For cooling equipment, the SAE spreadsheets contain three equipment types: central air conditioning, space cooling heat pump, and room air conditioning. Examples of weights for these three equipment types for the U.S. are given in Table 3.

Table 3: Space Cooling Equipment Weights

Equipment Type	Weight (kWh)
Central Air Conditioning	1,012
Space Cooling Heat Pump	306
Room Air Conditioning	277

The equipment saturation and efficiency trends data are presented on the *Shares* and *Efficiencies* tabs of the SAE spreadsheets. The efficiency for space cooling heat pumps and central air conditioning (A/C) units are given in terms of Seasonal Energy Efficiency Ratio [BTU/Wh], and room A/C units efficiencies are given in terms of Energy Efficiency Ratio [BTU/Wh].

Price Impacts. In the 2007 SAE models and thereafter, the Cool Index has been extended to account for changes in electric and natural gas prices. Since the Cool Index represents changes in the stock of space heating equipment, it is anticipated that the impact of prices will be long-term in nature. The Cool Index as defined Equation 11 above is then multiplied by a 10-year moving average of electric and gas prices. The level of the price impact is guided by the long-term price elasticities.

$$CoolIndex_y = StructuralIndex_y \times \sum_{Type} Weight^{Type} \times \frac{\left(Sat_y^{Type} \Big/ Eff_y^{Type} \right)}{\left(Sat_{15}^{Type} \Big/ Eff_{15}^{Type} \right)} \times \left(TenYearMovingAverageElectric\ \mathrm{Price}_{y,m} \right)^{\phi} \times \left(TenYearMovingAverageGas\ \mathrm{Price}_{y,m} \right)^{\gamma} \quad (13)$$

Since the trends in the Structural index, equipment saturations and efficiency levels are provided exogenously by the EIA, price impacts are introduced in a multiplicative form. The long-run change in the Cool Index represents a combination of adjustments to the structural integrity of new homes, saturations in equipment and efficiency levels. Without a detailed end-use model, it is not possible to isolate the price impact on any one of these concepts.

Cooling system usage levels are impacted on a monthly basis by several factors, including weather, household size, income levels, and prices. The estimates of cooling equipment usage levels are computed as follows:

$$CoolUse_{y,m} = \left(\frac{WgtCDD_{y,m}}{CDD_{15}} \right) \times \left(\frac{HHSize_y}{HHSize_{15}} \right)^{0.25} \times \left(\frac{Income_y}{Income_{15}} \right)^{0.20} \times \left(\frac{Elec\ \mathrm{Price}_{y,m}}{Elec\ \mathrm{Price}_{15}} \right)^{\lambda} \times \left(\frac{Gas\ \mathrm{Price}_{y,m}}{Gas\ \mathrm{Price}_{15}} \right)^{\kappa} \quad (14)$$

Where:

- *WgtCDD* is the weighted number of cooling degree days in year (*y*) and month (*m*). This is constructed as the weighted sum of the current month's CDD and the prior month's CDD. The weights are 75% on the current month and 25% on the prior month.
- *CDD* is the annual cooling degree days for 2015.

By construction, the *CoolUse* variable has an annual sum that is close to 1.0 in the base year (2015). The first two terms, which involve billing days and cooling degree days, serve to allocate annual values to months of the year. The remaining terms average to 1.0 in the base year. In other years, the values will change to reflect changes in the economic driver changes.

Constructing XOther

Monthly estimates of non-weather sensitive sales can be derived in a similar fashion to space heating and cooling. Based on end-use concepts, other sales are driven by:

- Appliance and equipment saturation levels
- Appliance efficiency levels
- Average number of days in the billing cycle for each month
- Average household size, real income, and real prices

The explanatory variable for other uses is defined as follows:

$$XOther_{y,m} = OtherEqpIndex_{y,m} \times OtherUse_{y,m} \qquad (15)$$

The first term on the right-hand side of this expression ($OtherEqpIndex_y$) embodies information about appliance saturation and efficiency levels and monthly usage multipliers. The second term (*OtherUse*) captures the impact of changes in prices, income, household size, and number of billing-days on appliance utilization.

End-use indices are constructed in the SAE models. A separate end-use index is constructed for each end-use equipment type using the following function form.

$$ApplianceIndex_{y,m} = Weight^{Type} \times \frac{\left(Sat_y^{Type} \Big/ \frac{1}{UEC_y^{Type}} \right)}{\left(Sat_{15}^{Type} \Big/ \frac{1}{UEC_{15}^{Type}} \right)} \times MoMult_m^{Type} \times \left(TenYearMovingAverageElectric\,\mathrm{Price}\right)^{\lambda} \times \left(TenYearMovingAverageGas\,\mathrm{Price}\right)^{\kappa} \qquad (16)$$

Where:

- *Weight* is the weight for each appliance type
- *Sat* represents the fraction of households, who own an appliance type
- $MoMult_m$ is a monthly multiplier for the appliance type in month (*m*)
- *Eff* is the average operating efficiency the appliance
- *UEC* is the unit energy consumption for appliances

This index combines information about trends in saturation levels and efficiency levels for the main appliance categories with monthly multipliers for lighting, water heating, and refrigeration.

The appliance saturation and efficiency trends data are presented on the *Shares* and *Efficiencies* tabs of the SAE spreadsheets.

Further monthly variation is introduced by multiplying by usage factors that cut across all end uses, constructed as follows:

$$ApplianceUse_{y,m} = \left(\frac{BDays_{y,m}}{30.44}\right) \times \left(\frac{HHSize_y}{HHSize_{15}}\right)^{0.46} \times \left(\frac{Income_y}{Income_{15}}\right)^{0.10} \times \left(\frac{Elec\,Price_{y,m}}{Elec\,Price_{15}}\right)^{\phi} \times \left(\frac{Gas\,Price_{y,m}}{Gas\,Price_{15}}\right)^{\lambda} \quad (17)$$

The index for other uses is derived then by summing across the appliances:

$$OtherEqpIndex_{y,m} = \sum_k ApplianceIndex_{y,m} \times ApplianceUse_{y,m} \quad (18)$$

Supporting Spreadsheets and MetrixND Project Files

The SAE approach described above has been implemented for each of the nine Census Divisions. A mapping of states to Census Divisions is presented in Figure 15. This section describes the contents of each file and a procedure for customizing the files for specific utility data. A total of 18 files are provided. These files are listed in Table 4.

Figure 15: Mapping of States to Census Divisions

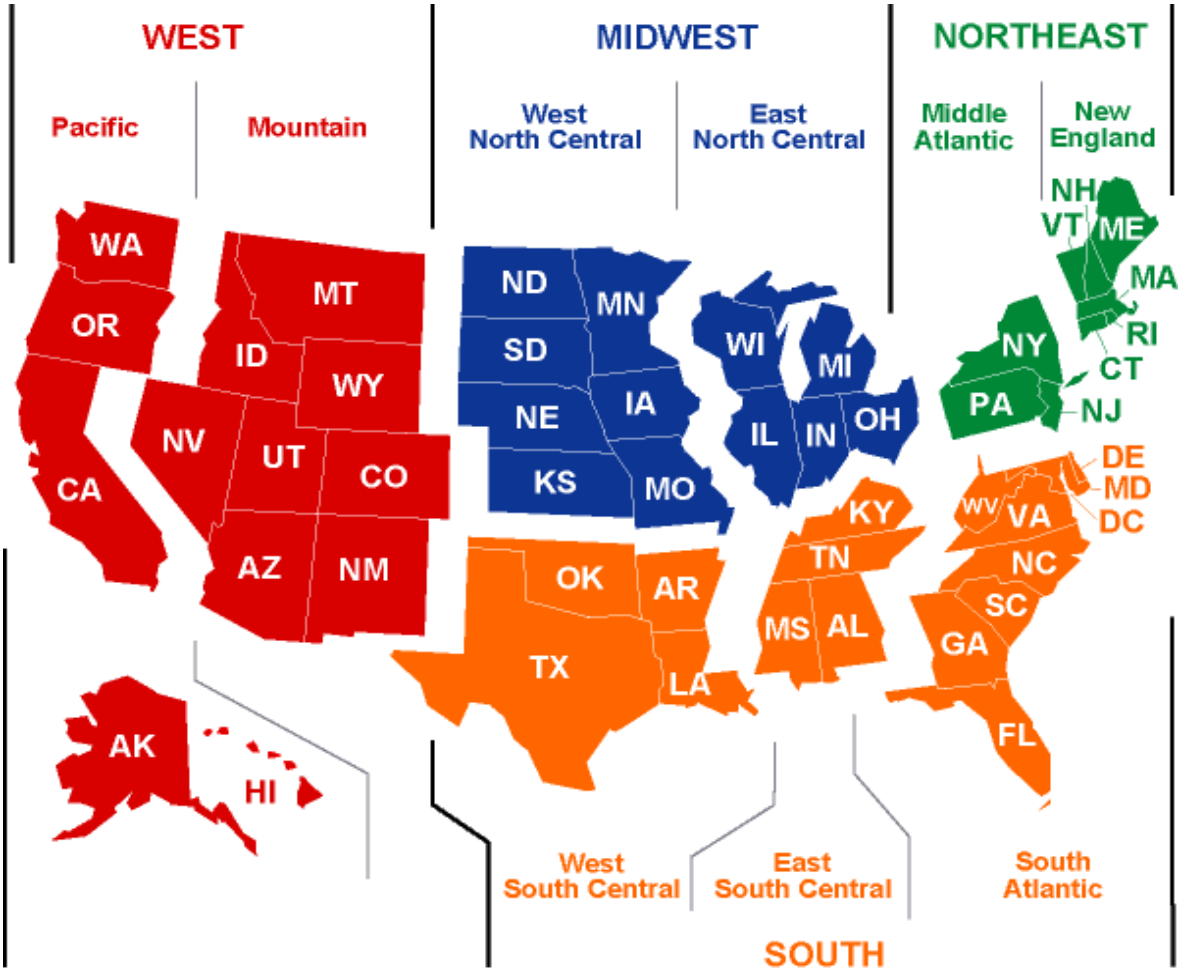


Table 4: List of SAE Files

Spreadsheet	*MetrixND* Project File
NewEngland.xls	SAE_NewEngland.ndm
MiddleAtlantic.xls	SAE_MiddleAtlantic.ndm
EastNorthCentral.xls	SAE_EastNorthCentral.ndm
WestNorthCentral.xls	SAE_WestNorthCentral.ndm
SouthAtlantic.xls	SAE_SouthAltantic.ndm
EastSouthCentral.xls	SAE_EastSouthCentral.ndm
WestSouthCentral.xls	SAE_WestSouthCentral.ndm
Mountain.xls	SAE_Mountain.ndm
Pacific.xls	SAE_Pacific.ndm

As defaults, the SAE spreadsheets include regional data, but utility data can be entered to generate the *Heat*, *Cool*, and *Other* equipment indices used in the SAE approach. The *MetrixND* project files link to the data in these spreadsheets. These project files calcualte the end-use *Usage* variables are constructed and the estimated SAE models.

Each of the nine SAE spreadsheets contains the following tabs:

- **Definitions** - Contains equipment, end use, worksheet, and Census Division definitions.
- **Intensities** - Calculates the annual equipment indices.
- **Shares** - Contains historical and forecasted equipment shares. The default forecasted values are provided by the EIA. The raw EIA projections are provided on the *EIAData* tab.
- **Efficiencies** - Contains historical and forecasted equipment efficiency trends. The forecasted values are based on projections provided by the EIA. The raw EIA projections are provided on the *EIAData* tab.
- **StructuralVars** - Contains historical and forecasted square footage, number of households, building shell efficiency index, and calculation of structural variable. The forecasted values are based on projections provided by the EIA.
- **Calibration** - This tab contains calculations of the base year *Intensity* values used to weight the equipment indices.
- **EIAData** - Contains the raw forecasted data provided by the EIA.
- **MonthlyMults** - Contains monthly multipliers that are used to spread the annual equipment indices across the months.
- **EV** - Worksheet for incorporating electric vehicle (EV) impacts.
- **PV** - Worksheet for incorporating photovoltaic battery (PV) impacts.

The *MetrixND* Project files are linked to the *AnnualIndices*, *ShareUEC*, and *MonthlyMults* tabs in the spreadsheets. Sales, economic, price and weather information for the Census Division is provided in the linkless data table *UtilityData*. In this way, utility specific data and the equipment indices are brought into the project file. The *MetrixND* project files contain the objects described below.

Parameter Tables

- **Elas.** This parameter table includes the values of the elasticities used to calculate the *Usage* variables for each end-use. There are five types of elasticities included on this table.

  - Economic variable elasticities
  - Short-term own price elasticities
  - Short-term cross price elasticities
  - Long-term own price elasticities

- Long-term cross price elasticities

The short-term price elasticities drive the end-use usage equations. The long-term price elasticities drive the Heat, Cool and other appliance indices. The combined price impact is an aggregation of the short and long-term price elasticities. As such, the long-term price elasticities are input as incremental price impact. That is, the long-term price elasticity is the difference between the overall price impact and the short-term price elasticity.

Data Tables

- **AnnualEquipmentIndices** links to the *AnnualIndices* tab for heating and cooling indices, and *ShareUEC* tab for water heating, lighting, and appliances in the SAE spreadsheet.
- **UtilityData** is a linkless data table that contains sales, price, economic and weather data specific to a given Census Division.
- **MonthlyMults** links to the corresponding tab in the SAE spreadsheet.

Transformation Tables

- **EconTrans** computes the average usage, and household size, household income, and price indices used in the usage equations.
- **WeatherTrans** computes the HDD and CDD indices used in the usage equations.
- **ResidentialVars** computes the *Heat*, *Cool* and *Other Usage* variables, as well as the *XHeat*, *XCool* and *XOther* variables that are used in the regression model.
- **BinaryVars** computes the calendar binary variables that could be required in the regression model.
- **AnnualFcst** computes the annual historical and forecast sales and annual change in sales.
- **EndUseFcst** computes the monthly sales forecasts by end uses.

Models

- **ResModel** is the Statistically Adjusted End-Use Model.

Steps to Customize the Files for Your Service Territory

The files that are distributed along with this document contain regional data. If you have more accurate data for your service territory, you are encouraged to tailor the spreadsheets with that information. This section describes the steps needed to customize the files.

Minimum Customization

- Save the *MetrixND* project file and the spreadsheet into the same folder
- Select the spreadsheet and *MetrixND* project file from the appropriate Census Division

- Open the spreadsheet and navigate to the *Calibration* tab
- In cell "B9", replace base year Census Division use-per-customer with observed use-per-customer for your service territory
- Save the spreadsheet and open the *MetrixND* project file
- Click on the *Update All Links* button on the *Menu* bar
- Review the model results

Further Customization of Starting Usage Levels

In addition to the minimum steps listed above, you can also utilize model-based calibration process described above on pages 15-16 to further fine-tune starting year usage estimates to your service territory.

Customizing the End-use Share Paths

You can also install your own share history and forecasts. To do this, navigate to the *Share* tab in the spreadsheet and paste in the values for your region. Make sure that base year shares on the *Calibration* tab reflect changes on the *Shares* tab.

Customizing the End-use Efficiency Paths

Finally, you can override the end-use efficiency paths that are contained on the *Efficiencies* tab of the spreadsheet.

Appendix B:
Commercial Statistically Adjusted End-Use Model

The traditional approach to forecasting monthly sales for a customer class is to develop an econometric model that relates monthly sales to weather, seasonal variables, and economic conditions. From a forecasting perspective, econometric models are well suited to identifying historical trends and to projecting these trends into the future. In contrast, end-use models can incorporate the end-use factors driving energy use. By including end-use structure in an econometric model, the statistically adjusted end-use (SAE) modeling framework exploits the strengths of both approaches.

There are several advantages to the SAE approach.

- The equipment efficiency trends and saturation changes embodied in the long-run end-use forecasts are introduced explicitly into the short-term monthly sales forecast, thereby providing a strong bridge between the two forecasts.
- By explicitly introducing trends in equipment saturations and efficiency levels, SAE models can explain changes in usage levels and weather-sensitivity over time.
- Data for short-term models are often not sufficiently robust to support estimation of a full set of price, economic, and demographic effects. By bundling these factors with equipment-oriented drivers, a rich set of elasticities can be built into the final model.

This document describes this approach, the associated supporting Commercial SAE spreadsheets, and *MetrixND* project files that are used in the implementation. The source for the commercial SAE spreadsheets is the 2019 Annual Energy Outlook (AEO) database provided by the Energy Information Administration (EIA).

1.1 Commercial Statistically Adjusted End-Use Model Framework

The commercial statistically adjusted end-use model framework begins by defining energy use ($USE_{y,m}$) in year (y) and month (m) as the sum of energy used by heating equipment ($Heat_{y,m}$), cooling equipment ($Cool_{y,m}$) and other equipment ($Other_{y,m}$). Formally,

$$USE_{y,m} = Heat_{y,m} + Cool_{y,m} + \text{Other}_{y,m} \quad (1)$$

Although monthly sales are measured for individual customers, the end-use components are not. Substituting estimates for the end-use elements gives the following econometric equation.

$$USE_m = a + b_1 \times XHeat_m + b_2 \times XCool_m + b_3 \times XOther_m + \varepsilon_m \quad (2)$$

Here, $XHeat_m$, $XCool_m$, and $XOther_m$ are explanatory variables constructed from end-use information, weather data, and market data. As will be shown below, the equations used to construct these X-variables are simplified end-use models, and the X-variables are the estimated usage levels for each of the major end-uses based on these models. The estimated model can then be thought of as a statistically adjusted end-use model, where the estimated slopes are the adjustment factors.

Constructing XHeat

As represented in the Commercial SAE spreadsheets, energy use by space heating systems depends on the following types of variables.

- Heating degree days,
- Heating intensity,
- Commercial output and energy price.

The heating variable is represented as the product of an annual equipment index and a monthly usage multiplier. That is,

$$XHeat_{y,m} = HeatIndex_y \times HeatUse_{y,m} \quad (3)$$

Where

- $XHeat_{y,m}$ is estimated heating energy use in year y and month m,
- $HeatIndex_y$ is the annual index of heating equipment, and
- $HeatUse_{y,m}$ is the monthly usage multiplier.

The heating equipment index is composed of electric space heating intensity. The index will change over time with changes in heating intensity. Formally, the equipment index is defined as:

$$HeatIndex_y = HeatSales_{13} \times \frac{(HeatIntensity_y)}{(HeatIntensity_{13})} \quad (4)$$

In this expression, 2013 is used as a base year for normalizing the index. The ratio on the right is equal to 1.0 in 2013. In other years, it will be greater than 1.0 if intensity levels are above their 2013 level.

$$HeatSales_{13} = \left(\frac{kWh}{Sqft}\right)_{Heating} \times \left(\frac{CommercialSales_{13}}{\Sigma_e {}^{kWh}/_{Sqft_e}}\right) \quad (5)$$

Here, base-year sales for space heating is the product of the average space heating intensity value and the ratio of total commercial sales in the base year over the sum of the end-use intensity values. In the Commercial SAE Spreadsheets, the space heating sales value is defined on the *BaseYrInput* tab. The resulting $HeatIndex_y$ value in 2013 will be equal to the estimated annual heating sales in that year. Variations from this value in other years will be proportional to saturation and efficiency variations around their base values.

Heating system usage levels are impacted on a monthly basis by several factors, including weather, commercial level economic activity, and prices. Using the COMMEND default elasticity parameters, the estimates for space heating equipment usage levels are computed as follows:

$$HeatUse_{y,m} = \left(\frac{WgtHDD_{y,m}}{HDD_{13}}\right) \times \left(\frac{Output_y}{Output_{13}}\right) \times \left(\frac{Price_{y,m}}{Price_{13}}\right)^{-0.18} \quad (6)$$

Where

- *WgtHDD* is the weighted number of heating degree days in year *y* and month *m*. This is constructed as the weighted sum of the current month's HDD and the prior month's HDD. The weights are 75% on the current month and 25% on the prior month
- *HDD* is the annual heating degree days for 2013,
- *Output* is a real commercial output driver in year *y*,
- *Price* is the average real price of electricity in month *m* and year *y*,

By construction, the $HeatUse_{y,m}$ variable has an annual sum that is close to 1.0 in the base year (2013). The first terms, which involve heating degree days, serves to allocate annual values to months of the year. The remaining terms average to 1.0 in the base year. In other years, the values will reflect changes in commercial output and prices, as transformed through the end-use elasticity parameters. For example, if the real price of electricity goes up 10% relative to the base year value, the price term will contribute a multiplier of about .98 (computed as 1.10 to the -0.18 power).

Constructing XCool

The explanatory variable for cooling loads is constructed in a similar manner. The amount of energy used by cooling systems depends on the following types of variables.

- Cooling degree days,
- Cooling intensity,
- Commercial output and energy price.

The cooling variable is represented as the product of an equipment-based index and monthly usage multiplier. That is,

$$XCool_{y,m} = CoolIndex_y \times CoolUse_{y,m} \quad (7)$$

Where

- $XCool_{y,m}$ is estimated cooling energy use in year *y* and month *m*,
- $CoolIndex_y$ is an index of cooling equipment, and
- $CoolUse_{y,m}$ is the monthly usage multiplier.

As with heating, the cooling equipment index depends on equipment saturation levels (*CoolShare*) normalized by operating efficiency levels (*Eff*). Formally, the cooling equipment index is defined as:

$$CoolIndex_y = CoolSales_{13} \times \frac{\left(CoolShare_y / Eff_y \right)}{\left(CoolShare_{13} / Eff_{13} \right)} \quad (8)$$

Data values in 2013 are used as a base year for normalizing the index, and the ratio on the right is equal to 1.0 in 2013. In other years, it will be greater than 1.0 if equipment saturation levels are above their 2013 level. This will be counteracted by higher efficiency levels, which will drive the index downward. Estimates of base year cooling sales are defined as follows.

$$CoolSales_{13} = \left(\frac{kWh}{Sqft} \right)_{Cooling} \times \left(\frac{CommercialSales_{13}}{\sum_e kWh / Sqft_e} \right) \quad (9)$$

Here, base-year sales for space cooling is the product of the average space cooling intensity value and the ratio of total commercial sales in the base year over the sum of the end-use intensity values. In the Commercial SAE Spreadsheets, the space cooling sales value is defined on the *BaseYrInput* tab. The resulting *CoolIndex* value in 2013 will be equal to the estimated annual cooling sales in that year. Variations from this value in other years will be proportional to saturation and efficiency variations around their base values.

Cooling system usage levels are impacted on a monthly basis by several factors, including weather, economic activity levels and prices. Using the COMMEND default parameters, the estimates of cooling equipment usage levels are computed as follows:

$$CoolUse_{y,m} = \left(\frac{WgtCDD_{y,m}}{CDD_{13}}\right) \times \left(\frac{Output_{y}}{Output_{13}}\right) \times \left(\frac{Price_{y,m}}{Price_{13}}\right)^{-0.18} \quad (10)$$

Where

- *WgtCDD* is the weighted number of cooling degree days in year *y* and month *m*. This is constructed as the weighted sum of the current month's CDD and the prior month's CDD. The weights are 75% on the current month and 25% on the prior month.
- *CDD* is the annual cooling degree days for 2013.

By construction, the *CoolUse* variable has an annual sum that is close to 1.0 in the base year (2013). The first two terms, which involve billing days and cooling degree days, serve to allocate annual values to months of the year. The remaining terms average to 1.0 in the base year. In other years, the values will change to reflect changes in commercial output and prices.

Constructing XOther

Monthly estimates of non-weather sensitive sales can be derived in a similar fashion to space heating and cooling. Based on end-use concepts, other sales are driven by:

- Equipment intensities,
- Average number of days in the billing cycle for each month, and
- Real commercial output and real prices.

The explanatory variable for other uses is defined as follows:

$$XOther_{y,m} = OtherIndex_{y,m} \times OtherUse_{y,m} \tag{11}$$

The second term on the right hand side of this expression embodies information about equipment saturation levels and efficiency levels. The equipment index for other uses is defined as follows:

$$OtherIndex_{y,m} = \sum_{Type} Weight_{13}^{Type} \times \left(\frac{Share_{y}^{Type} \Big/ Eff_{y}^{Type}}{Share_{13}^{Type} \Big/ Eff_{13}^{Type}} \right) \tag{12}$$

Where

- *Weight* is the weight for each equipment type,
- *Share* represents the fraction of floor stock with an equipment type, and
- *Eff* is the average operating efficiency.

This index combines information about trends in saturation levels and efficiency levels for the main equipment categories. The weights are defined as follows.

$$Weight_{13}^{Type} = \left(\frac{kWh}{Sqft} \right)_{Type} \times \left(\frac{CommercialSales_{13}}{\sum_{e} kWh \Big/ Sqft_{e}} \right) \tag{13}$$

Further monthly variation is introduced by multiplying by usage factors that cut across all end-uses, constructed as follows:

$$OtherUse_{y,m} = \left(\frac{BDays_{y,m}}{30.44}\right) \times \left(\frac{Output_y}{Output_{13}}\right) \times \left(\frac{Price_{y.m}}{Price_{13}}\right)^{-0.18} \quad (14)$$

In this expression, the elasticities on output and real price are computed from the COMMEND default values.

1.2 Supporting Spreadsheets and *MetrixND* Project Files

The SAE approach described above has been implemented for each of the nine census divisions. A mapping of states to census divisions is presented in Figure 1. This section describes the contents of each file and a procedure for customizing the files for specific utility data. A total of 18 files are provided. These files are listed in Table 1.

Figure 1: Mapping of States to Census Divisions

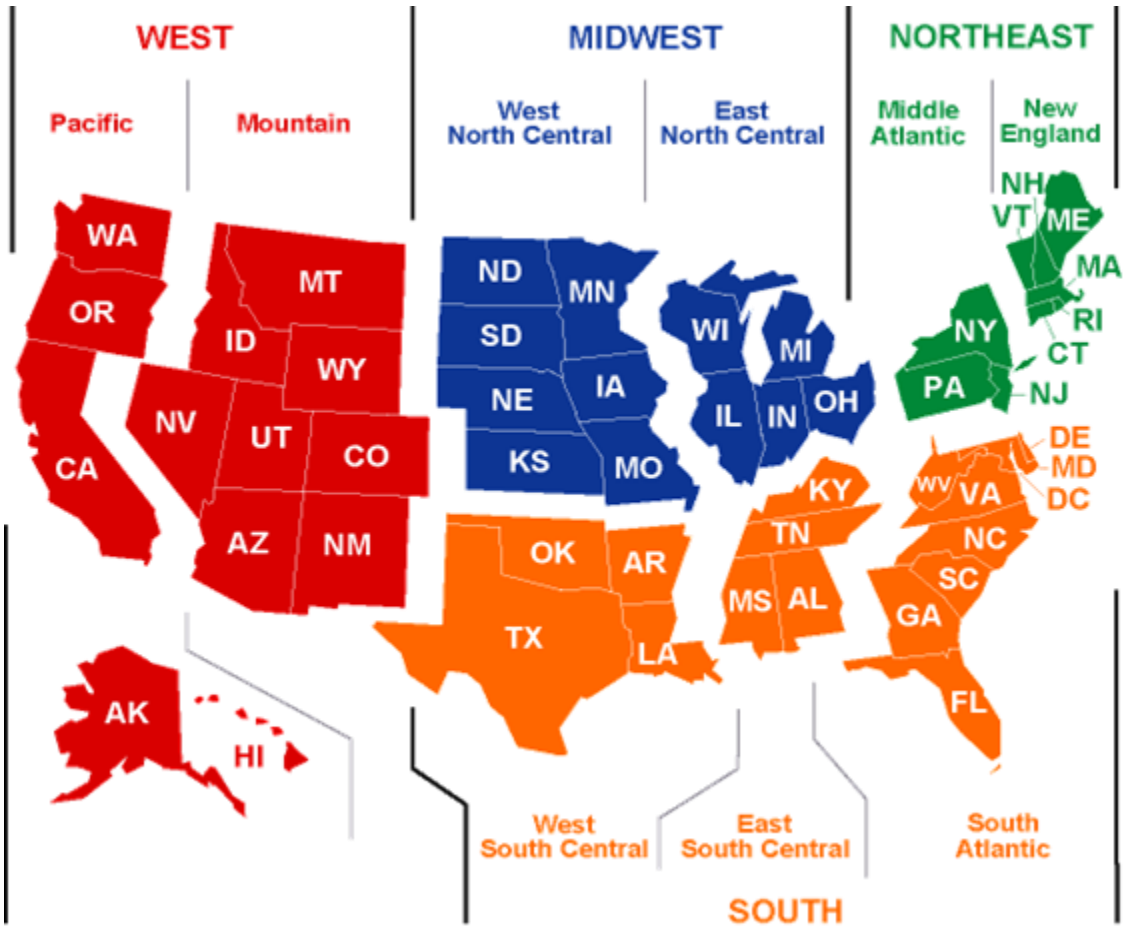


Table 1: List of SAE Files

Spreadsheets	***MetrixND* Project Files**
NewEnglandCom19.xls	NewEnglandCom19.ndm
MiddleAtlanticCom19.xls	MiddleAtlanticCom19.ndm
EastNorthCentralCom19.xls	EastNorthCentralCom19.ndm
WestNorthCentralCom19.xls	WestNorthCentralCom19.ndm
SouthAtlanticCom19.xls	SouthAltanticCom19.ndm
EastSouthCentralCom19.xls	EastSouthCentralCom19.ndm
WestSouthCentralCom19.xls	WestSouthCentralCom19.ndm
MountainCom19.xls	MountainCom19.ndm
PacificCom19.xls	PacificCom19.ndm

As defaults, the SAE spreadsheets include regional data, but utility data can be entered to generate the *Heat*, *Cool*, and *Other* equipment indices used in the SAE approach. The data from these spreadsheets are linked to the *MetrixND* project files. In these project files, the end-use *Usage* variables (Equations 6, 10, and 14 above) are constructed and the SAE model is estimated.

The nine spreadsheets contain the following tabs.

- **EIAData** contains the raw forecasted data provided by the EIA
- **BaseYrInput** contains base year Census Division intensities by end-use and building type as well as default building type weights. It also contains functionality for changing the weights to reflect utility service territory.
- **Efficiency** contains historical and forecasted end-use equipment efficiency trends. The forecasted values are based on projections provided by the EIA.
- **Shares.** This tab contains historical and forecasted end-use saturations.
- **Intensity** contains the annual intensity (kWh/sqft) projections by end-use.
- **AnnualIndices** contains the annual *Heat*, *Cool* and *Other* equipment indices.
- **FloorSpace** contains the annual floor space (sqft) projections by end-use.
- **PV** incorporates the impact of photovoltaic batteries into the forecast.
- **Graphs** contains graphs of Efficiency and Intensities, which can be updating by selecting from the list in cell B2.

The *MetrixND* project files contain the following objects.

Parameter Tables

- **Parameters.** This parameter table includes the values of the annual HDD and CDD in 2013 used to calculate the *Usage* variables for each end-use.
- **Elas.** This parameter table includes the values of the elasticities used to calculate the *Usage* variables for each end-use.

Data Tables

- **AnnualIndices.** This data table is linked to the *AnnualIndices* tab in the Commercial SAE spreadsheet and contains sales-adjusted commercial SAE indices.
- **Intensity.** This data table is linked to the *Intensity* tab in the Commercial SAE spreadsheet.
- **FloorSpace.** This data table links to *FloorSpace* tab in the Commercial SAE spreadsheet.
- **UtilityData.** This linkless data table contains Census Division level data. It can be populated with utility-specific data.

Transformation Tables

- **EconTrans.** This transformation table is used to compute the output and price indices used in the usage equations.
- **WeatherTrans.** This transformation table is used to compute the HDD and CDD indices used in the usage equations.
- **CommercialVars.** This transformation table is used to compute the *Heat*, *Cool* and *Other Usage* variables, as well as the *XHeat*, *XCool* and *XOther* variables that are used in the regression model. Structural variables based on the intensity/floor space combination are also calculated here.
- **BinaryVars.** This transformation table is used to compute the calendar binary variables that could be required in the regression model.
- **AnnualFcst.** This transformation table is used to compute the annual historical and forecast sales and annual change in sales.
- **EndUseFcst.** This transformation table breaks the forecast down into its heating, cooling and other components.

Models

- **ComSAE:** The commercial SAE model (energy forecast driven by end-use indices, price, and output projections).
- **ComStruct:** Simple stock model (energy forecast driven by end-use energy intensities, and square footage).

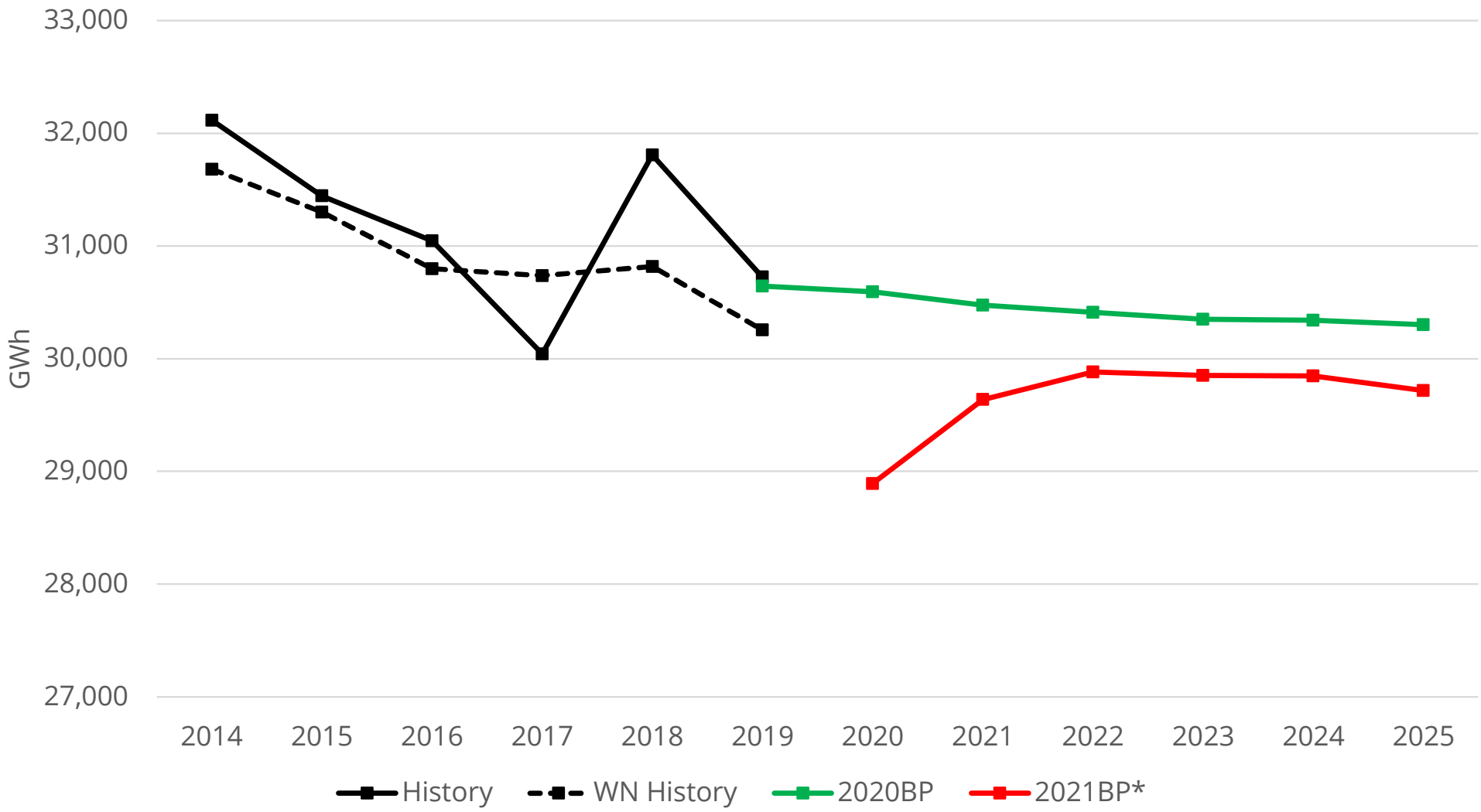
2021 Business Plan: Electric Load Forecast

Sales Analysis & Forecasting
July 17, 2020

Total sales and billing demands recover from 2020 levels but remain below 2020 BP

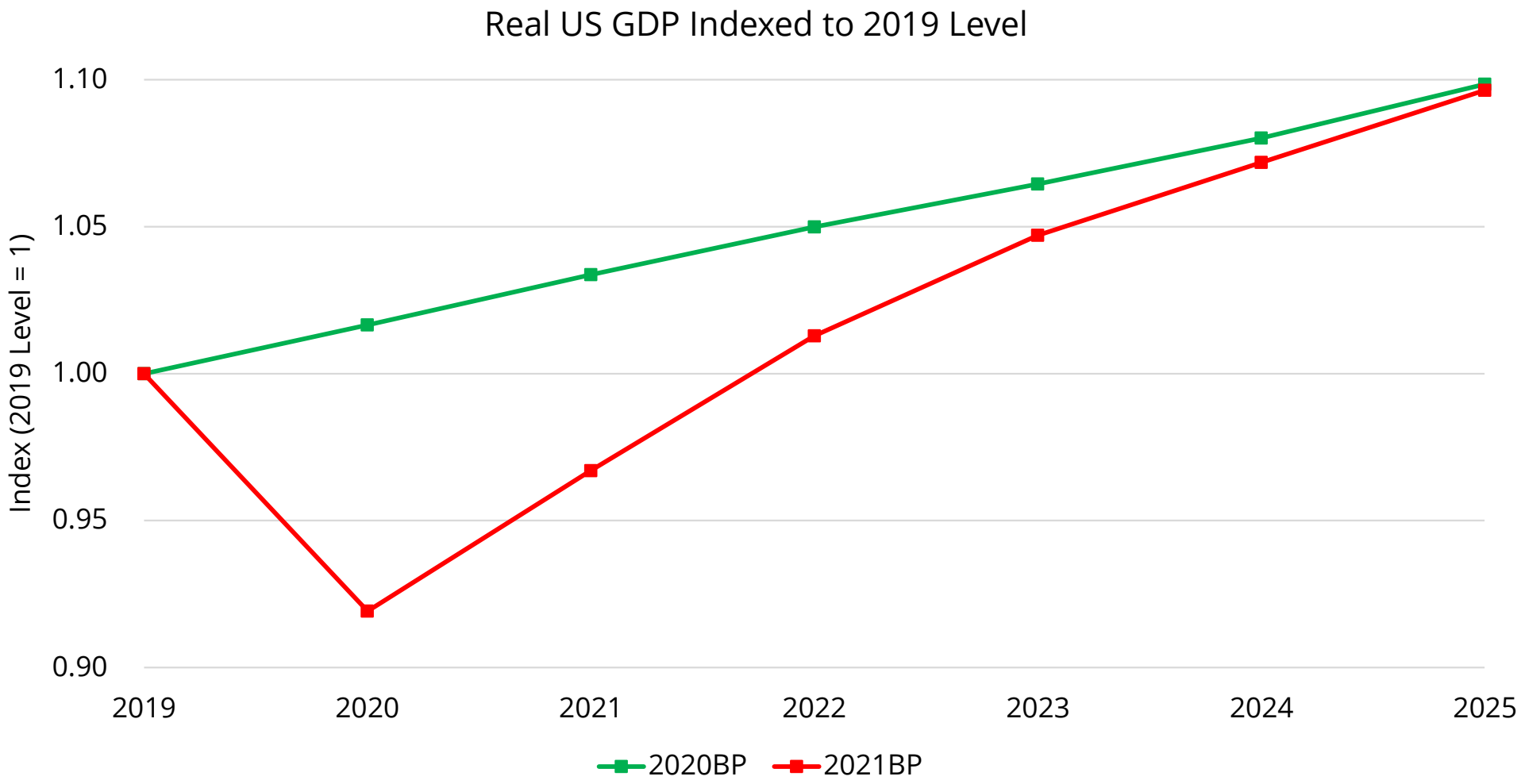
- Sales (vs. 2020 BP)
  - No material change to residential sales forecast
    - Slight increase reflects actual number of customers in 2019 and YTD 2020
  - Commercial and KU/ODP industrial classes account for majority of decrease in total sales forecast
    - Forecasts reflect actual sales in 2019, a more pessimistic economic outlook, and slightly accelerated end-use efficiency improvements
- Billing Demands (vs. 2020 BP)
  - Demand ratchets and operational constraints limit decrease in forecasted billing demands
- Other
  - Continued growth in net metering customers and EVs, but no significant impact during 5-year business planning period
  - Conservation Voltage Reduction (CVR) marginally reduces sales beginning 2026

Total sales recover from 2020 levels but remain below 2020 BP



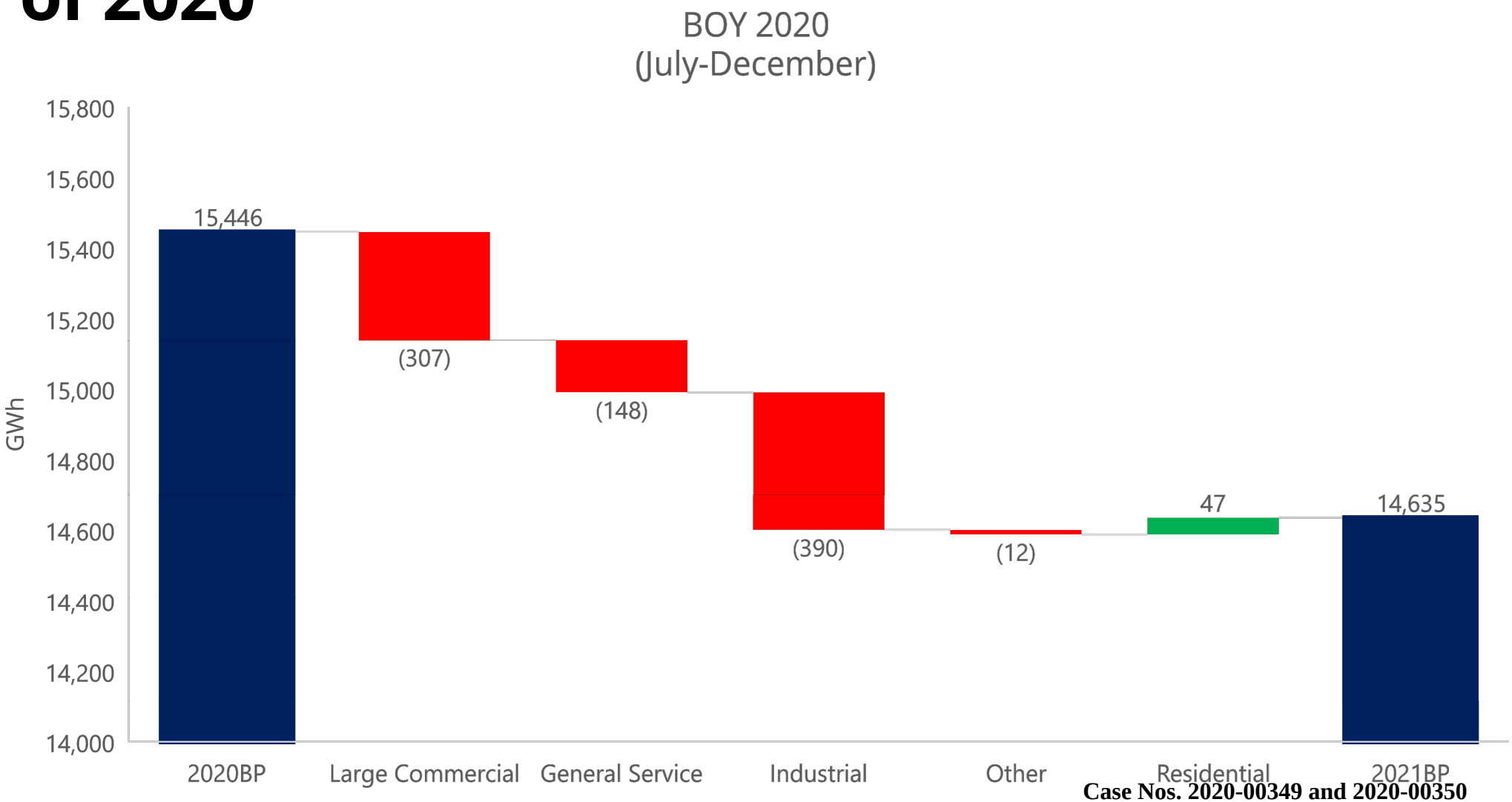
*For 2021BP, 2020 is 5 months of WN actuals + 7 months of forecast

Sales forecast recovery profile reflects more pessimistic economic outlook

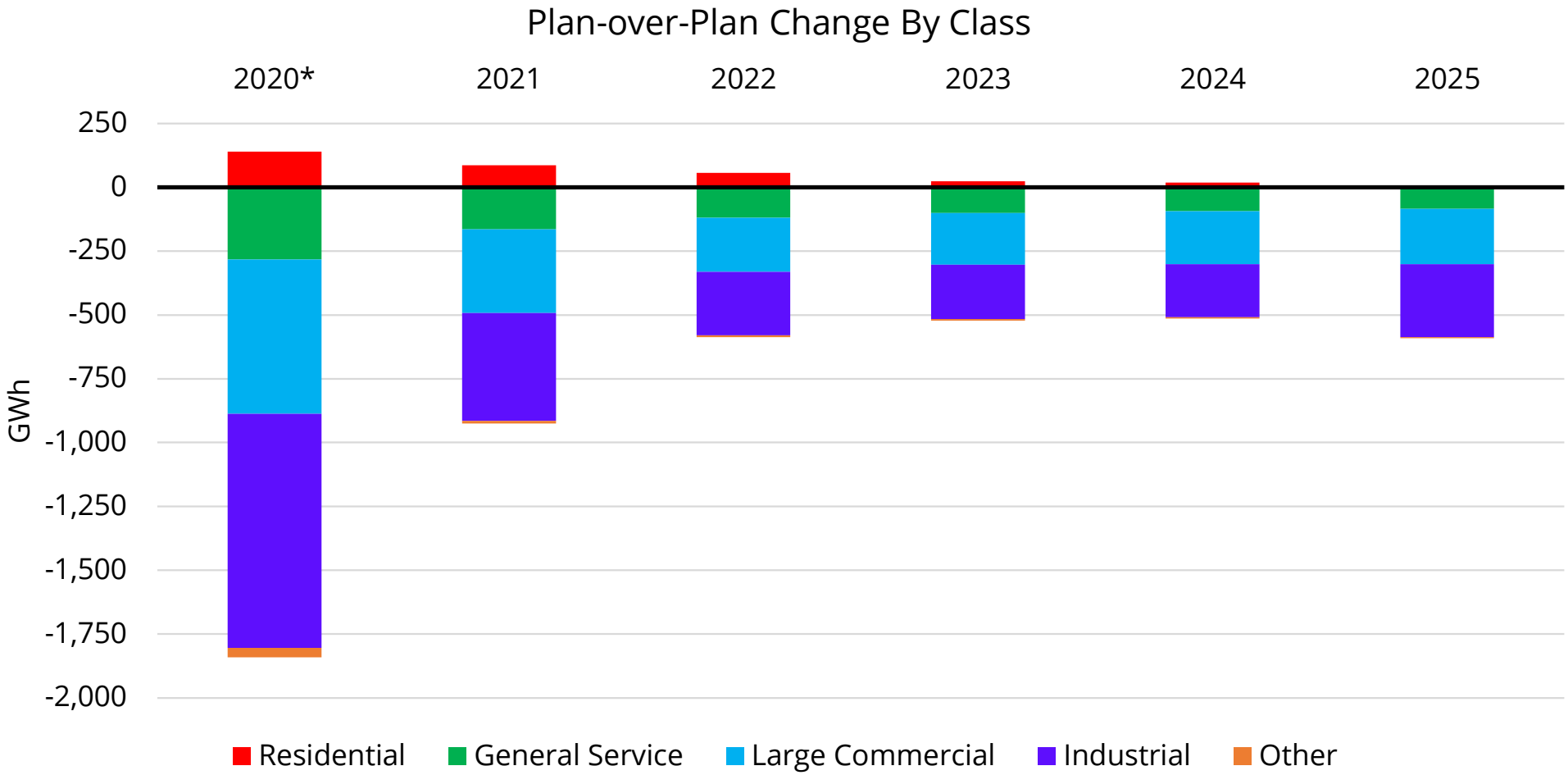


Source: IHS Markit – Base Scenario

Commercial and industrial classes continue to be impacted by COVID-19 for the balance of 2020

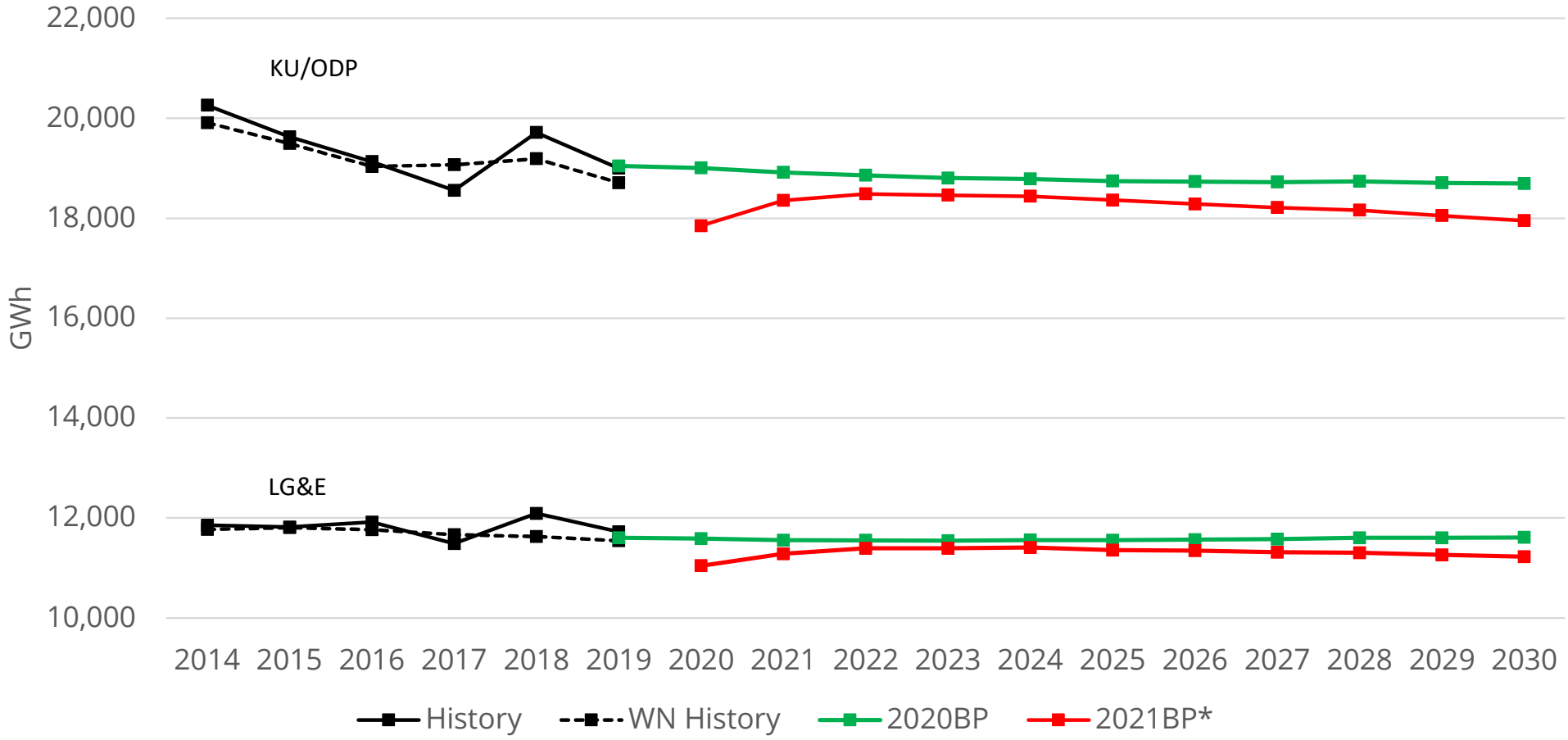


Commercial and industrial classes account for majority of decrease in total sales throughout planning period



*2020 is 5 months of WN actuals + 7 months of forecast

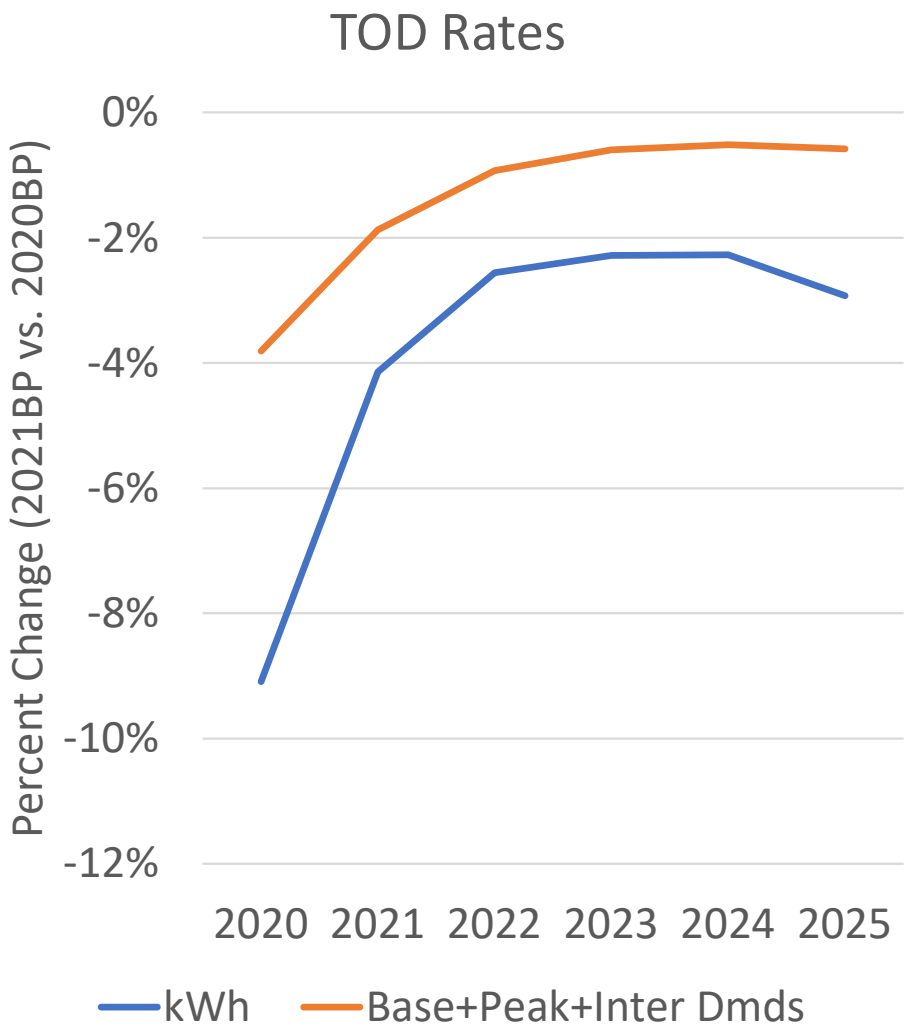
Accelerated efficiency improvements in commercial class and coal industry contraction explain long-term forecasted declines

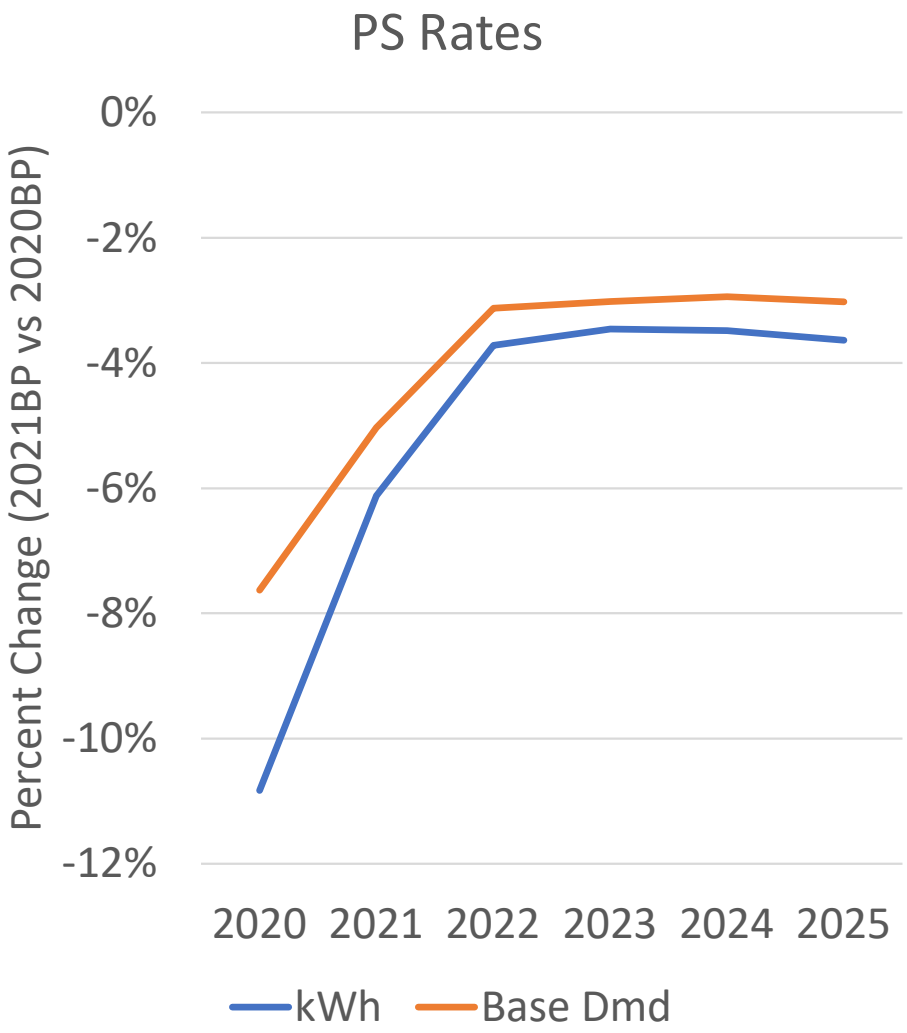


*For 2021BP, 2020 is 5 months of WN actuals + 7 months of forecast

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Sec. 16(7)(c) C.
Page 7 of 19
Sinclair

Billing demands decrease by a lower percentage than sales



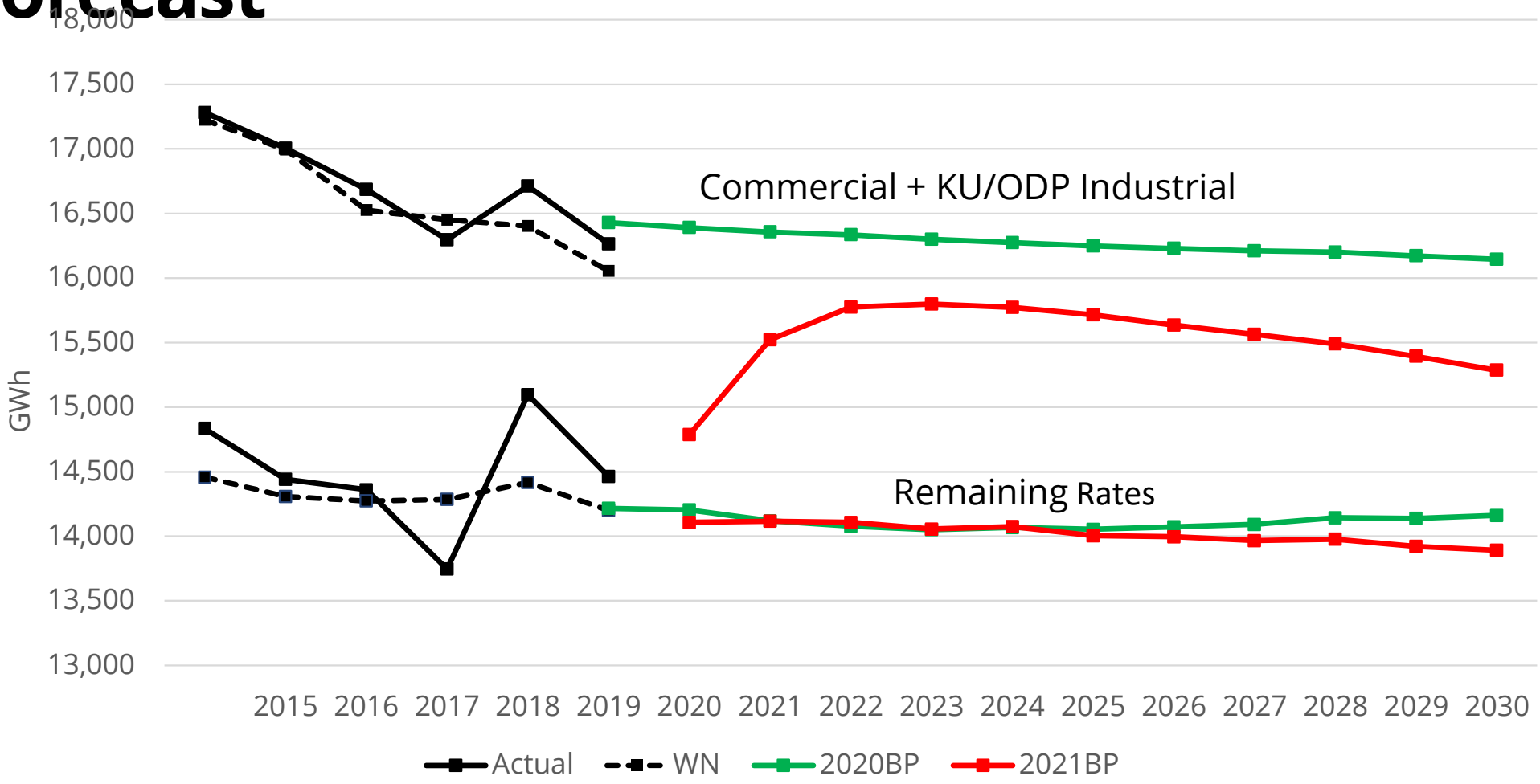


Risks to the plan

- Outcome of November 2020 Election
- Weather (annual variation +/-500 GWh or ~1.5%)
- Upside Risk to Sales
  - Residential sales higher with more people at home
  - Customer growth remains stronger than anticipated
- Downside Risk to Sales
  - Second wave of shutdowns or slower-than-forecasted economic recovery
  - Higher-than-forecasted pace of end-use efficiency improvements
  - Customer investment or operating changes to reduce billed demands is greater than forecasted

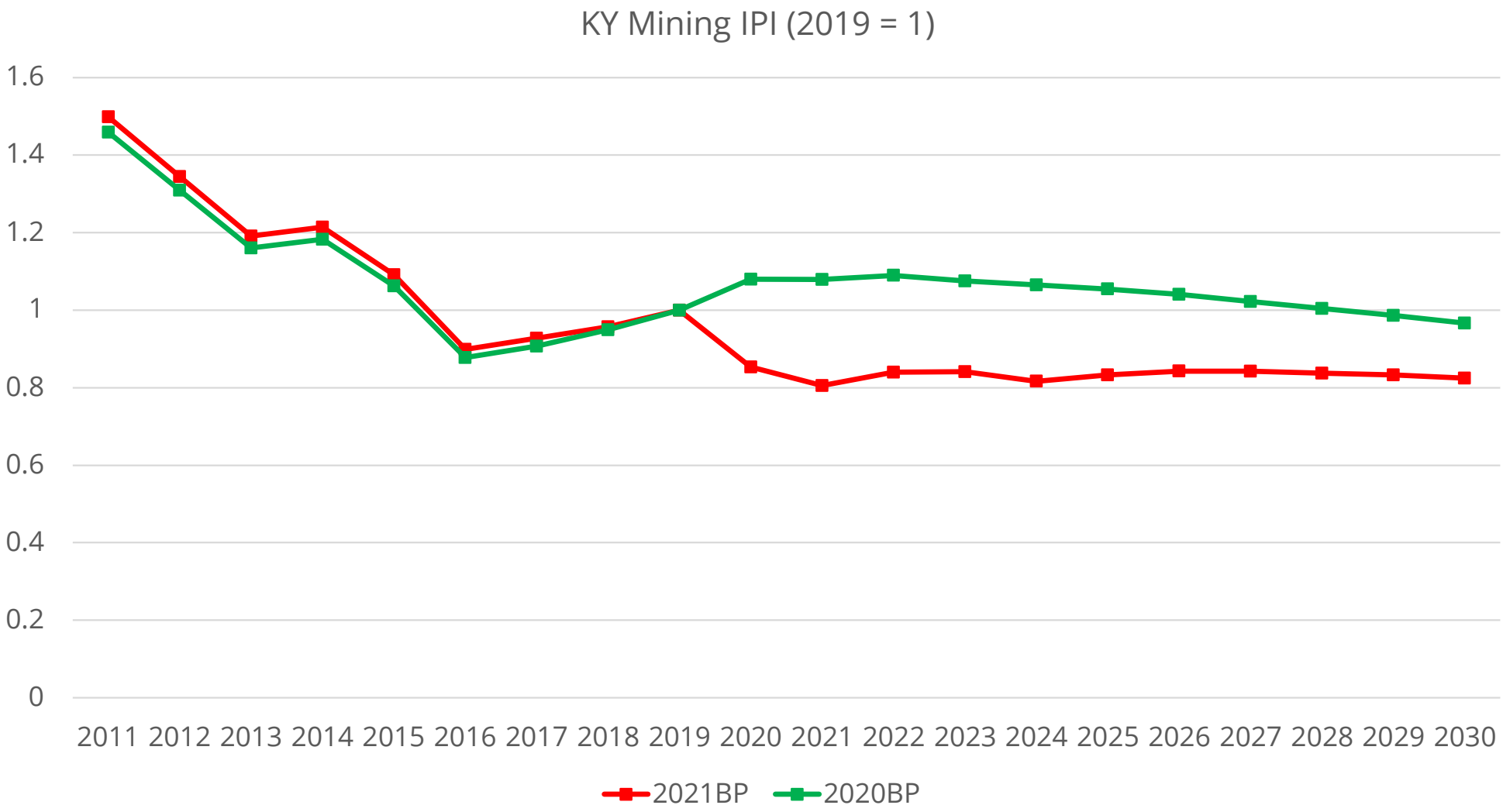
Appendix

Commercial and KU/ODP industrial account for majority of decrease in total sales forecast



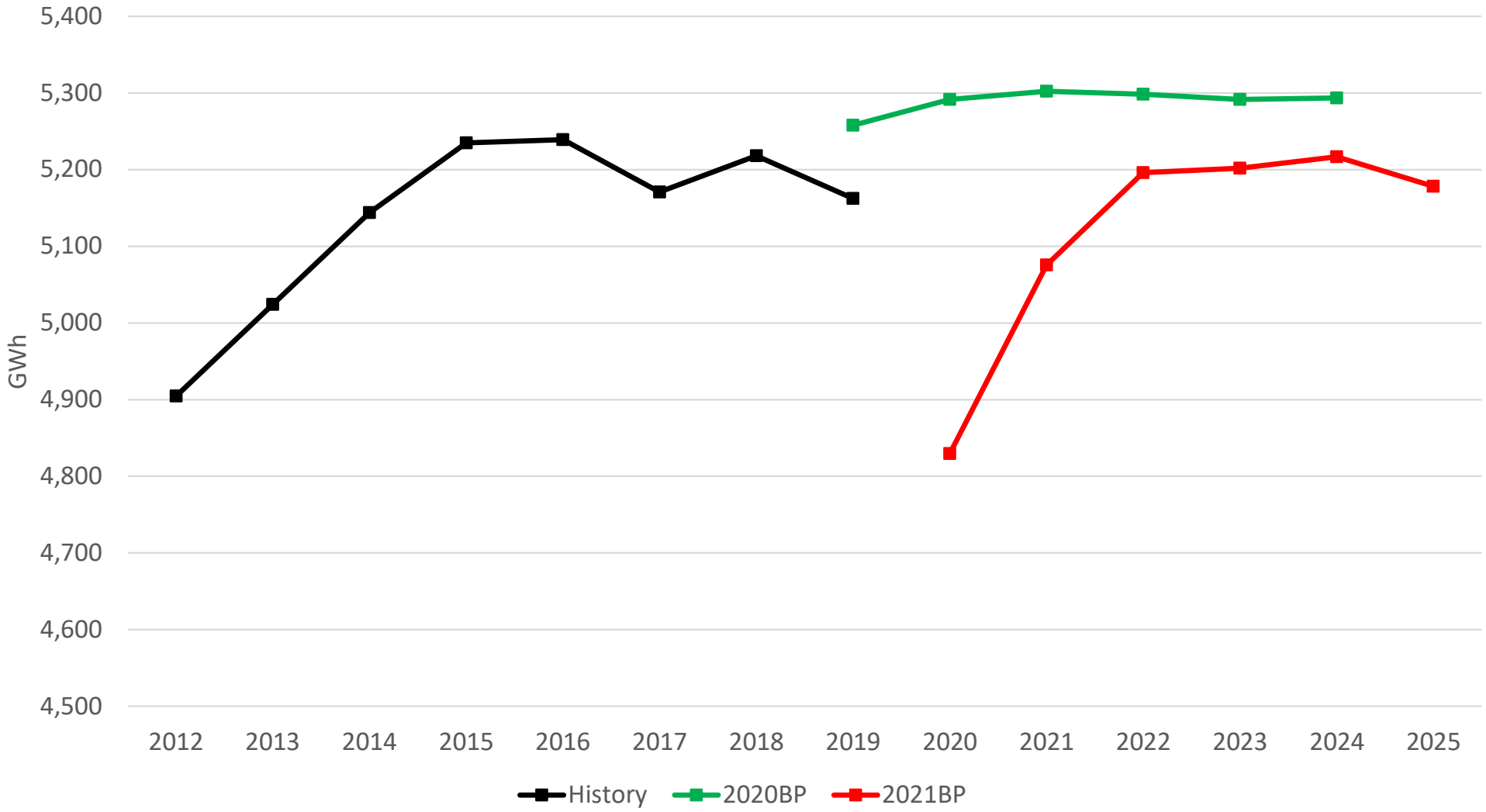
*For 2021BP, 2020 is 5 months of WN actuals + 7 months of forecast

KY mining index and coal production forecast lower plan over plan

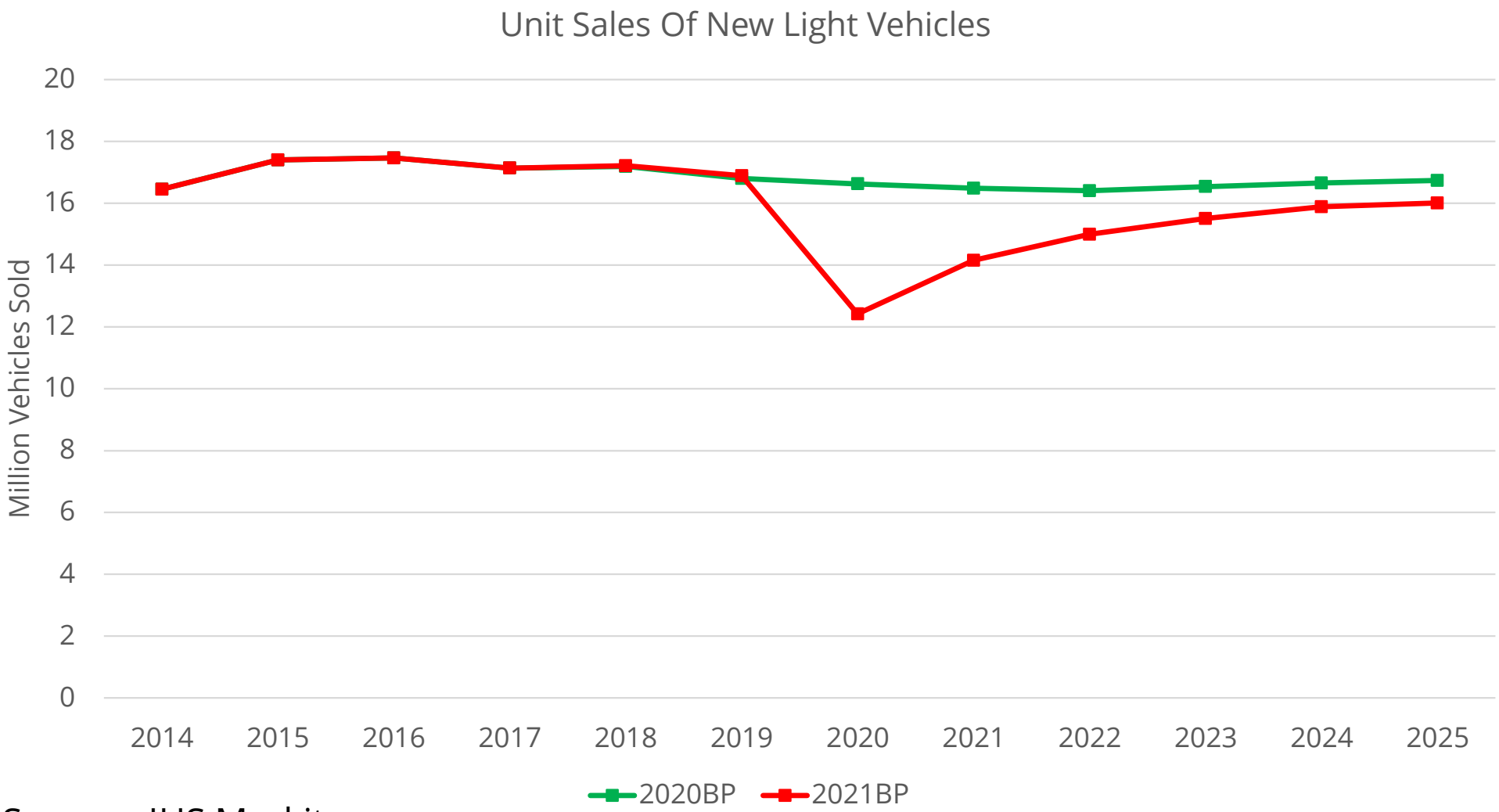


Source: IHS Markit

Major accounts recover to slightly above 2019 levels by 2022

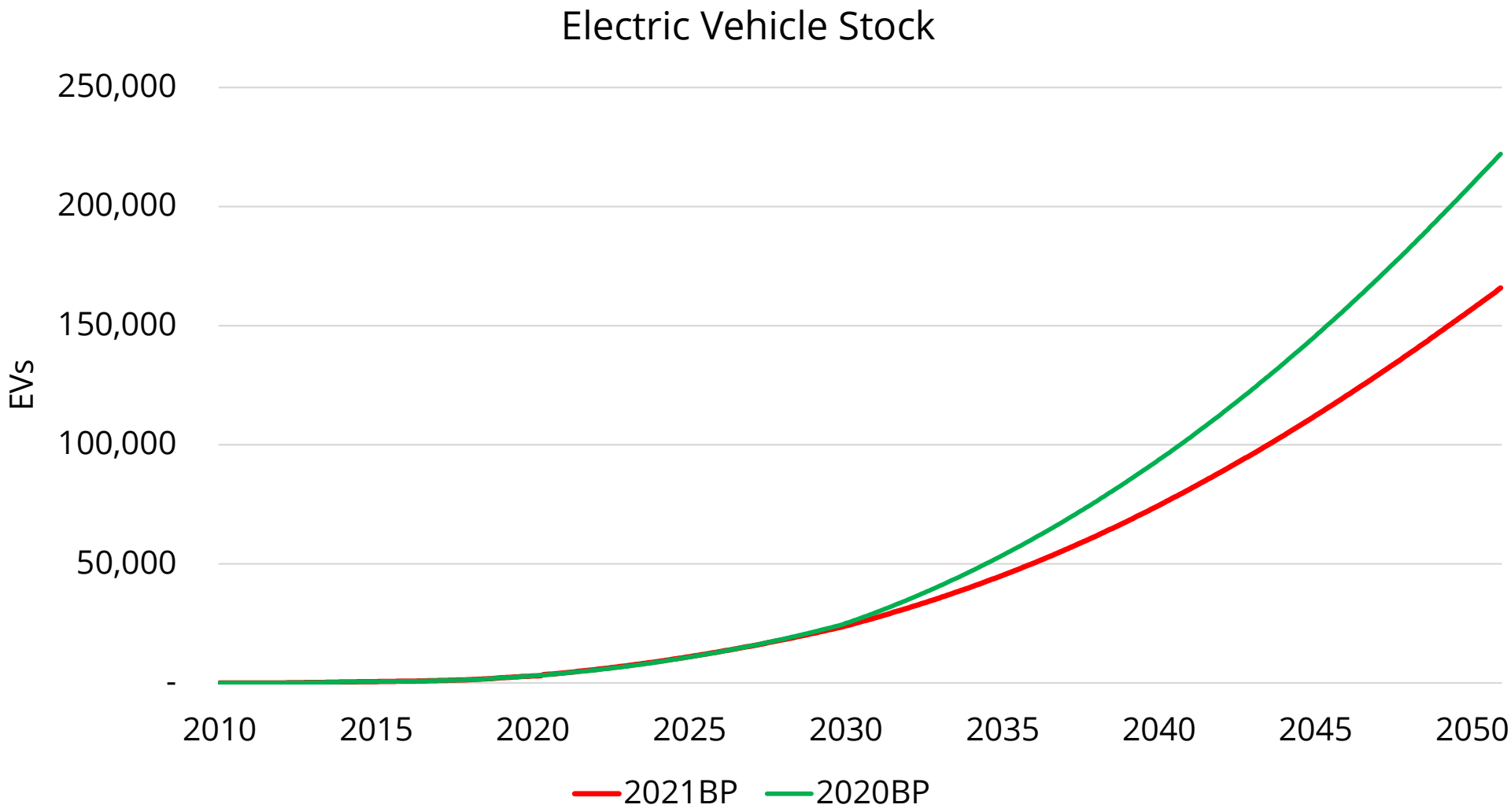


Auto industry metrics are more bearish plan over plan

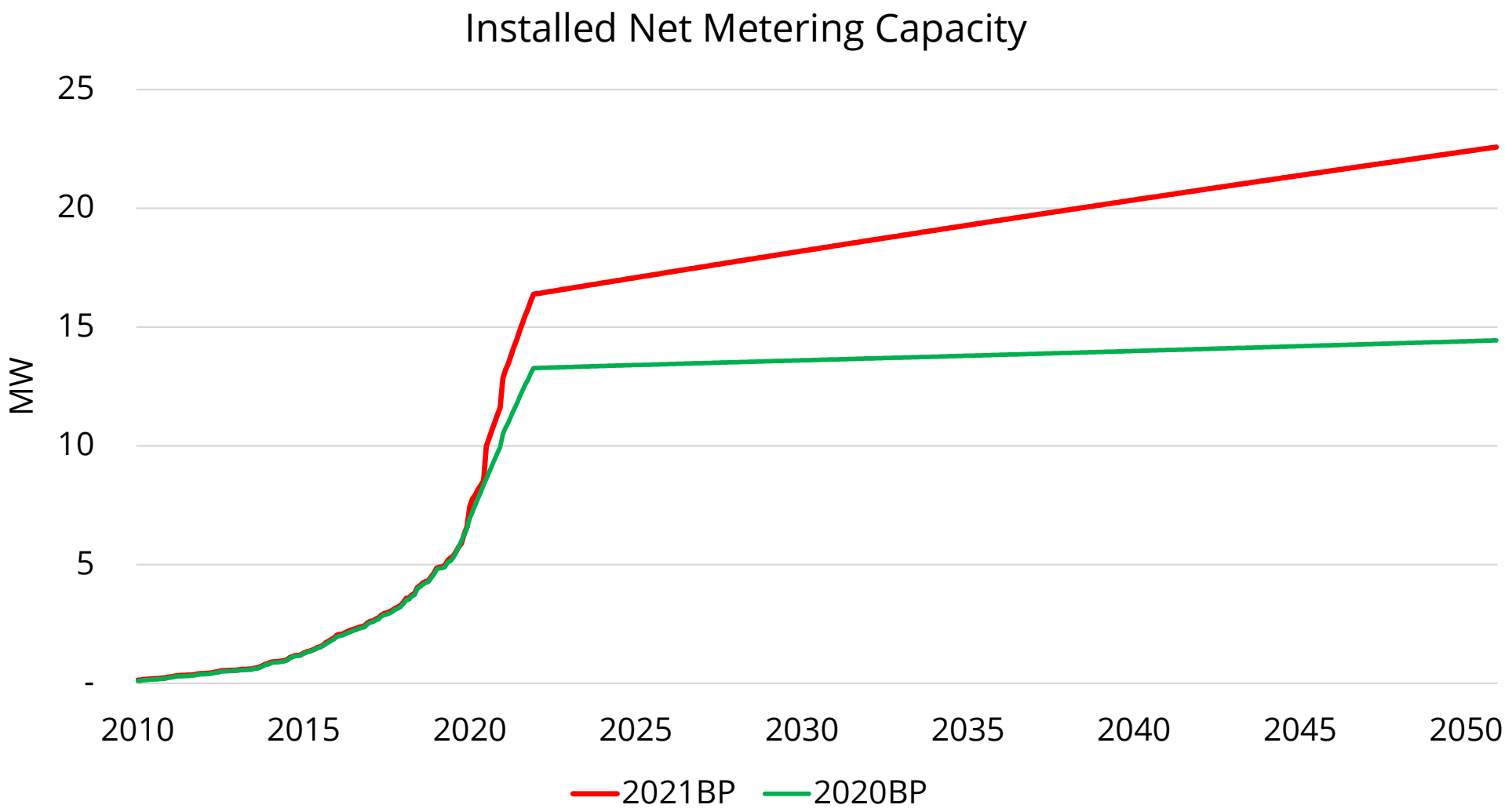


Source: IHS Markit

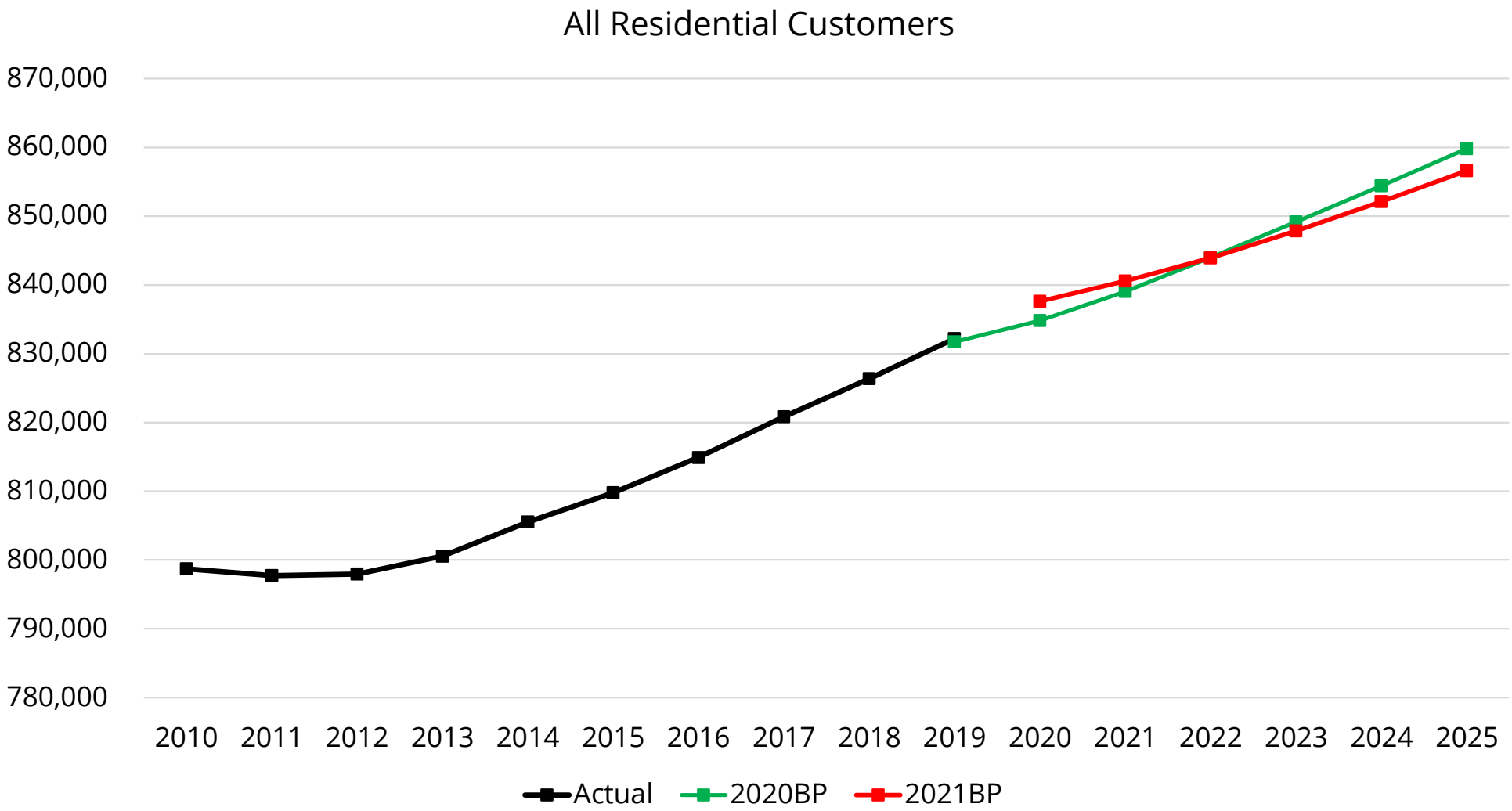
Compared to 2020 BP, forecast of electric vehicles is slightly lower in the long-term



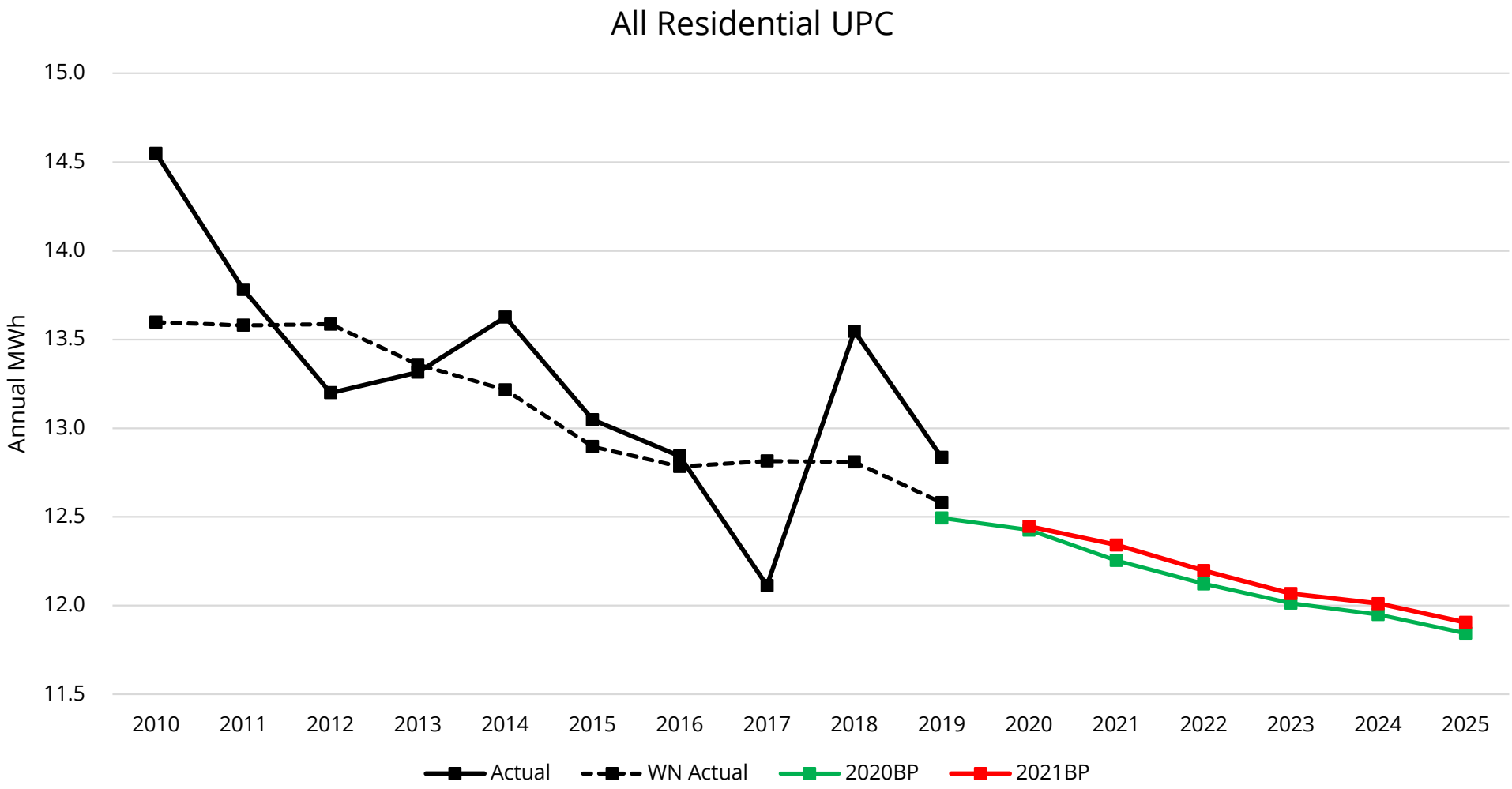
Installed net metering capacity is higher in 2021 BP



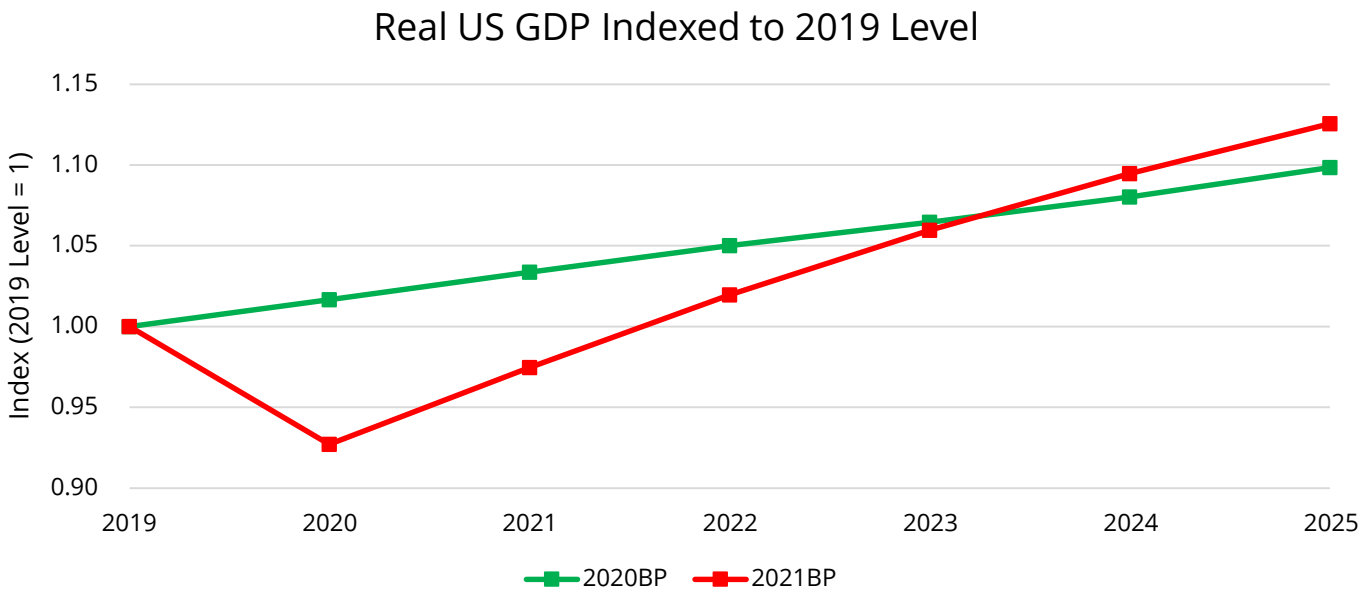
Residential customer growth slows later in planning period



Residential use-per-customer forecast is mostly unchanged



*Forecasted values exclude impacts of PV and additional EV



Note: This graph shows the May vintage of the graph shown in slide 4 of the electric load forecast presentation, which represented the July vintage. The May vintage represents the economic forecast vintage used in the models, but the July vintage was used in the presentation to depict the most recent economic forecast at the time of the presentation.

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Electric Class Load Profile Forecast Process

PPL companies

Sales Analysis & Forecasting
July 2020

Table of Contents

1. Introduction 3

2. Input Data 3

3. Methodology 3

3.1 Historical Period Class Load Profiles 4

3.2 Forecasted Test Period Class Load Profiles 5

4. Review 6

1. Introduction

The Sales Analysis & Forecasting group develops the class load profile forecasts for Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively, "the Companies") as inputs to the Companies' cost of service studies. The purpose of this document is to summarize the process used to produce and validate these forecasts.

2. Input Data

Table 1 contains a summary of key inputs to this process. The processes used to forecast monthly sales and hourly energy requirements ("hourly loads") are summarized in a separate document ("Electric Sales & Demand Forecast Process").

Table 1: Inputs to Class Load Profile Forecast

Data Input	**Source**
5- and 15-Minute Customer Energy Usage	History: MV90 System
Calendar-Month Sales by Class	History: CCS / Accounting Forecast: Business Plan
Hourly Energy Requirements by Company	History: Energy Management System Forecast: Business Plan
Loss Percentages by Service Level	History: 2012 Line Loss Study

3. Methodology

LG&E and KU develop class load profile forecasts for the classes listed in Table 2. With limited exceptions, each class comprises one rate schedule. The goal of the forecast process is to develop profiles for each class that reflects the classes' hourly energy requirements under "normal" weather conditions.[1] Classes are considered weather-sensitive if weather was a significant explanatory variable in specifying the class's monthly sales forecast model.

[1] "Normal" weather is defined as the average weather over a 20-year historical period.

Table 2: LG&E and KU Classes

Class	Company	Rate Schedule / Service	Sample / Census	Weather-Sensitive
Residential	LG&E, KU	RS, VFD	Sample	Yes
General Service	LG&E, KU	GS	Sample	Yes
Power Service Primary	LG&E, KU	PS	Sample	Yes
Power Service Secondary	LG&E, KU	PS	Sample	Yes
Time-of-Day Primary	LG&E, KU	TODP	Census	No
Time-of-Day Secondary	LG&E, KU	TODS	Census	Yes
Retail Transmission Service	LG&E, KU	RTS	Census	No
Outdoor Sports Lighting	LG&E, KU	OSL	Sample	No
Louisville Water Company	LG&E	Special Contract	Census	No
Fluctuating Load Service	KU	FLS	Census	No
All Electric Schools	KU	AES	Sample	Yes
Unmetered Lighting	LG&E, KU	LS, RLS	Sample	No
Lighting Energy Service	LG&E, KU	LE	Sample	No
Traffic Energy Service	LG&E, KU	TE	Sample	No
EV Charge	LG&E, KU	EVC	Sample	No
Muni Primary	KU	Special Contract	Census	Yes
Muni Transmission	KU	Special Contract	Census	Yes
Old Dominion Power	KU	N/A	Census	Yes

The Companies' most recent cost of service studies focused on the twelve months ending June 2022 ("Forecasted Test Period"). To forecast class load profiles for this period, the Companies first developed historical class load profiles for the twelve months including January 2019, March 2019 through December 2019, and February 2020 ("Historical Period"). The Historical Period typically includes the most recent twelve months of history. However, to exclude months impacted by COVID-19, February 2020 was selected as the last month of the Historical Period. In addition, because weather in January 2020 was significantly warmer than normal and the historical profiles are used to forecast class energy requirements under normal weather conditions, January 2020 was replaced in the Historical Period by January 2019 where weather was closer to normal. After the historical load profiles were developed, they were used along with other inputs to forecast class load profiles for Forecasted Test Period. This process is completed separately for LG&E and KU. The following sections summarize the process in more detail.

3.1 Historical Period Class Load Profiles

Hourly class load profiles for the Historical Period are developed using customers' 5- and 15-minute energy usage data ("interval data"). The Companies have interval data for all customers in classes with time-of-day demand rates. Therefore, historical profiles for these "census"

classes are created simply by aggregating interval data for all customers in the class by hour. For each of the classes without demand rates ("sample" classes), historical profiles are created based on interval data for a sample of customers. The samples were designed for this purpose and account for differences within each class in the way customers use electricity.

In each hour of the Historical Period, the process ensures that the sum of class demands plus losses and company uses equals total hourly energy requirements for the company according to the Energy Management System ("EMS"). In addition, the sum of hourly demands for each class and month equals actual monthly sales according to accounting records.

3.2 Forecasted Test Period Class Load Profiles

Class load profile forecasts are developed by allocating forecasted system energy requirements to classes based on the allocation of system energy requirements in the Historical Period. A key consideration in this process is accounting for differences in weather and non-weather factors between the Historical Period and the Forecasted Test Period.[2] For this reason, profiles for weather-sensitive and non-weather-sensitive classes are forecasted differently. For non-weather-sensitive classes, hourly profiles for each month in the Historical Period are first scaled up or down so that the monthly sum of energy requirements in the scaled profiles equals monthly energy requirements in the Forecasted Test Period. This accounts for most differences in non-weather factors between the periods, but additional steps must be taken to create forecasted profiles that are aligned with the pattern of weekdays and weekends in the Forecasted Test Period.

Class profiles for a given weekday or weekend day in the Forecasted Test Period are developed based on a weekday or weekend day in the Historical Period with similar weather. The scaled non-weather-sensitive class profiles associated with this historical day are directly assigned to the forecast day. Then, for each hour of the historical and forecast days, the weather-sensitive portion of total system energy requirements is computed as the difference between total system energy requirements and the sum of energy requirements for non-weather-sensitive classes. The weather-sensitive portion of energy requirements in each hour of the forecast day is allocated to the weather-sensitive classes based on their share of weather-sensitive energy requirements in the corresponding hour of the historical day. Because the forecast and historical day have similar weather, this step accounts for most differences in non-weather factors between the Historical Period and Forecasted Test Period. A final step adjusts the forecasted profiles to account for differences between the periods in the class composition of weather-sensitive energy requirements and align monthly energy requirements for all classes with the separately-developed forecasts of monthly class sales.

The Companies' cost of service studies are focused on hours with high loads. Because the class profiles are forecasted based on historical days with similar weather, each class's contribution to

[2] Non-weather factors include the number of customers, end-use efficiencies, and industrial production levels.

load on peak days in the Forecasted Test Period is aligned – after adjusting for non-weather factors – with its contribution to load on peak days in the Historical Period. At the end of the process, the sum of class loads in each hour of the Forecasted Test Period equals the Companies' separately-developed forecast of system energy requirements.

4. Review

The forecast process has several built-in controls to ensure that the forecasted class load profiles are consistent with the separately-developed forecasts of hourly system energy requirements and monthly class-level sales. The Companies review the class load profile forecasts to ensure that they are reasonable in light of the Historical Period profiles and the forecasted changes in monthly class sales from the Historical Period and the Forecasted Test Period. Because the Companies' cost of service studies are focused on hours with high loads, the review is focused primarily on high load days to ensure they are reasonable.

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Generation Forecast Process

PPL companies

Generation Planning & Analysis
2020

Table of Contents

1 Introduction 1
2 Production Cost Model 1
3 Process Overview 1
3.1 Develop Model Inputs 2
3.1.1 Generation Resource Inputs 3
3.1.2 Fuel Inputs 5
3.1.3 Energy Requirements 6
3.1.4 Market Inputs 6
3.1.5 Resource Expansion Plan Inputs 8
3.1.6 System Constraints 8
3.2 Prepare Draft Generation Forecast 8
3.2.1 Input Variance Analysis 9
3.2.2 Comparison of Forecast to History 9
3.3 Review 9
3.4 Deliverables 10

1 Introduction

The Generation Planning group annually prepares a generation and off-system sales ("OSS") forecast for Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") (collectively "the Companies"). This forecast provides the basis for – among other things – the Companies' forecasts of fuel costs, generation-related variable operating and maintenance costs, economy purchased power, and OSS margin. This document summarizes the process used to prepare the generation forecast.

2 Production Cost Model

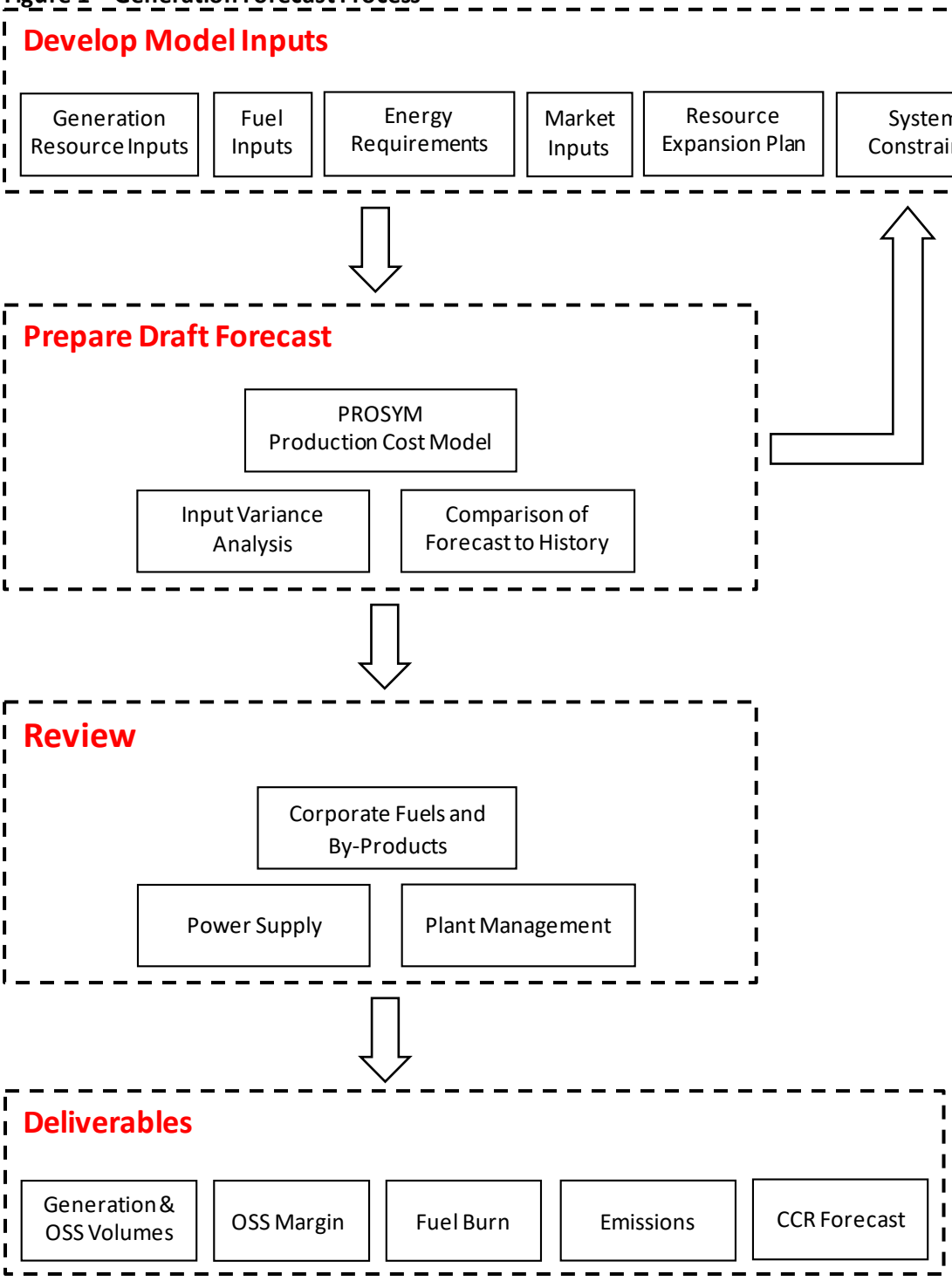
The Companies' generation forecast is developed using Hitachi ABB Power Grids' PROSYM, a proprietary production cost model. PROSYM is a chronological simulation engine that optimizes unit commitment and economic dispatch to meet the load for an interconnected electric system, considering the reserve requirements and other aspects of the electric system. PROSYM is a proven production cost model that has been used by utilities throughout the United States for decades.

In addition to PROSYM, SAS, R, Microsoft Access, and Microsoft Excel are used to develop inputs and process and analyze forecast results. Presentations containing forecast assumptions and results are prepared using Microsoft PowerPoint.

3 Process Overview

Figure 1 provides an overview of the process used to develop the Companies' generation forecast. In the first part of the process, model inputs are developed. Then, the model inputs are loaded into PROSYM and a draft generation forecast is prepared. PROSYM is a complex model, so extensive review takes place to ensure that the inputs are correctly loaded into the model and that the model results are reasonable. An input variance analysis evaluates the impact of changing each input or group of related inputs to ensure that the associated output changes are reasonable. Then, various elements of the generation forecast are compared to historical trends for reasonableness. If the forecast results are not deemed reasonable, the applicable model inputs are adjusted and the process is repeated. In the third part of the process, the results of the forecast are reviewed by other departments. This review process ensures that the forecast considers feedback from a broad range of perspectives. After all parties are satisfied with the results, the generation forecast is finalized and distributed to the groups who use the forecast to prepare financial budgets. Each part of this process is discussed further in the following sections.

Figure 1 – Generation Forecast Process



3.1 Develop Model Inputs

The first part of the process used to develop the Companies' generation forecast involves developing and vetting model inputs. Well-vetted inputs are essential to a good forecast. Wherever possible (and

applicable), model inputs are initially developed based on an analysis of historical data. Then, these inputs are reviewed with plant management for reasonableness. Model inputs are adjusted when historical trends are not expected to continue in the future. Table 1 lists the six main categories of model inputs along with the inputs in each category. Each of these categories is discussed further in the following sections.

Table 1 - Key Inputs to the Generation Forecast

Input Category	Inputs
Generation Resource Inputs	Minimum and maximum capacity, heat rate, emissions rates, variable operating and maintenance costs, operating limits, unit availability, company allocation
Fuel Inputs	Coal prices, natural gas prices, oil prices, CCR adjustment, other fuel-related inputs
Energy Requirements	Hourly energy requirements
Market Inputs	Electricity prices, emission allowance prices, off-system sales and purchase limits, off-system sales and purchase price thresholds
Expansion Plan Inputs	Timing and type of expansion plan units
System Constraints	Transmission constraints, spinning reserve requirements, off-system sales constraints, dispatch order rules

3.1.1 Generation Resource Inputs

The generation resources modeled in PROSYM include the Companies' existing and (if applicable) planned generation resources. Generation resources include generating units owned by the Companies, power purchase agreements with other power producers, and the capacity associated with the Companies' curtailable service rider ("CSR") customers.

Generation resource inputs define the operating characteristics of the generation resources. These inputs include the resource's minimum and maximum capacity, heat rate, emissions rates, variable operating and maintenance costs, operating limits, equivalent unplanned outage rate, and ownership allocation. Each of these inputs is discussed further in the following sections.

3.1.1.1 Minimum and Maximum Capacity

The minimum and maximum capacity (or output) is specified for each generation resource as a megawatt ("MW") value for the summer, winter, fall, and spring seasons. Capacity inputs are specified based on an analysis of historical data and unit rating tests but rarely change materially from forecast to forecast.

3.1.1.2 Heat Rate

The heat rate specifies the amount of fuel required to produce a megawatt-hour ("MWh") of electricity. Where applicable, a heat rate curve is specified for each generation resource for the summer, winter, fall, and spring seasons. The heat rate curves are specified based on an analysis of historical data and heat rate tests performed by the plants.

3.1.1.3 Emissions Rates

Where applicable, PROSYM models the emissions of sulfur dioxide ("SO_2"), nitrogen oxides ("NO_x"), and carbon dioxide ("CO_2") for each generation resource:

- SO_2 Emissions: For coal units, SO_2 emissions are modeled as a function of the unit's SO_2 removal rate and the sulfur content of the fuel. The SO_2 removal rate for each coal unit ranges between 91.2% and 99.1%, depending on the vintage of the unit's flue-gas desulfurization ("FGD") equipment.[1] The SO_2 removal rate is specified based on an analysis of historical data. The sulfur content of the fuel is provided by the Corporate Fuels and By-Products group. For gas units, SO_2 emissions are modeled as a function of an average SO_2 emission rate (specified in lb/MMBtu) estimated by the unit manufacturer.
- NO_x Emissions: For coal units, NO_x emissions are modeled as a function of a NO_x emission curve (specified in lb/MMBtu). NO_x emissions vary seasonally and with the unit's generation output and are lower for units retrofitted with selective catalytic reduction ("SCR") equipment. The NO_x emission curve is specified based on an analysis of historical data in conjunction with performance expectations associated with the timing of catalyst replacement. Cane Run 7's NO_x emission rate is specified based on an analysis of historical data. For other gas units, NO_x emissions are modeled as a function of an average NO_x emission rate (also specified in lb/MMBtu) estimated by the unit manufacturer.
- CO_2 Emissions: CO_2 emissions are modeled as a function of an average CO_2 emission rate (specified in lb/MMBtu). Average CO_2 emission rates are dependent on the type of fuel burned in the unit and are based on engineering estimates.

3.1.1.4 Variable Operating and Maintenance Cost

Variable operating and maintenance ("O&M") costs include all incremental non-fuel costs that are incurred when operating the generation resource. For coal units, variable O&M includes the cost of operating environmental controls. For Cane Run 7, variable O&M includes the cost of its long-term program contract ("LTPC"), which is paid quarterly based on the number of starts and operating hours for the unit. For simple-cycle combustion turbines ("SCCTs"), the cost of major maintenance is considered in unit commitment and dispatch decisions but is not modeled as a component of production costs.

3.1.1.5 Operating Limits

The following operating limits are modeled in PROYSM for each generation resource. Each of these inputs is specified based on operational experience.

- Minimum Down-Time: Minimum down-time is the minimum number of hours after coming offline that a generation resource must remain offline before it can be brought back online.
- Minimum Up-Time: Minimum up-time is the minimum number of hours after coming online that a generation resource must remain online before it can be taken offline for economic reasons.
- Ramp-Up Rate: Ramp-up rate is the rate (specified in MW/hour) at which a generation resource can increase its output.
- Ramp-Down Rate: Ramp-down rate is the rate (specified in MW/hour) at which a generation resource can decrease its output.

3.1.1.6 Unit Availability

The following unit availability inputs are modeled in PROSYM for each resource. These inputs determine the extent a resource is available for operation.

- Planned Maintenance Schedule: The planned maintenance schedule specifies the timing and duration of planned maintenance events. The schedule is developed with input from plant

[1] Mill Creek Units 1-2 share the same FGD.

management, Generation Dispatch, and Project Engineering, such that the outages will have the least economic and reliability impact to customers.

- Equivalent Unplanned Outage Rate ("EUOR"): EUOR inputs determine the amount of time the generation resource is unavailable due either to a forced outage or maintenance outage. EUOR inputs are specified based on an analysis of historical data.

3.1.1.7 Company Allocation

The energy and capacity for all generation resources modeled in PROSYM are either wholly or jointly allocated to LG&E and/or KU. For each generation resource, the Companies' allocation is specified in PROSYM to facilitate the process of creating generation and other forecasts by company as well as forecasting the After-the-Fact Billing process used to calculate the Fuel Adjustment Clause.

3.1.2 Fuel Inputs

Each thermal generation resource is associated with one or more fuel forecasts for startup and for online operation. The fuel inputs in PROSYM specify the cost of fuel, the fuel's heat and SO_2 content, the quantity of fuel required for startup, and – for generation resources where the fuel price is a blend of multiple fuel forecasts – the blend ratio of each fuel forecast. For coal, the fuel inputs also include a fuel price adjustment for coal combustion residuals ("CCR") based on forecasted CCR revenues and costs.[2]

3.1.2.1 Coal Prices

A forecast of delivered coal prices is developed for each station by the Corporate Fuels and By-products group. These forecasts reflect the cost curve for the Companies' contracted coal volumes, the assumed cost of coal that will be contracted in the future, and the cost of transporting fuel from mines to the stations. Based on the coal burn forecast by unit, the Corporate Fuels and By-Products group calculates the target coal purchase tonnage needed each year to maintain desired inventory levels while meeting the forecasted coal burn. The forecasted price per MMBtu for each coal type is the result of computing the volume weighted average of the price of coal already under contract and the market price of coal. In the first five years of the forecast, the market price is a blend of coal bids received, but not under contract, and a forecast from an independent third party consultant. Beyond the fifth year, prices are increased at the compound annual growth rate reflected in the U.S. Energy Information Administration's ("EIA") latest Annual Energy Outlook for the "All Coals, Minemouth" price forecast.

3.1.2.2 Natural Gas Prices

A forecast of Henry Hub natural gas prices is developed as a starting point for undelivered gas. The initial years of the Henry Hub price forecast reflect monthly forward market prices from NYMEX as of a specific recent quote date, which reflects a current view of forward prices at the time the forecast is prepared. In the subsequent years, the market prices are blended with a price forecast published in the EIA's most recent Annual Energy Outlook. The Henry Hub forward market prices are then adjusted to local delivered prices to KU and LG&E units using an average annual loss factor and a variable O&M charge per MMBtu, which also adjusts for average assumed basis differentials. For each station that uses natural gas for startup or online operations, a forecast of delivered natural gas prices is developed by adding transportation costs and a cost for pipeline losses to the forecast of Henry Hub prices.

[2] Coal combustion residuals or CCRs are by-products such as fly ash and bottom ash left over after coal is burned, and gypsum which is created as sulfur dioxide is removed from flue gas.

3.1.2.3 Oil Prices

A forecast of delivered oil prices is developed for coal units that use fuel oil for startup and for SCCTs that can use fuel oil for online operation as an alternative to natural gas. The fuel oil price forecast consists of market prices in the short term that are then interpolated to a long-term forecast. The Companies' delivered oil price forecast first uses NYMEX New York Harbor #2 fuel oil monthly contract settled prices as far out in time as there is some market liquidity.

Long-term #2 fuel oil prices are developed by applying the historical relationship between New York Harbor #2 fuel oil and West Texas Intermediate ("WTI") oil prices to forecasted WTI prices derived from IHS Global Insight's latest 30-year macro forecast. To integrate the two forecast periods, the short-term market-based fuel oil price forecast is interpolated to the long-term regression-based price forecast. The forecasted #2 fuel oil prices are then multiplied by the historical average ratio of the Companies' fuel purchase price to the New York Harbor #2 fuel oil price to arrive at the Companies' delivered fuel oil purchase price forecast.

3.1.2.4 CCR Adjustment

A forecast of revenues and costs resulting from the Companies' sales and management of CCR is developed for each station based on inputs from plant management and the Corporate Fuels and By-products department. CCR revenues and costs are combined to calculate a CCR adjustment to the fuel price (in ¢/MMBtu), to account for the value and cost of CCR production and management. The CCR adjustment to the fuel price is considered in dispatch decisions but is not modeled as a component of production costs.

3.1.2.5 Other Fuel-Related Inputs

Other fuel inputs include the fuel blend ratio, the quantity of startup fuel, and the fuel's heat and SO_2 content.

- Fuel Blend Ratio – Trimble County 2 burns a blend of Illinois Basin and Powder River Basin coals. Because the prices of these coals are specified in separate forecasts in PROSYM, the fuel blend ratio determines the weighting that is used to compute the price of coal for Trimble County 2.
- Quantity of Startup Fuel – For each generating unit, the startup fuel quantity is the amount of fuel required to start the unit. These inputs are specified based on an analysis of historical data with input from plant management.
- Heat Content and SO_2 Content – Fuel heat and SO_2 contents are provided by the Corporate Fuels and By-products group.

3.1.3 Energy Requirements

PROSYM simulates the dispatch of the Companies' generating units to meet hourly energy requirements. The forecast of hourly energy requirements, which consists of native load sales and transmission and distribution losses, is developed by the Sales Analysis and Forecasting group.

3.1.4 Market Inputs

Market inputs define the market in which the Companies operate. These inputs include spot hourly wholesale electricity prices, emission allowance prices, hourly OSS and economy purchase volume limits, and OSS and economy purchase price threshold values. Together, these inputs determine when the model should make economy purchases or OSS. Each of the market inputs is discussed in the following sections.

3.1.4.1 Electricity Prices

A forecast of spot hourly electricity prices is developed to model the Companies' interactions with the electricity market. The Companies buy and sell electricity primarily with PJM through the PJM-South Import ("PJM-SI") interface/pricing point, which is used in the planning process to represent the electricity market.[3] In the initial years, monthly forward market prices for PJM West Hub ("PJM-WH")[4] quoted by Intercontinental Exchange as of a specific recent quote date are used as a basis for developing an hourly forecast of PJM-SI prices, reflecting the most current view of forward prices at the time the forecast was prepared.[5] In the subsequent years, the market prices are interpolated to a long-term PJM-WH forecast developed by S&P Global/Platts. Monthly PJM-SI prices are derived by applying seasonal discount factors by peak type to the PJM-WH prices. The discount factors are based on historical ratios between actual PJM-SI and PJM-WH spot prices.

Monthly average PJM-SI prices are shaped to daily average prices by peak type by maintaining a correlation between the Companies' forecasted daily average energy and the forecasted daily average electricity price in each month, based on their historical correlation. This relationship serves as a proxy for the correlation between the daily load level in the PJM market and the corresponding daily average electricity price. The daily average prices are derived by multiplying the forecasted monthly average prices (by peak type) by a daily weighting that reflects the correlated variances between forecasted daily vs. average monthly loads and forecasted daily vs. average monthly electricity prices, based on historical observations. Hourly prices are then derived by multiplying the daily prices by hourly price multipliers that reflect the historical average ratios of hourly prices to daily prices by month and by peak type.

3.1.4.2 Emission Allowance Prices

The dispatch cost for each unit includes the unit's fuel cost, variable O&M costs, and the cost of emission allowances. Emission allowance price forecasts are developed for SO_2, ozone seasonal NO_x, and annual NO_x emission allowances. Initial prices reflect market prices as of a specific recent quote date for allowances under the Cross-State Air Pollution Rule. Longer-term prices reflect those in IHS Energy's most recent long-term planning scenario. No CO_2 emission allowance prices are included.

3.1.4.3 Hourly Off-System Sales and Purchase Volume Limits

The OSS and purchase limit inputs determine the maximum quantity (in MW) of OSS and economy purchases that can be made in any given hour. Because the volatility of available transmission capacity cannot be effectively modeled in PROSYM, limits on hourly OSS and economy purchases are used to align the volume of modeled OSS and economy purchase transactions with recent historical experience.

3.1.4.4 Off-System Sales and Purchase Price Thresholds

When making an OSS or economy purchase, the Companies incur various costs related to the transaction. These costs are referred to as OSS and purchase "thresholds." OSS and purchase thresholds include the cost of transmission and transmission losses, independent system operator balancing charges, and a risk premium the Companies' Power Supply group uses to manage the uncertainty that exists between real-time prices and aggregated hourly (or settled) prices.

[3] The Companies also transact electricity with counterparties other than PJM. The Companies model PJM as a representative market, considering liquidity and availability of market data.
[4] The PJM market is used as a proxy for all markets available to the Companies because most of the Companies' off-system sales and purchases are expected to be transacted with the PJM market.
[5] The quoted "off-peak wrap" forward prices for PJM-WH are split into off-peak (7x8) and weekend (2x16) peak types using historical ratios.

3.1.5 Resource Expansion Plan Inputs

The expansion plan inputs specify the timing and type of generation resources planned, if any, to be added to the Companies' generation portfolio to meet customers' needs for energy and capacity. These generation resources can take the form of new generating units or power purchase agreements with a third-party provider. Generation resource inputs are discussed in Section 3.1.1.

3.1.6 System Constraints

PROSYM enables the user to model a variety of physical constraints that exist within the Companies' transmission system and generation portfolio. These constraints are discussed in the following sections.

3.1.6.1 Transmission Constraints

The Companies' transmission and distribution system is designed to deliver electricity from generation resources to load under a variety of circumstances. Despite the flexibility that is afforded the Companies, some constraints can occur in real time. For example, there are limits to the energy that can flow from LG&E to KU. PROSYM enables the Companies to model this and other transmission constraints.

3.1.6.2 Spinning Reserve Requirements

As a NERC balancing area, the Companies are required to carry contingency reserves to ensure the reliability of the grid. To meet these obligations in a least-cost manner, the Companies are party to a reserve sharing agreement with TVA. By sharing reserves with TVA, the Companies are able to reduce the amount of contingency reserves they need to carry. In the current plan, the Companies need to maintain 254 MW of contingency reserves at all times. In addition, the Companies typically target approximately 75 MW of regulating reserves to follow load fluctuations in real time. PROSYM models these reserve requirements.

3.1.6.3 Off-System Sales Constraints

As a general rule, because hourly market prices can fluctuate, potential OSS margins from SCCTs do not justify the wear and tear associated with starting a unit in anticipation of potential OSS margins. Therefore, the Companies' SCCTs are generally only committed to meet customers' need for peak energy. For this reason, a constraint is modeled in PROSYM that reduces OSS by limiting modeled OSS when SCCTs are operating, which results in a proportion of OSS from SCCTs in line with historical volumes.

3.1.6.4 Dispatch Order Rules

Dispatch order rules determine the order in which different types of generation resources are dispatched. The majority of generation resources are dispatched economically. However, curtailment of the Companies' CSR customers is limited to times when most or all other company-owned resources have been or are being dispatched. The dispatch order rules enable the Companies to model this constraint.

3.2 Prepare Draft Generation Forecast

In the second part of the process used to develop the Companies' generation forecast, model inputs are loaded into PROSYM and PROSYM is used to prepare a draft generation forecast. PROSYM is a complex model, so extensive review takes place to ensure that the inputs are correctly loaded and that the model results are reasonable. An input variance analysis evaluates the impact of changing each input or group of related inputs to ensure that the associated output changes are reasonable. Then, various elements of the generation forecast are compared to historical trends for reasonableness. The input

variance analysis and comparison of the forecast to history are discussed in more detail in the following sections.

3.2.1 Input Variance Analysis

The process of performing an input variance analysis begins with the previous year's generation forecast and is completed in steps. As each input or group of inputs is updated, PROSYM is used to create a new forecast. A comparison of forecast results for each step reveals the impact of changing each input (or group of related inputs) incrementally, and includes a comparison of native load production costs, OSS margin, generation volumes, unit capacity factors, fuel burn, and other factors. In most cases, the change from the previous year's forecast to the current year's forecast is explained primarily by a limited number of factors. Despite this fact, the impact of all input changes is evaluated carefully. If the impact of a change is not deemed reasonable, the model inputs are adjusted and the process is repeated.

3.2.2 Comparison of Forecast to History

The goal of the generation forecasting process is to produce the most accurate forecast possible. In addition to the input variance analysis, numerous elements of the forecast are compared to historical trends to further assess the reasonableness of the forecast. In many cases, the forecast should be consistent with historical trends. When this is not the case, it is important to ensure that forecasted deviations from historical trends are reasonable. The following is a sample of forecast elements that are compared to historical data.

- Annual/monthly/hourly generation by generation resource
- Annual/monthly fuel burn by generation resource
- Annual startup fuel by generation resource
- Annual SCCT starts and run hours
- Annual/monthly/hourly OSS volumes by peak type
- Annual/monthly/hourly OSS margin by peak type
- Annual/monthly/hourly economy purchase volumes by peak type
- Annual SO_2/NO_x emissions
- Annual/monthly capacity factor by generation resource
- Annual/monthly intercompany transaction volumes
- Annual/monthly dispatch order

3.3 Review

In the third part of the process used to develop the Companies' generation forecast, the results of the forecast are reviewed by other departments. This review process ensures that the forecast considers feedback from a broad range of perspectives.

The following groups are primary consumers of the forecast results and review various elements of the forecast to help ensure that the results are reasonable:

- Corporate Fuels and By-products: The Corporate Fuels and By-Products group reviews the fuel burn forecast by generating station and fuel type.
- Power Supply: The Power Supply group reviews the forecasts of OSS margin, OSS volumes, and economy purchase volumes by peak type.
- Plant Management: Plant managers review the forecasts of generation by station and fuel type.

3.4 Deliverables

After forecast reviews are completed, the forecast deliverables are distributed to the groups within the company who use the forecast to prepare financial budgets. The following is a list of key deliverables:

- Generation Forecast
- Fuel Burn Forecast
- Fuel Expense Forecast
- OSS Margin Forecast
- Emissions Forecast
- CCR Production Forecast

2021 Business Plan: Generation & OSS Forecast

Generation Planning & Analysis
July 17, 2020

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Sec. 16(7)(c) H.
Page 1 of 35
Sinclair

2021 BP Summary

- Compared to the 2020 BP, native load production costs ($/MWh) are lower in the 2021 BP; OSS contribution is slightly higher in 2021 and lower in 2022-2025
  - Lower fuel prices drive differences in production costs; market electricity prices drive differences in OSS

Native Load Production Costs[1] ($/MWh)	2021	2022	2023	2024	2025	CAGR
2020 BP	22.64	23.10	23.55	24.11	24.55	2.0%
2021 BP	21.46	21.43	21.62	21.79	21.94	0.6%

OSS Contribution (100%, $M)	2021	2022	2023	2024	2025
2020 BP	1.9	2.1	3.4	3.7	4.4
2021 BP	2.0	1.4	0.7	1.2	1.5

1) Includes variable fuel costs, consumables, purchases, and variable PPA costs

Key planning assumptions & inputs

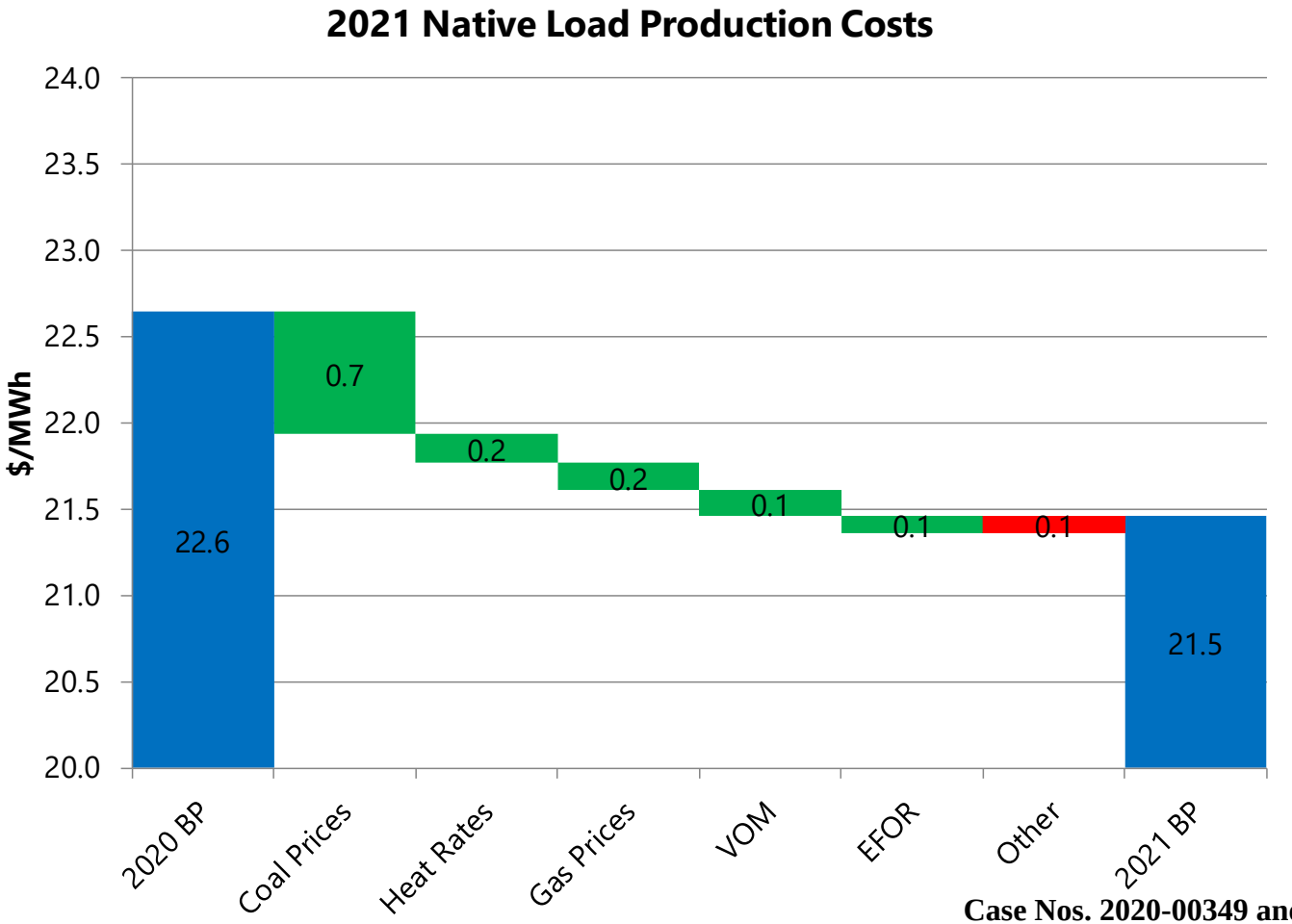
- Load, fuel prices, and electricity prices are all lower Plan-over-Plan

Plan-over-Plan Change (%)	2021	2022	2023	2024	2025
Native Load	-2.8%	-1.7%	-1.6%	-1.6%	-1.9%
Coal Prices (LKE Wgt Avg)[1]	-4.5%	-4.5%	-5.1%	-6.5%	-7.7%
Gas Prices (LKE Wgt Avg)[1]	-3.4%	-11.8%	-16.4%	-18.9%	-20.2%
Electricity Prices (PJM-SIATC)	-4.6%	-12.2%	-17.5%	-16.5%	-15.1%

1) Fuel prices reflect variable delivered costs inclusive of contracted volumes

- Generating units are assumed to retire at the end of their proposed depreciation lives for planning purposes

In 2021-2023, lower gas and coal prices drive lower variable production costs



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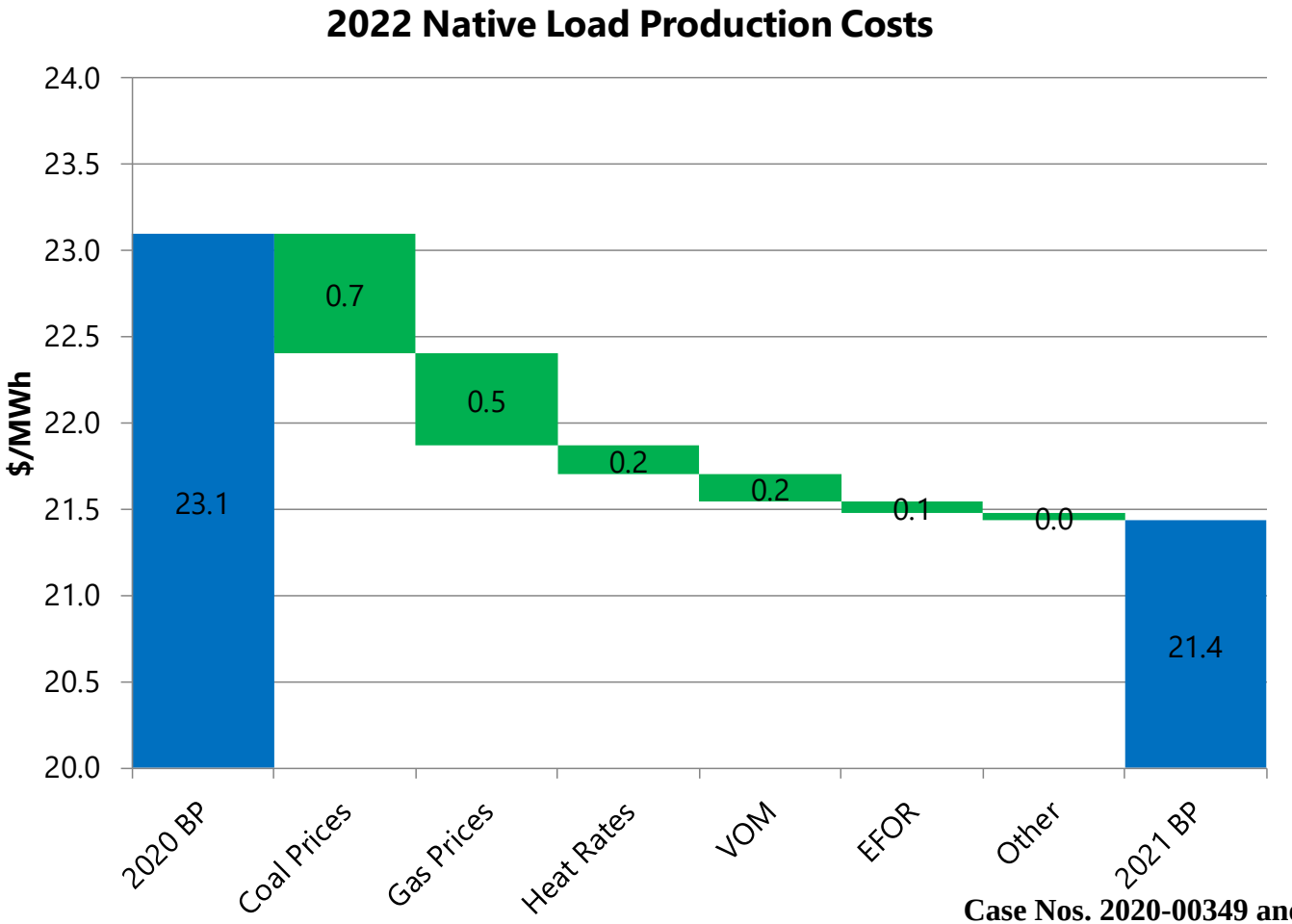
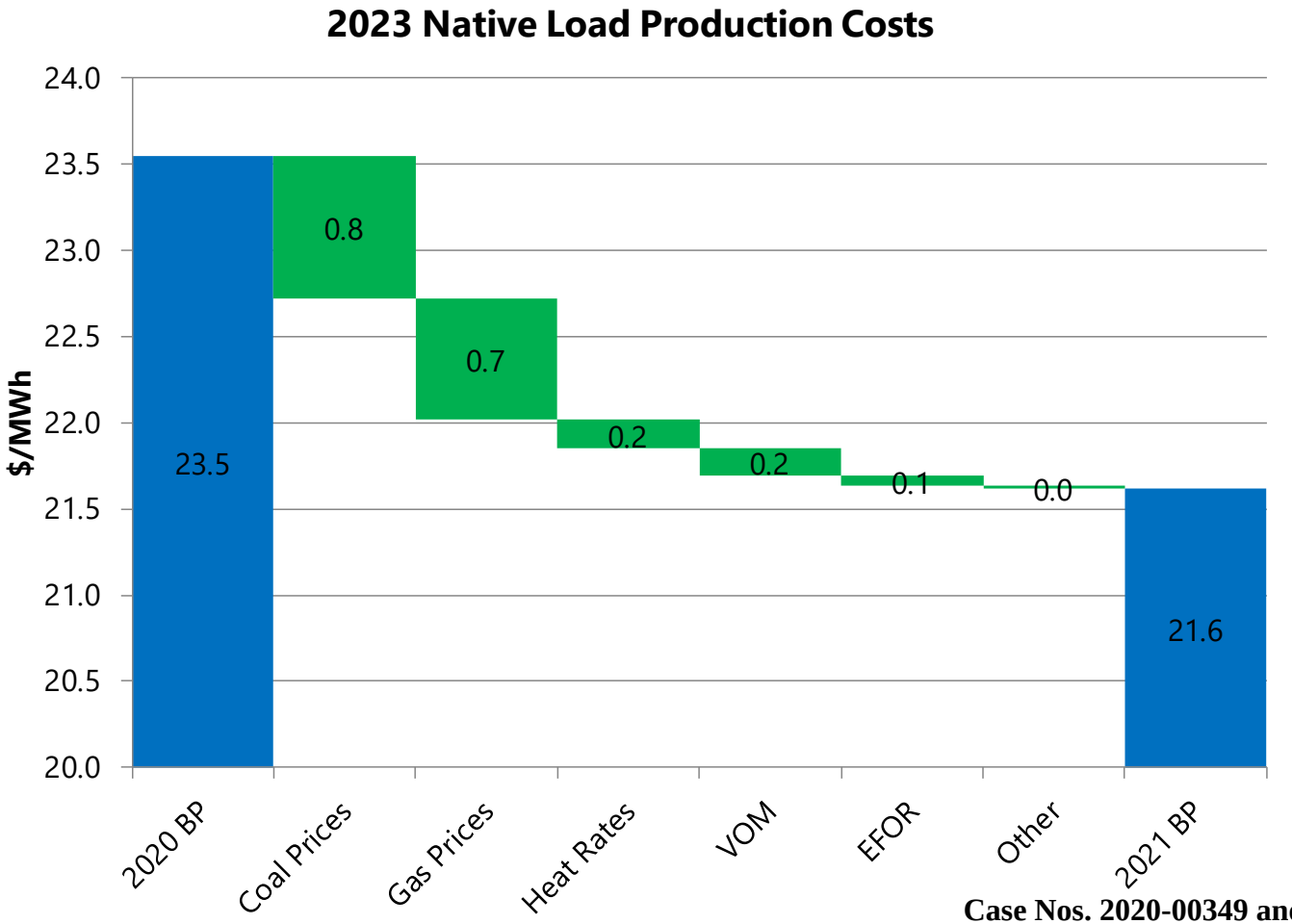
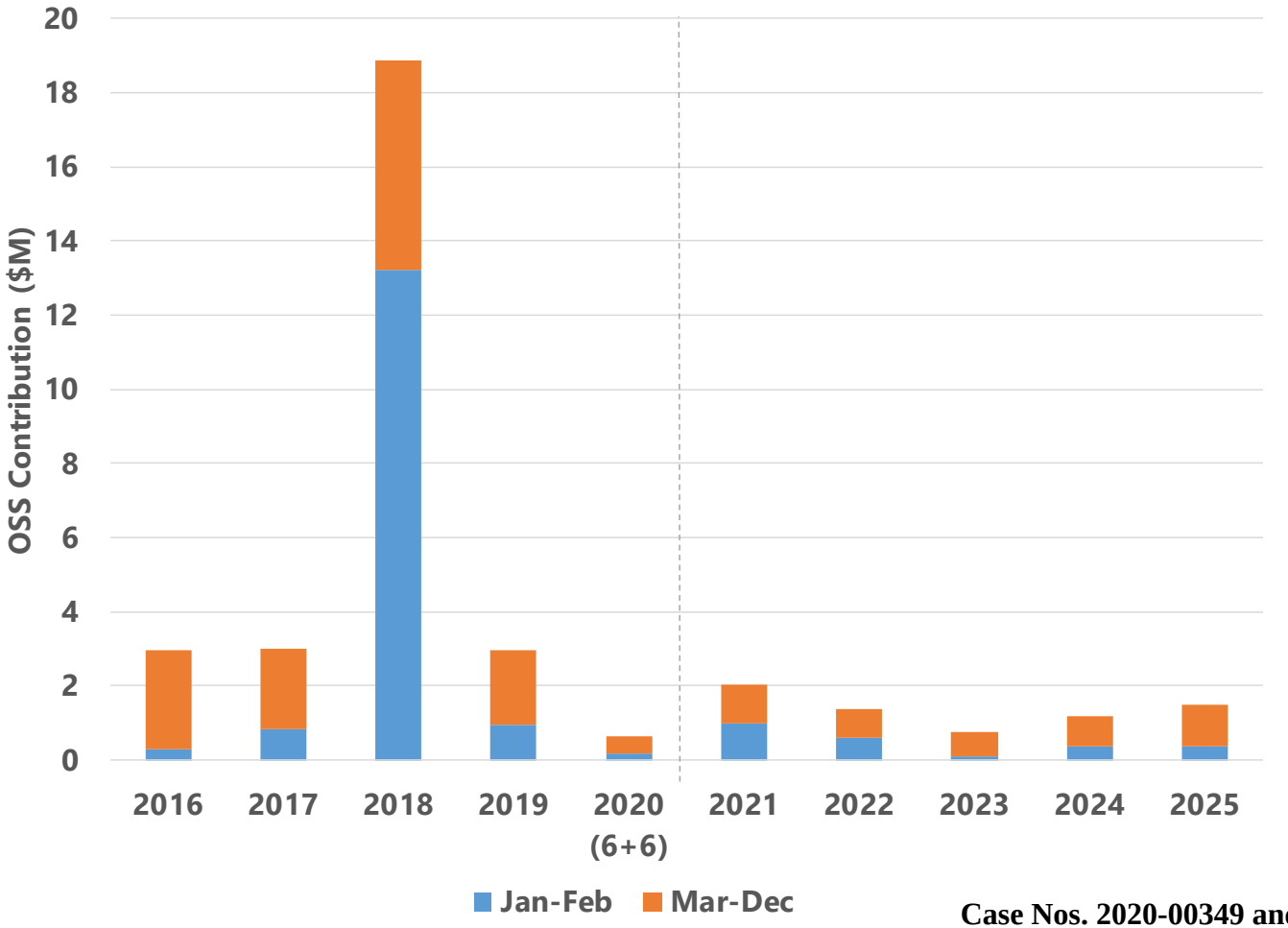


In 2021-2023, lower gas and coal prices drive lower variable production costs



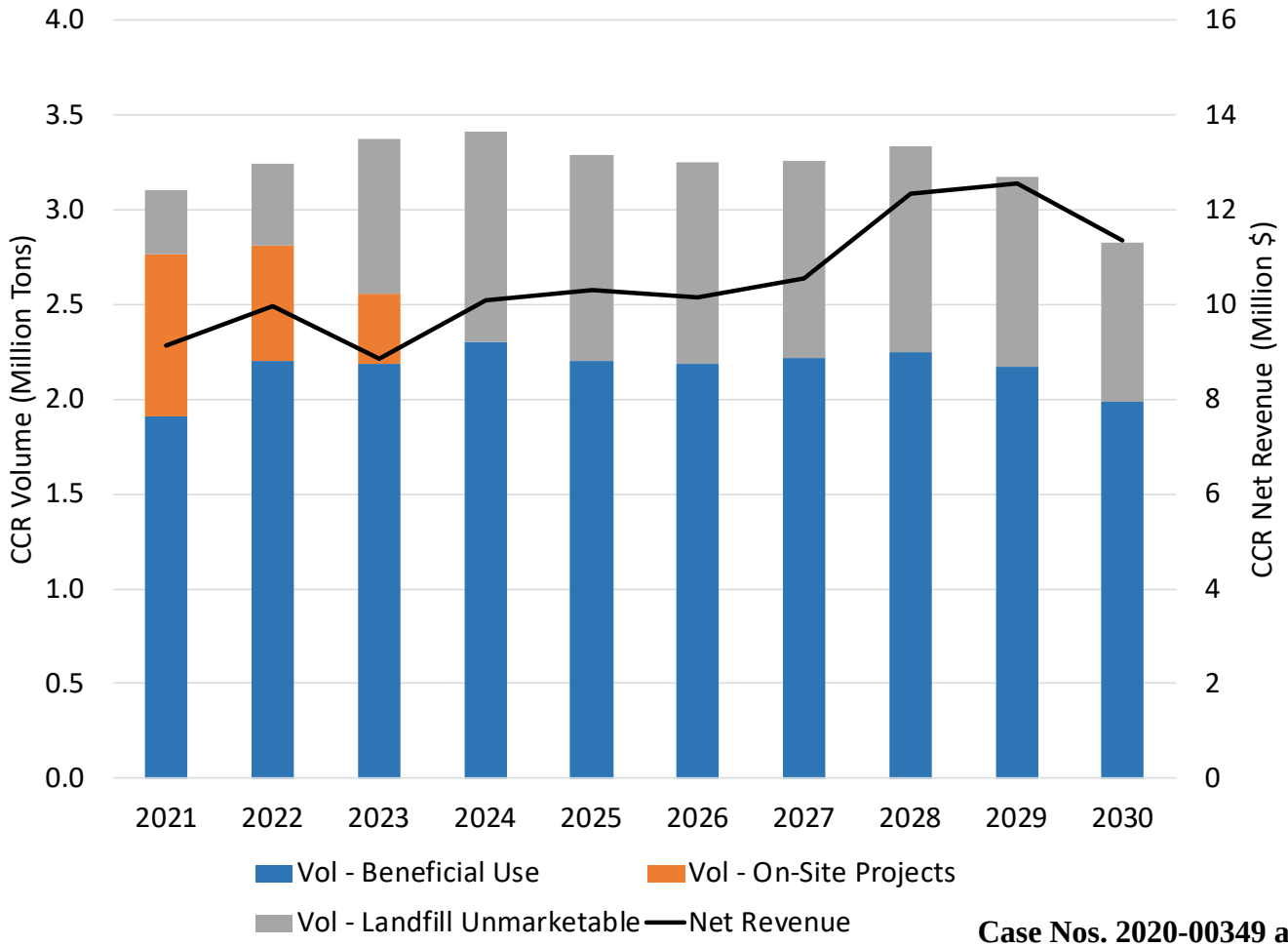
Forecasted OSS reflect normal weather; higher OSS in 2018 was result of extreme winter conditions



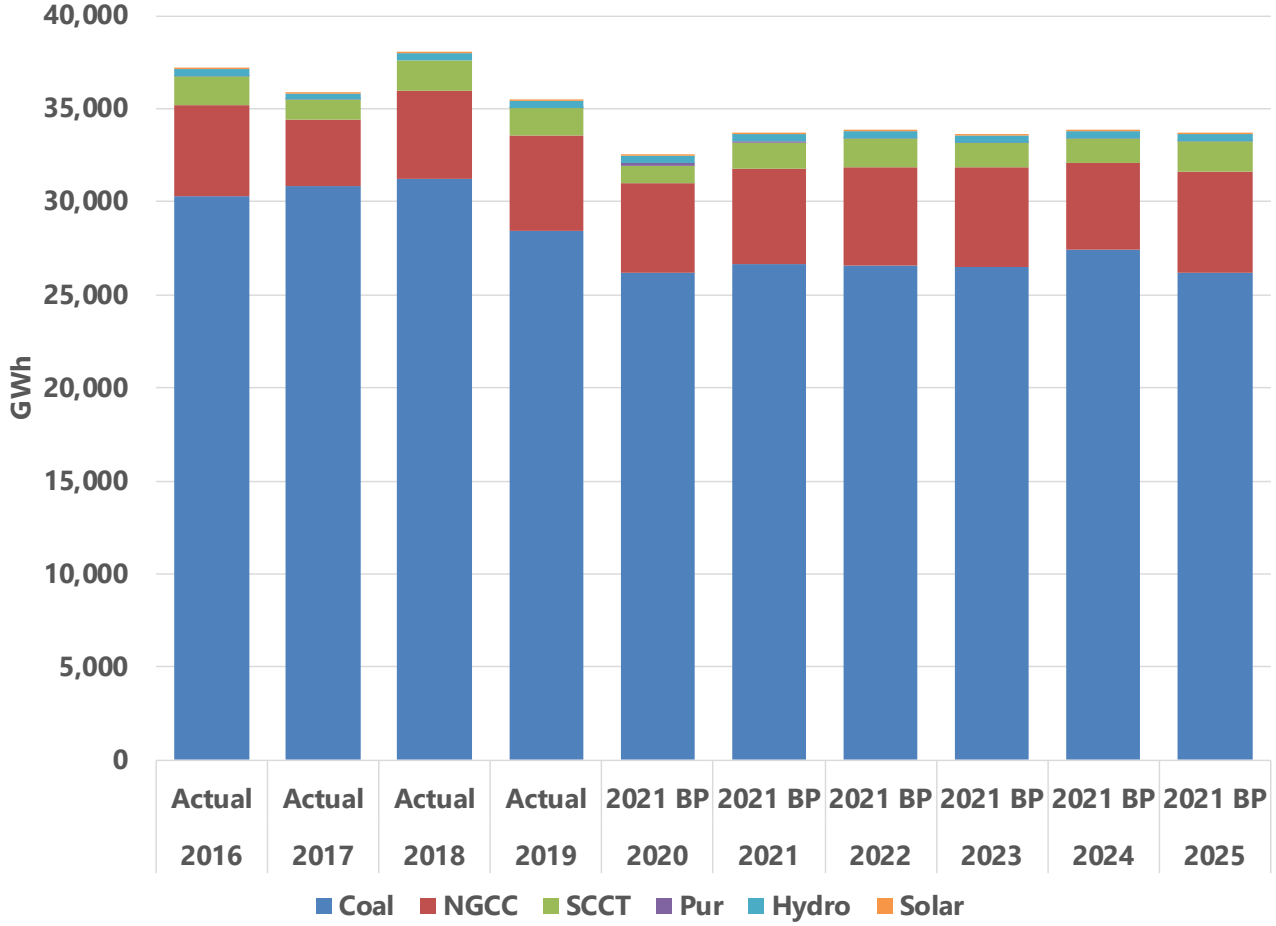
Environmental update

- Companies expect to comply with CSAPR II without any NO_x allowance purchases
- Companies are monitoring NAAQS Non-Attainment status of Jefferson County
  - Planning for continued April-October NO_x emission limit at Mill Creek
- No CO_2 prices assumed in 2021 BP
  - Companies are evaluating ACE Rule compliance options
- Dispatch reflects CCR implications
  - Landfill handling costs
  - Beneficial use revenue opportunities net of handling costs
  - Pond closure opportunity costs (similar to emission allowance costs)

$8-12 million in projected annual CCR revenue



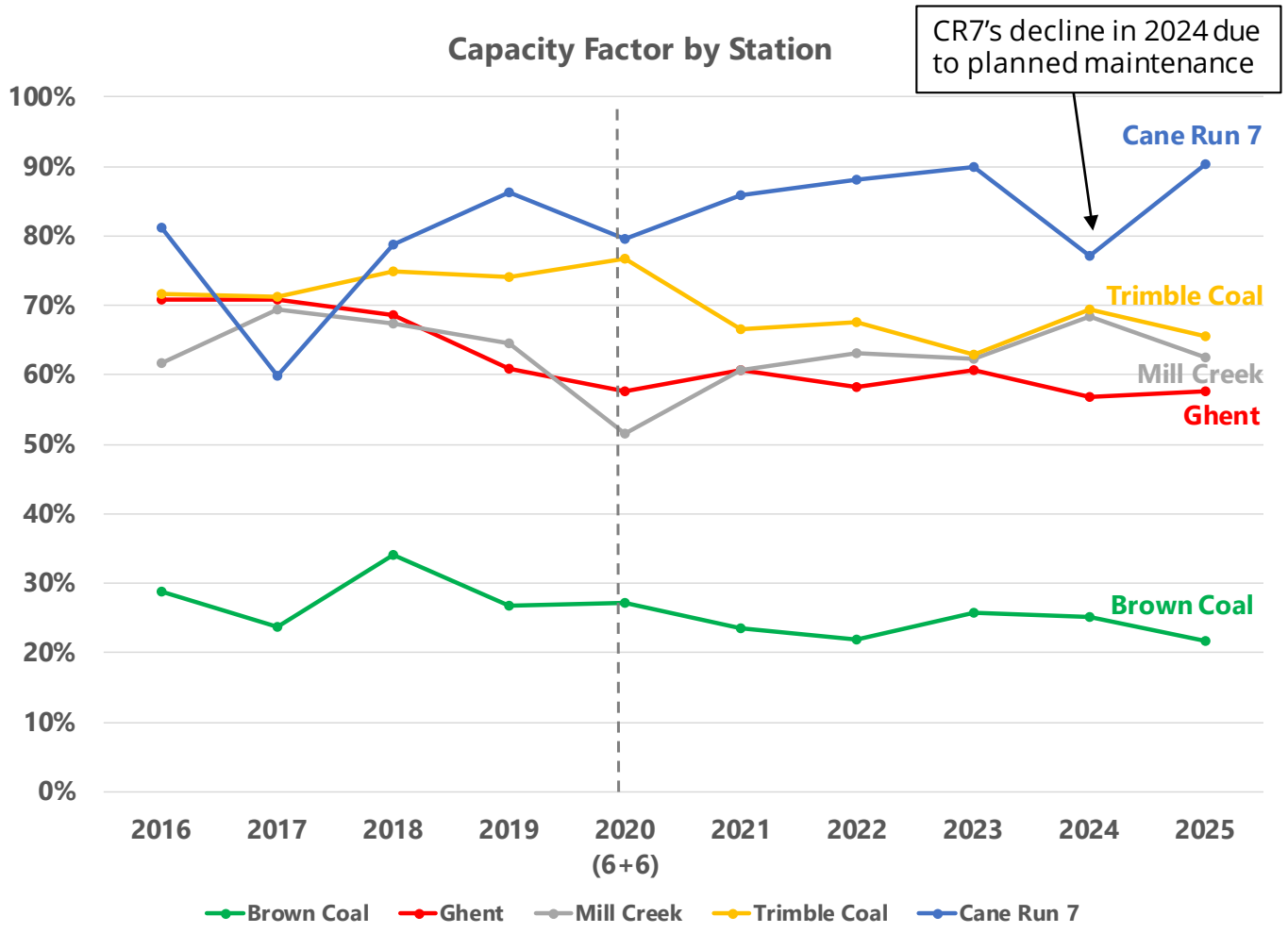
Energy mix in generating portfolio expected to remain consistent throughout the planning period



Year	Coal %
2016	82%
2017	86%
2018	82%
2019	80%
2020	81%
2021	79%
2022	79%
2023	79%
2024	81%
2025	78%

2021 BP in 2020: 6 + 6

Capacity factor by station



Key takeaways

- Lower native load costs yield lower costs for ratepayers
  - Projected fuel cost savings of $50-100 million per year vs. 2020 BP
  - Projected average fuel cost is $20.11/MWh in 2021
  - 2019 average fuel cost was $21.43/MWh; 2020 YTD is $20.43/MWh
- Load forecast is flat to declining; generation capacity is added in longer term with assumed retirement of existing units
  - No renewable PPA assumed at this time
- Companies are reviewing Jefferson County NAAQS attainment plan and ACE Rule
- Cane Run 7 projected to be dispatched at a high capacity factor with low gas prices

Appendix

2021 BP – Assumptions

- Modeled EFOR and MOR assumptions are based on historical values ('target' EFORs will continue to be the basis for KPI reporting)
- Retirements / expansion plan:
  - Zorn planned to retire in November 2021
  - Mill Creek assumed to retire at the beginning of 2025
  - OVEC assumed to continue through contract term (June 2040)
  - Generating units assumed to retire at the end of their proposed depreciation lives for planning purposes
  - Generation capacity is added with assumed retirements of existing units
    - 469 MW 1x1 NGCCs added in 2029 (1), 2034 (2), 2037 (2), 2039 (2), and 2041 (1)

Coal generating units are assumed to retire at the end of their proposed depreciation lives for planning purposes

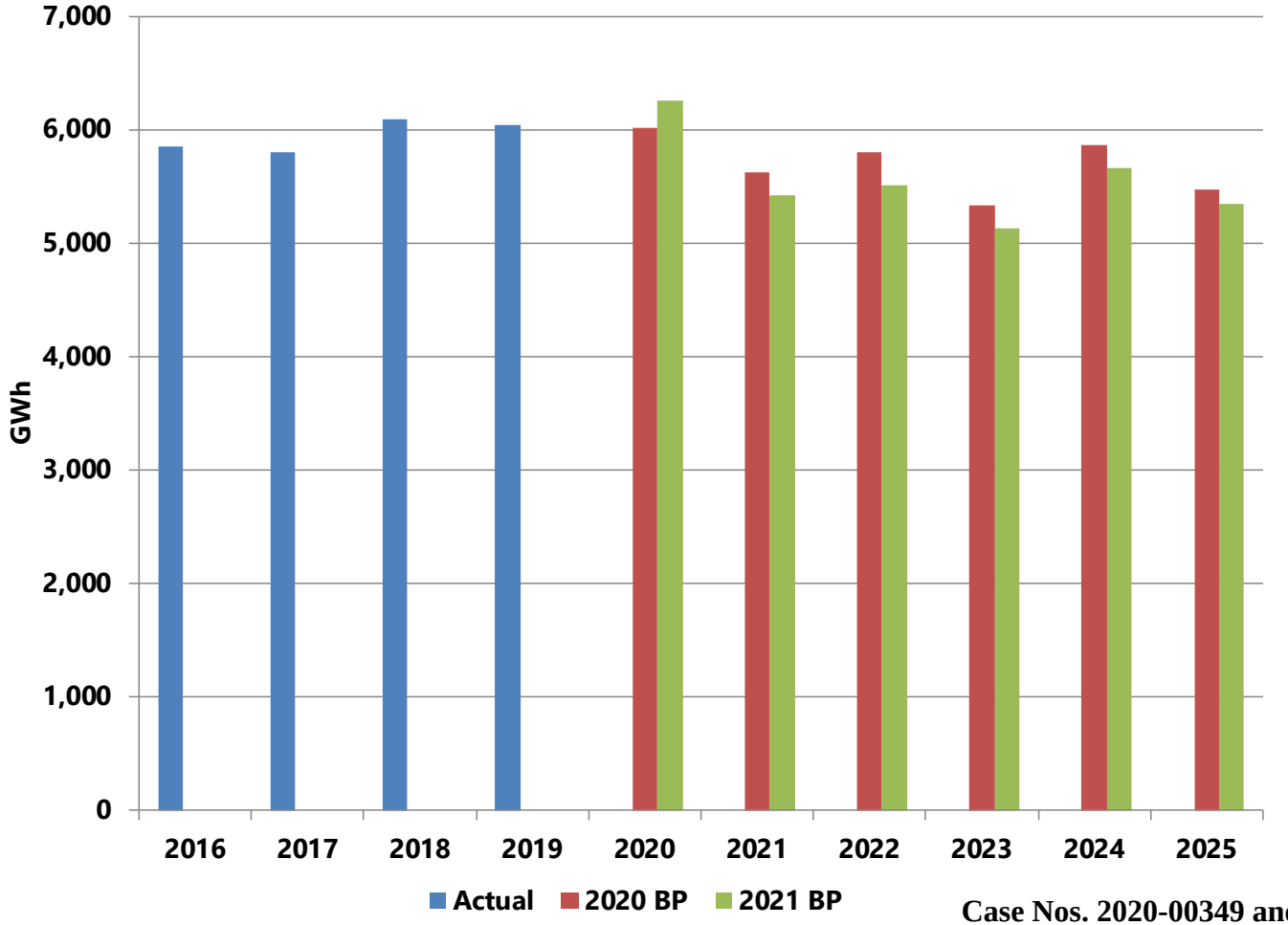
	Assumed Retirement Year
Mill Creek 1	2025
Mill Creek 2	2029
Brown 3	2029
Ghent 1	2034
Ghent 2	2034
Ghent 3	2037
Ghent 4	2037
Mill Creek 3	2039
Mill Creek 4	2039
Trimble County 1	2045
Trimble County 2	2066

Allowance price assumptions

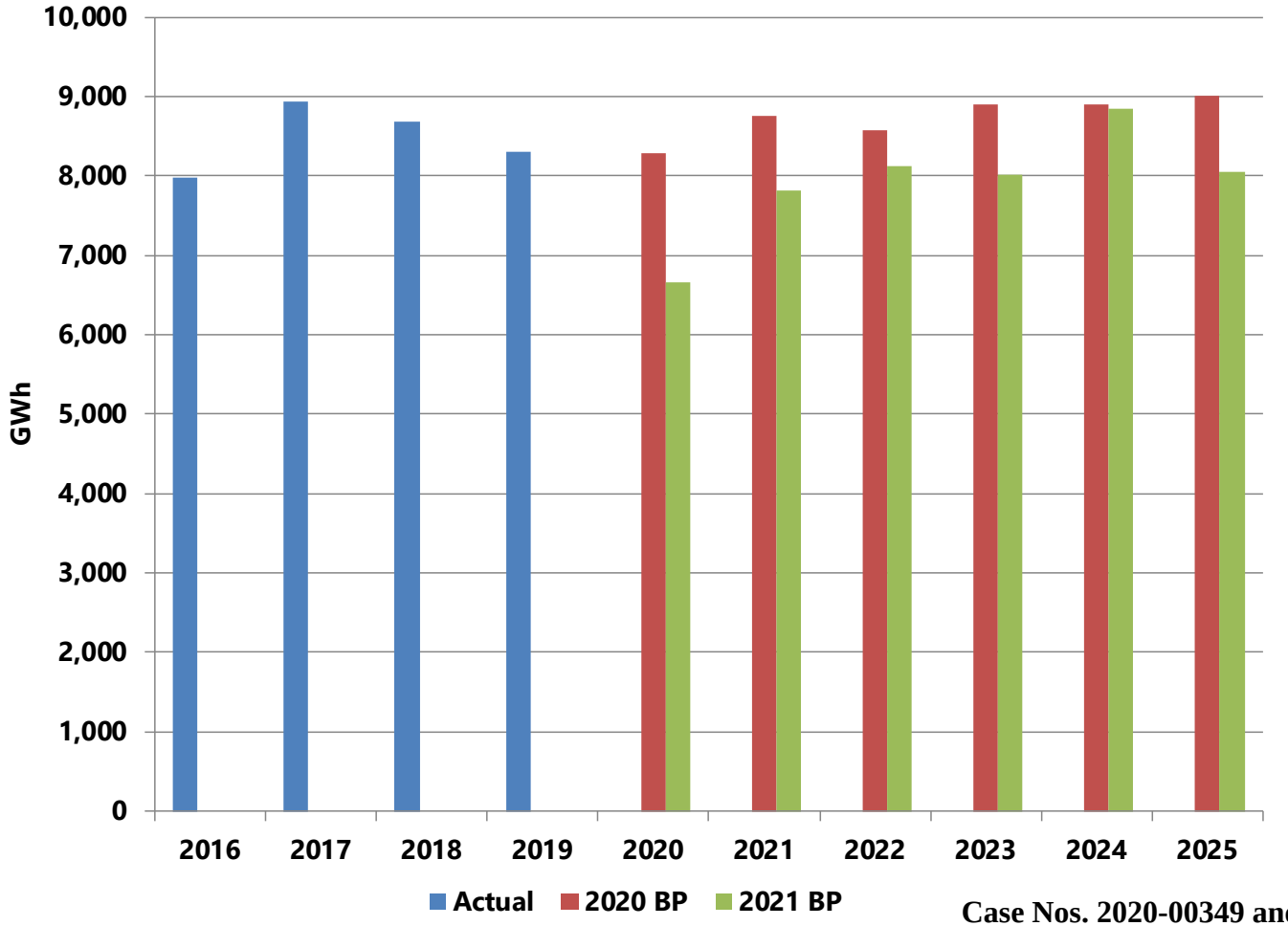
CSAPR Emission Allowance Prices ($/ton emitted)

Year	Annual NO_x	Seasonal NO_x	SO_2
2021	2	65	2
2022	8	225	2
2023	6	145	2
2024	5	132	2
2025	4	120	2
2026	2	109	2
2027	1	99	2
2028	0	91	0
2029	0	83	0
2030	0	75	0

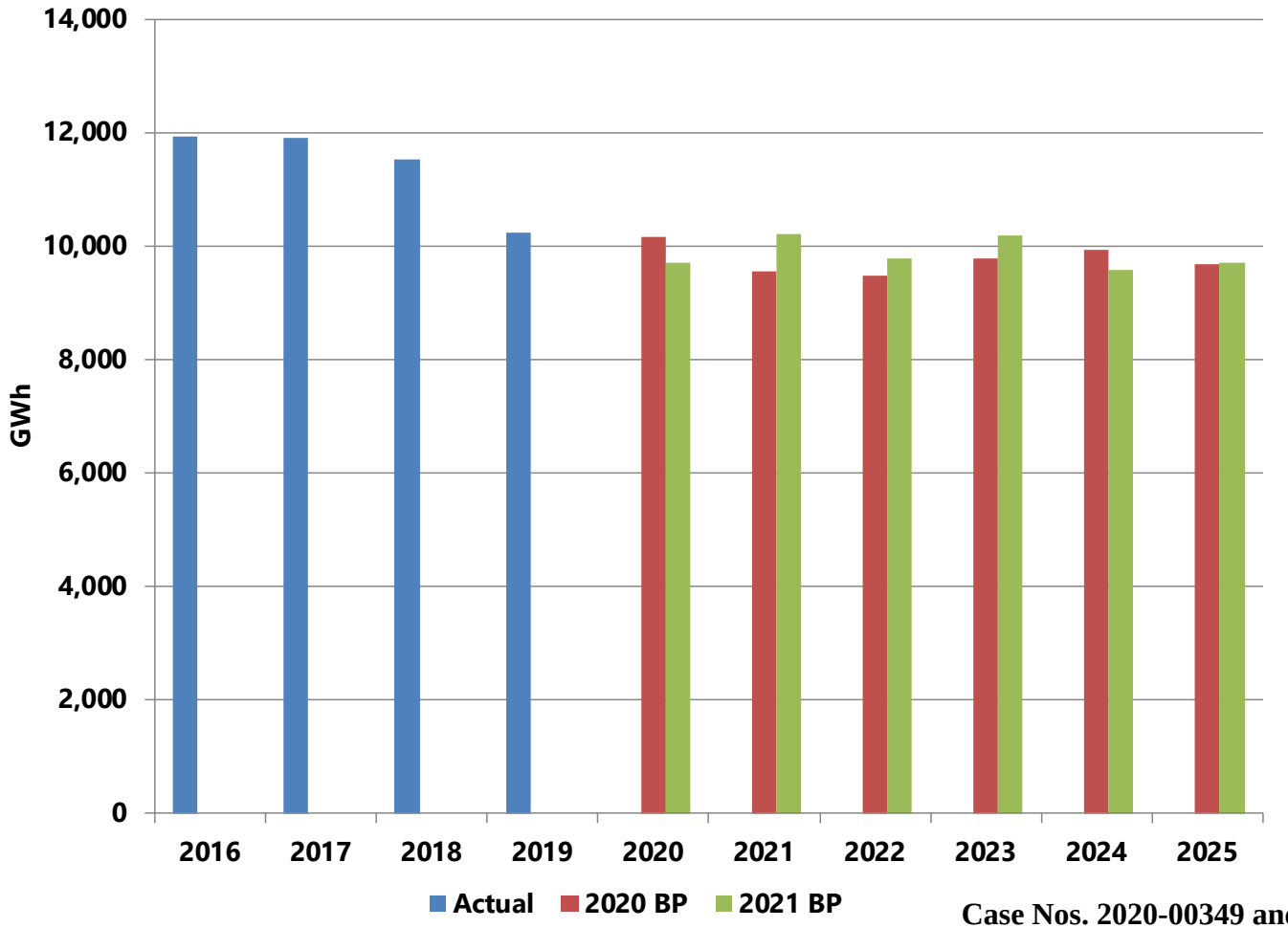
Trimble coal generation is lower in most years due to updated heat rates and the addition of CCR cost impacts in dispatch considerations



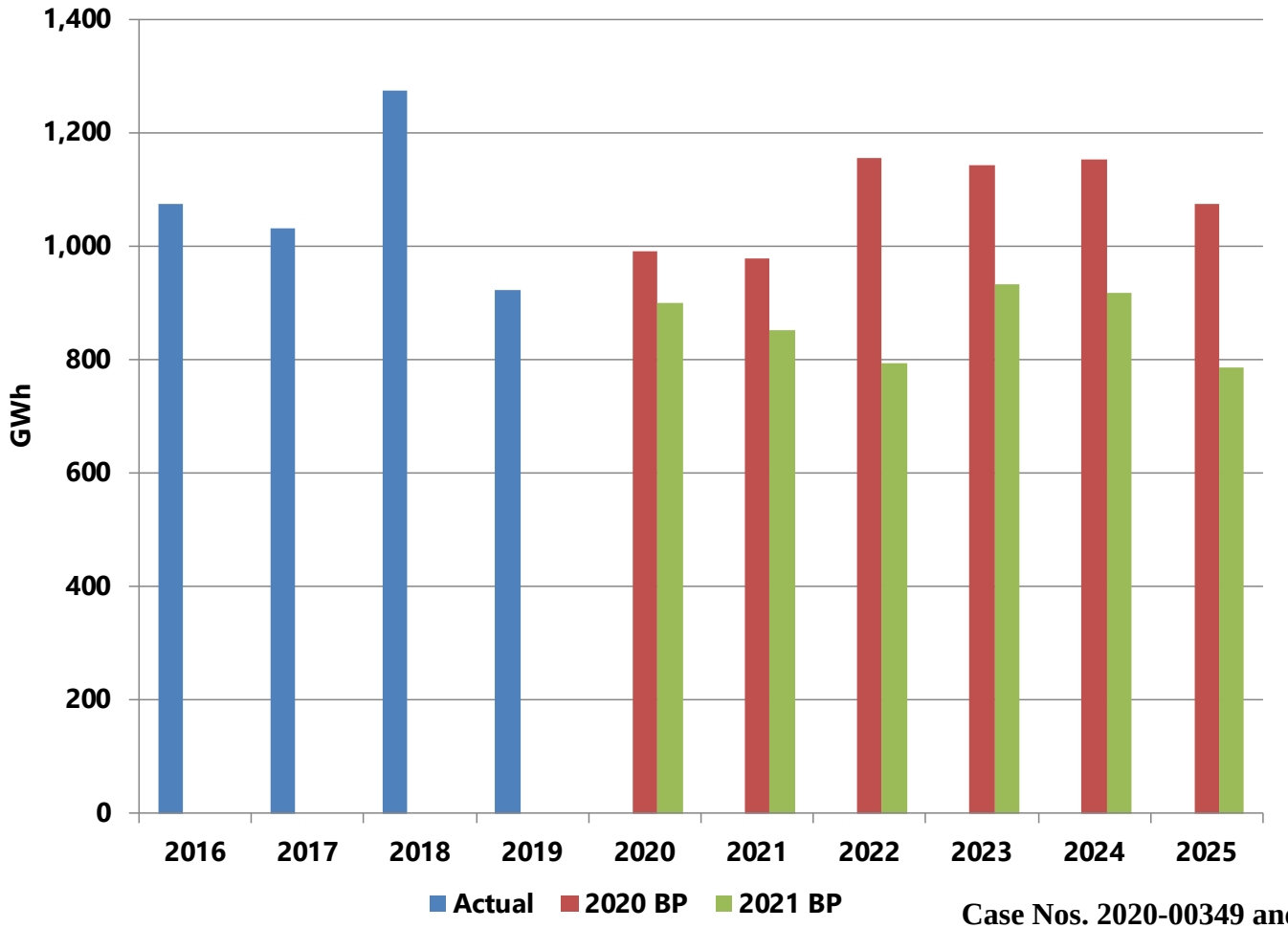
Mill Creek generation is lower due to assumed continuation of April-October NO_x emissions limit and assumed retirement of MC1 in 2025



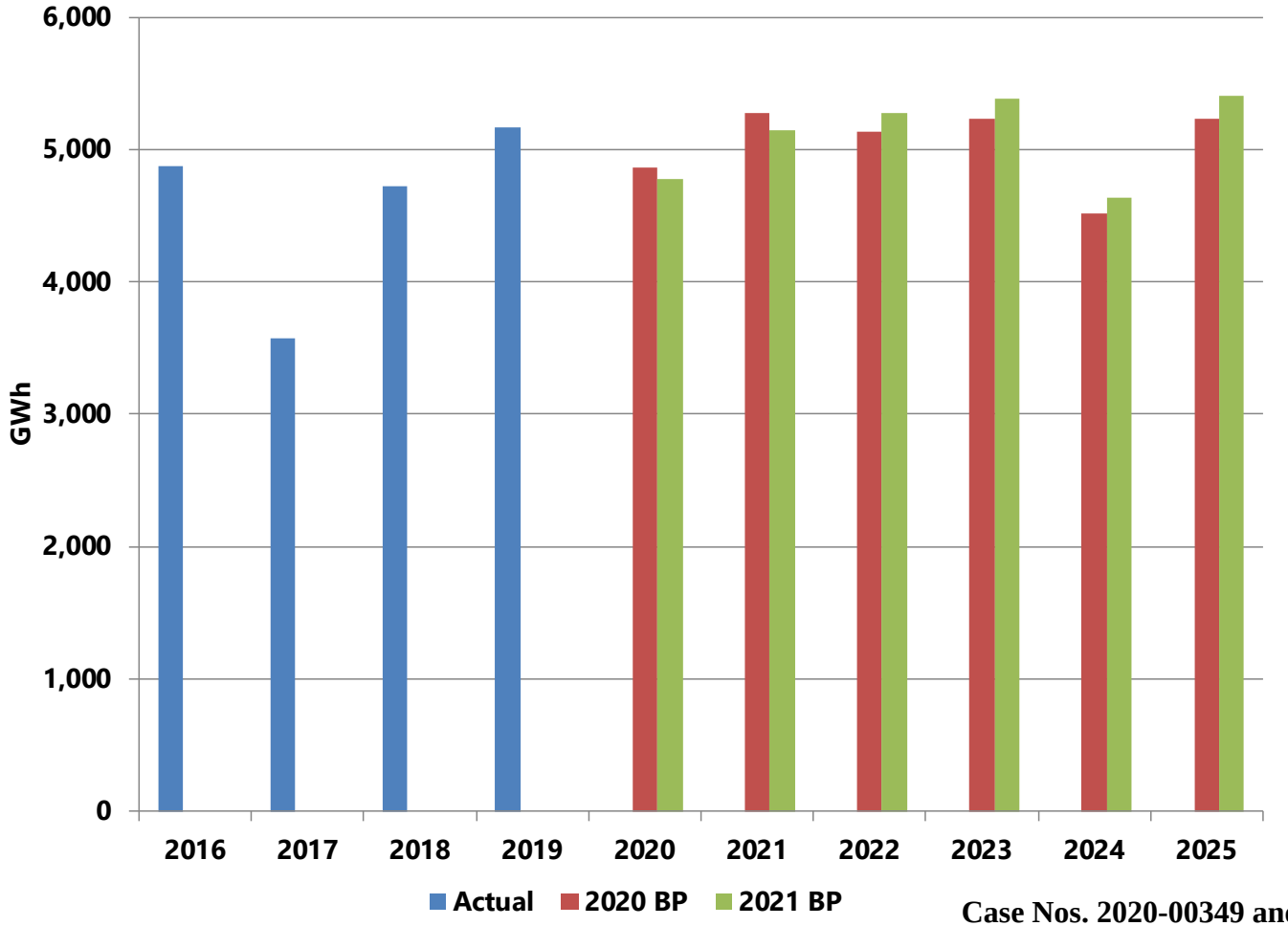
Ghent generation is mostly higher due to updated heat rates and operational changes at Mill Creek



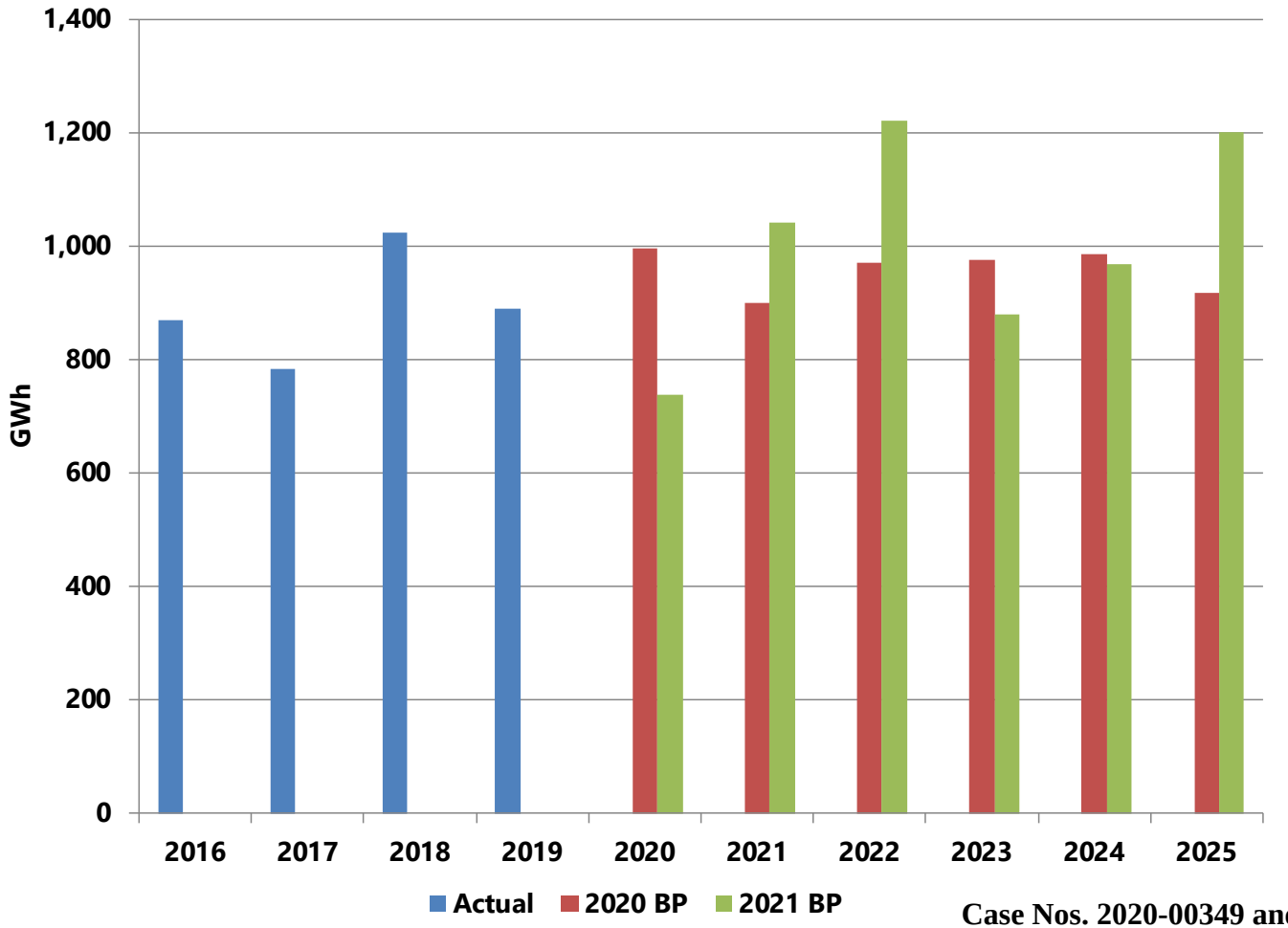
Brown 3 generation is lower due to the addition of CCR cost impacts in dispatch considerations



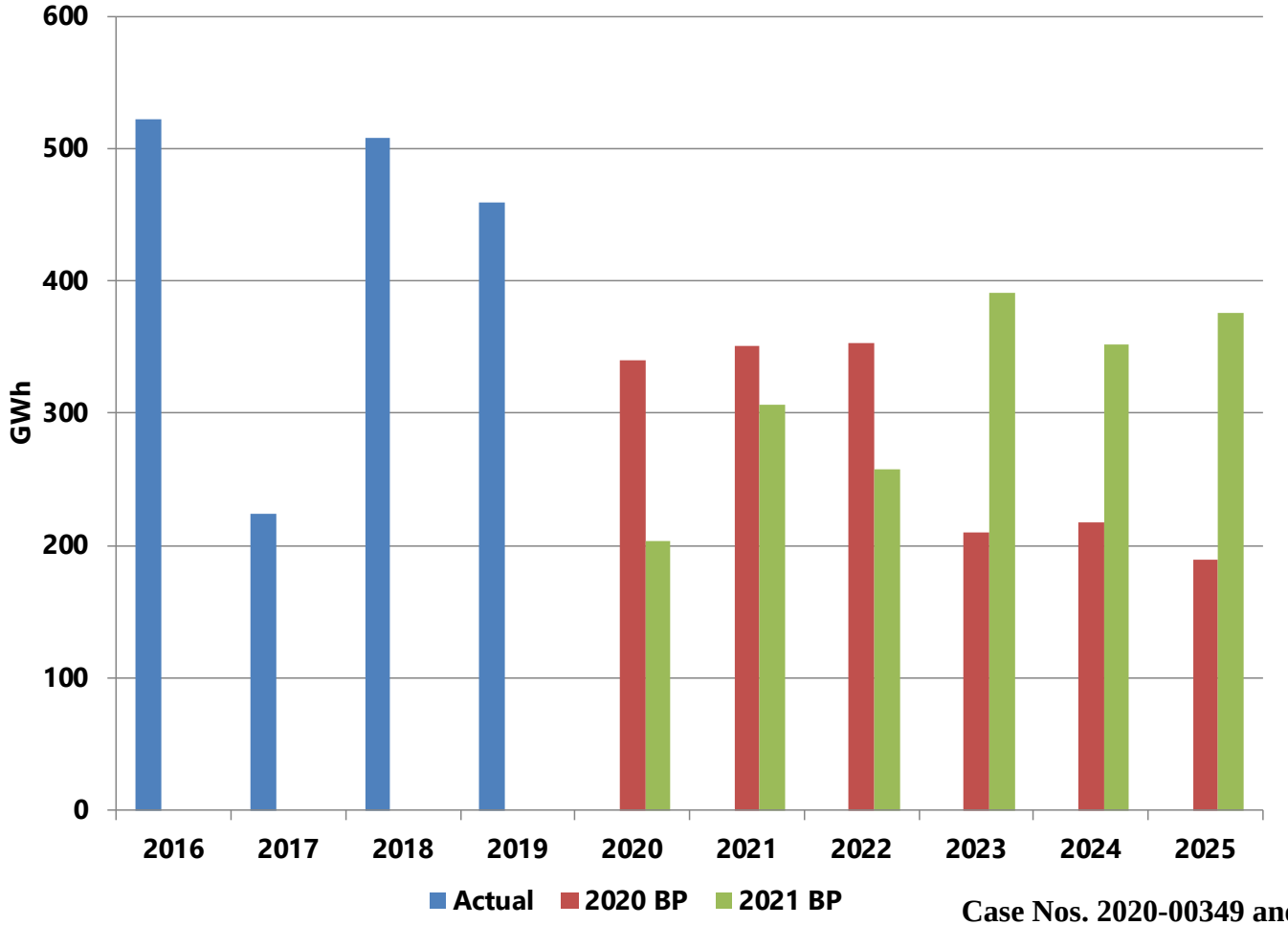
Cane Run 7 projected to be dispatched at a high capacity factor given expected gas prices; generation in 2024 is low due to planned maintenance



Trimble CT generation mostly increases due to operational changes at Mill Creek and lower gas prices

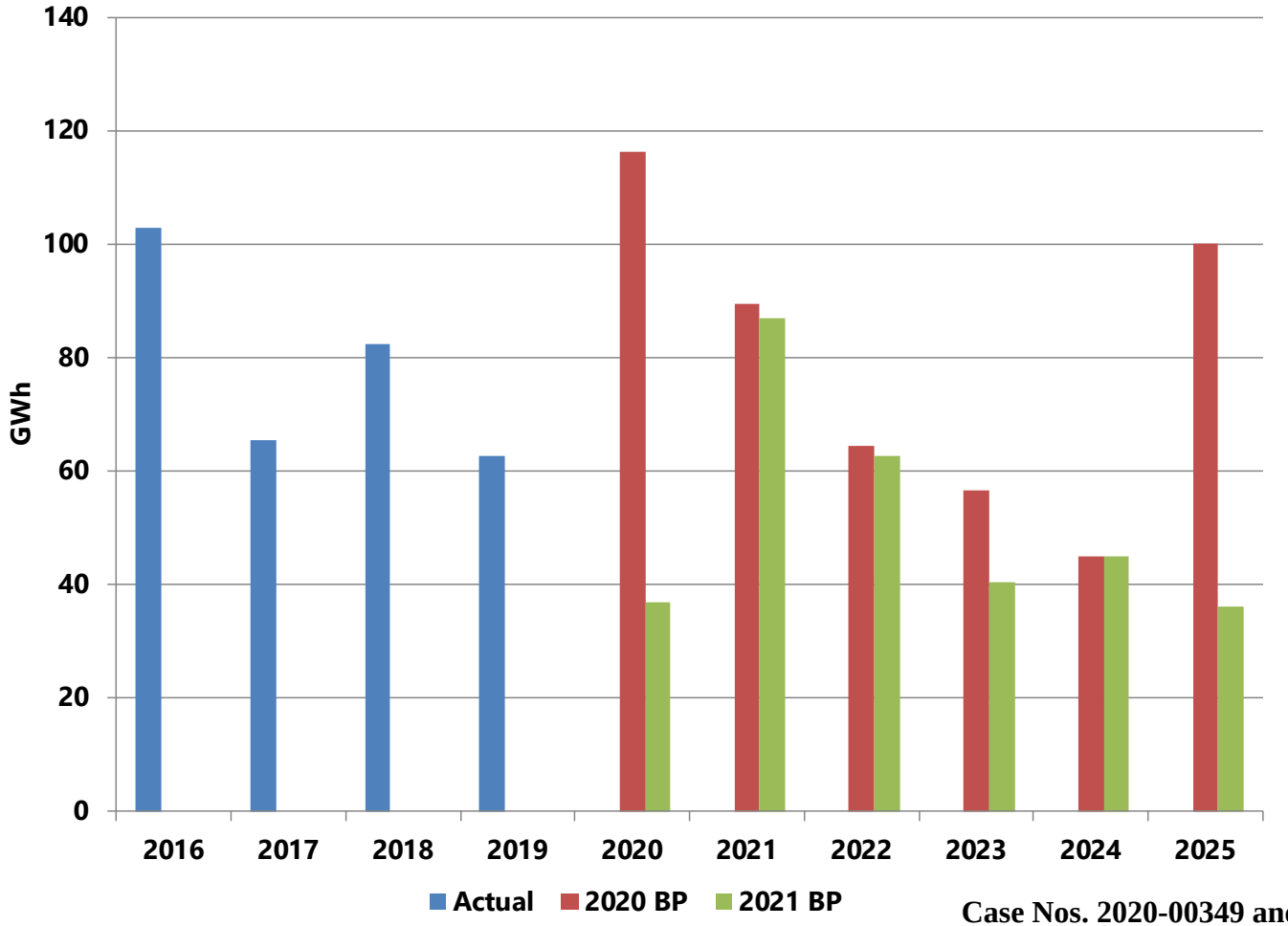


Brown CT generation decreases in 2021-2022 due to reduced load; increases in 2023-2025 due to lower gas prices



Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Sec. 16(7)(c) H.
Page 23 of 35
Sinclair

Paddy's Run generation decreases due to reduced load and improved coal unit EFOR



Seasonally-adjusted capacity factor by unit

	History				6+6	2020 BP					2021 BP				
(%)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025
Brown 3	30	28	35	25	25	27	32	32	32	30	23	22	26	25	22
Ghent 1	73	74	72	65	58	52	56	60	63	57	60	59	67	64	60
Ghent 2	72	70	80	63	62	70	67	70	67	72	65	63	66	58	63
Ghent 3	64	61	53	56	58	48	47	46	48	43	61	59	56	55	54
Ghent 4	74	78	70	60	51	57	56	57	57	58	57	52	54	50	53
Mill Creek 1	69	64	75	57	67	69	72	70	73	71	71	76	72	82	0
Mill Creek 2	64	65	60	70	34	72	68	74	69	73	24	31	30	32	81
Mill Creek 3	58	76	72	54	47	64	71	64	69	67	65	76	67	81	75
Mill Creek 4	59	70	64	74	56	68	59	70	66	70	73	64	72	73	80
OVEC	55	52	55	56	39	47	44	44	45	45	35	35	33	34	35
Trimble County 1	83	67	83	76	80	73	79	74	80	67	73	80	76	81	71
Trimble County 2	64	74	69	73	74	67	66	60	66	67	62	59	55	62	62
Cane Run 7	81	60	79	86	80	88	86	87	75	87	86	88	90	77	90
Brown 5, 8-11	9	3	5	4	2	4	4	1.3	2	0.9	3	2	4	4	4
Brown 6-7	2	2	9	9	3	5	5	5	5	5	5	6	6	5	5
Paddy's Run 13	7	5	6	4	3	6	5	4	3	7	6	4	3	3	3
Trimble CTs	10	9	12	10	8	10	11	11	11	10	12	14	10	11	14
Cane Run 11	0.1	0.1	0.0	0.0	0.0	0.2	0.1	0.0	0.1	0.2	0.0	0.0	0.0	0.0	0.0
Haefling 1-2	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.2	0.0	0.0	0.0
Paddy's Run 11	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.1	0.2	0.1	0.0	0.0	0.1	0.0
Paddy's Run 12	0.1	0.1	0.0	0.2	0.1	0.2	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Zorn 1	0.1	0.1	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Dix Dam	27	20	52	36	45	31	31	31	31	31	30	30	30	30	30
Ohio Falls	36	32	22	29	29	34	34	34	34	34	34	34	34	34	34
Brown Solar	22	20	19	20	19	21	21	21	21	21	20	20	20	20	20

Variable O&M decreases significantly for most units

Total VO&M	2021			2022			2023			2024		
($/MWh)	2020 BP	2021 BP	Diff	2020 BP	2021 BP	Diff	2020 BP	2021 BP	Diff	2020 BP	2021 BP	Diff
Brown 3	1.89	1.91	0.01	1.94	1.92	(0.02)	2.01	1.97	(0.04)	2.05	2.02	(0.03)
Ghent 1	1.96	1.82	(0.14)	2.01	1.88	(0.14)	2.06	1.92	(0.14)	2.11	1.98	(0.13)
Ghent 2	1.34	1.27	(0.07)	1.38	1.31	(0.07)	1.41	1.34	(0.07)	1.44	1.38	(0.07)
Ghent 3	1.97	1.94	(0.03)	2.03	2.00	(0.03)	2.08	2.05	(0.03)	2.13	2.11	(0.02)
Ghent 4	2.10	1.99	(0.11)	2.16	2.05	(0.11)	2.21	2.09	(0.11)	2.26	2.15	(0.11)
Mill Creek 1	1.03	0.80	(0.23)	1.06	0.82	(0.24)	1.08	0.84	(0.24)	1.11	0.86	(0.25)
Mill Creek 2	1.11	0.80	(0.31)	1.14	0.83	(0.32)	1.17	0.85	(0.33)	1.20	0.87	(0.33)
Mill Creek 3	1.68	1.31	(0.37)	1.73	1.35	(0.38)	1.77	1.38	(0.39)	1.82	1.42	(0.40)
Mill Creek 4	1.57	1.31	(0.25)	1.61	1.35	(0.26)	1.65	1.39	(0.26)	1.70	1.43	(0.26)
Trimble 1	1.94	1.43	(0.51)	2.00	1.47	(0.53)	2.06	1.51	(0.55)	2.11	1.54	(0.57)
Trimble 2	1.83	1.74	(0.10)	1.89	1.80	(0.09)	1.95	1.86	(0.09)	2.01	1.91	(0.09)

CCR costs reflect disposal and handling costs net of revenue opportunities

CCR ($/MWh)	2021	2022	2023	2024	2025
Brown 3	0.56	0.57	0.59	0.60	0.61
Ghent 1	(0.84)	(0.90)	(0.98)	(0.17)	(0.22)
Ghent 2	(0.84)	(0.90)	(0.98)	(0.17)	(0.22)
Ghent 3	(0.84)	(0.90)	(0.98)	(0.17)	(0.22)
Ghent 4	(0.84)	(0.90)	(0.98)	(0.17)	(0.22)
Mill Creek 1	(0.68)	(1.09)	(1.22)	(1.49)	N/A
Mill Creek 2	(0.68)	(1.09)	(1.22)	(1.49)	(1.57)
Mill Creek 3	(0.68)	(1.09)	(1.22)	(1.49)	(1.57)
Mill Creek 4	(0.68)	(1.09)	(1.22)	(1.49)	(1.57)
Trimble 1	(0.41)	(0.45)	(0.46)	(0.50)	(0.47)
Trimble 2	(0.41)	(0.45)	(0.46)	(0.50)	(0.47)

Maintenance schedule updates

Maintenance-Weeks

	2021 BP					2020 BP					2021 BP - 2020 BP					
	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	2021	2022	2023	2024	2025	Totals
Brown 3	4	3	3	3	3	4	3	1	3	4	-	-	2	-	(1)	1
Ghent 1	9	7	3	3	6	9	7	3	3	5	-	-	-	-	1	1
Ghent 2	5	4	3	7	3	4	4	3	6	3	1	-	-	1	-	2
Ghent 3	3	3	6	3	5	3	3	5	4	8	-	-	1	(1)	(3)	(3)
Ghent 4	5	4	4	4	3	4	4	3	4	3	1	-	1	-	-	2
Mill Creek 1	5	2	4	2	4	4	2	4	2	4	1	-	-	-	-	1
Mill Creek 2	6	4	2	4	2	2	4	2	4	2	4	-	-	-	-	4
Mill Creek 3	6	1	6	1	5	4	1	4	1	4	2	-	2	-	1	5
Mill Creek 4	1	8	1	6	1	1	8	1	4	1	-	-	-	2	-	2
Trimble County 1	7	2	4	2	8	6	2	5	2	9	1	-	(1)	-	(1)	(1)
Trimble County 2	6	6	9	5	5	5	5	9	5	5	1	1	-	-	-	2
Cane Run 7	3	2	1	8	1	1	2	1	8	1	2	-	-	-	-	2
Totals	**60**	**46**	**46**	**48**	**46**	**47**	**45**	**41**	**46**	**49**	**13**	**1**	**5**	**2**	**(3)**	**18**
MW-Maint Wks*	**25,150**	**22,310**	**22,345**	**20,096**	**24,117**	**23,509**	**21,507**	**21,372**	**17,610**	**22,648**	**1,642**	**803**	**973**	**2,487**	**1,469**	**7,374**

*Coal + CR7 Only

Modeled EFOR reflects adjustments derived from 10-year historical data

Unit	Modeled EFOR %		
	2021 BP	2020 BP	2021 BP - 2020 BP
Brown 3	5.8	5.8	0.0
Ghent 1	3.5	4.3	(0.8)
Ghent 2	3.5	4.3	(0.8)
Ghent 3	3.5	4.3	(0.8)
Ghent 4	3.5	4.3	(0.8)
Mill Creek 1	3.5	4.3	(0.8)
Mill Creek 2	3.5	4.3	(0.8)
Mill Creek 3	3.5	4.3	(0.8)
Mill Creek 4	3.5	4.3	(0.8)
Trimble County 1	3.5	4.3	(0.8)
Trimble County 2	7.6	9.3	(1.7)
Cane Run 7	2.2	3.0	(0.8)
Weighted Average EFOR	**3.9**	**4.8**	**(0.8)**

Heat rates reflect results of updated performance testing using granular PI data

	Summer Net Heat Rates at Max Load (Btu/kWh)			Winter Net Heat Rates at Max Load (Btu/kWh)			
	2020 BP	2021 BP	Percent Change	2020 BP	2021 BP	Percent Change	Average Heat Rate, 2019 KPIs
BR3	10,959	11,022	0.6%	11,073	11,200	1.1%	11,927
GH1	10,843	10,342	-4.6%	10,959	10,447	-4.7%	10,882
GH2	10,235	10,281	0.4%	10,434	10,603	1.6%	10,877
GH3	11,214	10,409	-7.2%	11,110	10,465	-5.8%	11,166
GH4	10,832	10,419	-3.8%	10,605	10,470	-1.3%	11,230
MC1	10,513	10,424	-0.9%	10,470	10,475	0.1%	10,471
MC2	10,551	10,541	-0.1%	10,389	10,492	1.0%	10,657
MC3	10,487	10,462	-0.2%	10,627	10,574	-0.5%	10,847
MC4	10,403	10,407	0.0%	10,278	10,285	0.1%	10,537
TC1	10,232	10,229	0.0%	10,216	10,277	0.6%	10,443
TC2	9,447	9,324	-1.3%	9,289	9,363	0.8%	9,464
CR7	6,672	6,710	0.6%	6,604	6,645	0.6%	6,661

Notes:

-Values shown represent net heat rates (in Btu/kWh).

-Summer and winter heat rates reflect values at maximum load. KPI heat rates reflect average observed values.

-Heat rate changes reflect calibration of forecasted fuel burn to actual fuel burn.

2021 fuel cost comparison – annual averages

Variable Fuel Expense ($/mmBtu)					Delta	
		2021 BP 2021	2020 BP 2021		2021 BP 2021 - 2020 BP 2021	% Change
COAL	BR	2.18	2.16		0.02	1%
	GH	1.94	2.01		(0.07)	-3%
	MC	1.93	2.06		(0.13)	-6%
	TC HS	1.91	2.02		(0.11)	-5%
	TC PRB	2.25	2.25		(0.01)	0%
GAS	Gas BR	2.57	2.62		(0.06)	-2%
	Gas TC	2.57	2.62		(0.06)	-2%
	Gas CR7	2.51	2.62		(0.11)	-4%
	Gas PR	2.57	2.63		(0.05)	-2%
	Gas Haef	6.37	6.15		0.21	3%
OIL	Oil	9.66	14.90		(5.24)	-35%

2022 fuel cost comparison – annual averages

Variable Fuel Expense ($/mmBtu)					Delta	
		2021 BP 2022	2020 BP 2022		2021 BP 2022 - 2020 BP 2022	% Change
COAL	BR	2.08	2.14		(0.06)	-3%
	GH	1.98	2.05		(0.07)	-3%
	MC	1.95	2.08		(0.12)	-6%
	TC HS	1.96	2.06		(0.10)	-5%
	TC PRB	2.39	2.32		0.07	3%
GAS	Gas BR	2.39	2.68		(0.30)	-11%
	Gas TC	2.39	2.68		(0.30)	-11%
	Gas CR7	2.38	2.68		(0.31)	-11%
	Gas PR	2.39	2.69		(0.30)	-11%
	Gas Haef	6.18	6.21		(0.03)	0%
OIL	Oil	10.87	15.58		(4.71)	-30%

2023 fuel cost comparison – annual averages

Variable Fuel Expense ($/mmBtu)					Delta	
		2021 BP 2023	2020 BP 2023		2021 BP 2023 - 2020 BP 2023	% Change
COAL	BR	2.11	2.16		(0.05)	-2%
	GH	1.99	2.08		(0.09)	-5%
	MC	1.98	2.10		(0.12)	-6%
	TC HS	1.96	2.09		(0.13)	-6%
	TC PRB	2.43	2.41		0.03	1%
GAS	Gas BR	2.37	2.82		(0.45)	-16%
	Gas TC	2.37	2.82		(0.45)	-16%
	Gas CR7	2.37	2.82		(0.45)	-16%
	Gas PR	2.37	2.82		(0.45)	-16%
	Gas Haef	6.16	6.35		(0.18)	-3%
OIL	Oil	12.36	16.24		(3.88)	-24%

Compared to 2020 BP, market electricity prices are mostly lower in 2021 BP

Market Price Comparison

Market Price	2021 BP			2020 BP			2021 BP - 2020 BP		
$/MWh	Peak	Weekend	Off-Peak	Peak	Weekend	Off-Peak	Peak	Weekend	Off-Peak
Jan-21	31.09	25.61	25.19	29.69	23.82	24.58	1.40	1.79	0.61
Feb-21	30.89	25.35	24.38	28.53	27.38	25.12	2.36	-2.03	-0.74
Mar-21	29.70	28.37	22.90	31.46	27.53	25.24	-1.76	0.84	-2.34
Apr-21	27.72	24.94	19.70	29.76	25.48	21.66	-2.04	-0.54	-1.95
May-21	27.97	23.87	15.95	29.06	26.03	17.72	-1.09	-2.16	-1.78
Jun-21	28.26	25.06	15.91	30.76	28.29	16.44	-2.49	-3.23	-0.53
Jul-21	30.87	27.86	17.44	34.53	29.94	18.83	-3.65	-2.08	-1.38
Aug-21	28.81	24.81	17.34	32.07	27.32	17.83	-3.25	-2.51	-0.49
Sep-21	29.38	24.76	16.35	30.57	26.97	17.44	-1.19	-2.21	-1.10
Oct-21	29.22	20.69	20.53	30.10	24.56	20.25	-0.88	-3.87	0.28
Nov-21	28.47	23.17	19.54	28.82	22.46	20.83	-0.35	0.71	-1.29
Dec-21	28.59	25.43	22.26	31.17	26.78	23.31	-2.58	-1.35	-1.05
Jan-22	29.84	25.23	24.79	32.04	26.42	27.04	-2.20	-1.18	-2.25
Feb-22	29.54	24.93	23.97	29.76	28.78	26.60	-0.22	-3.86	-2.63
Mar-22	29.87	28.14	22.70	31.13	27.93	25.49	-1.26	0.21	-2.80
Apr-22	26.43	23.66	18.98	29.54	25.91	22.42	-3.11	-2.26	-3.44
May-22	26.43	24.55	16.07	29.87	29.12	19.39	-3.43	-4.57	-3.33
Jun-22	26.24	25.52	16.20	32.07	30.45	17.99	-5.84	-4.93	-1.79
Jul-22	30.78	26.89	17.21	35.14	32.04	20.15	-4.36	-5.15	-2.94
Aug-22	28.05	24.69	16.84	33.60	30.99	19.92	-5.55	-6.30	-3.07
Sep-22	27.73	24.26	16.01	31.23	29.84	19.54	-3.50	-5.58	-3.53
Oct-22	27.15	20.09	19.93	30.44	26.57	21.90	-3.29	-6.48	-1.98
Nov-22	26.34	22.43	18.94	28.99	24.62	22.97	-2.65	-2.19	-4.03
Dec-22	26.77	22.84	20.36	31.53	28.45	25.10	-4.76	-5.61	-4.74

Peak load and energy comparison

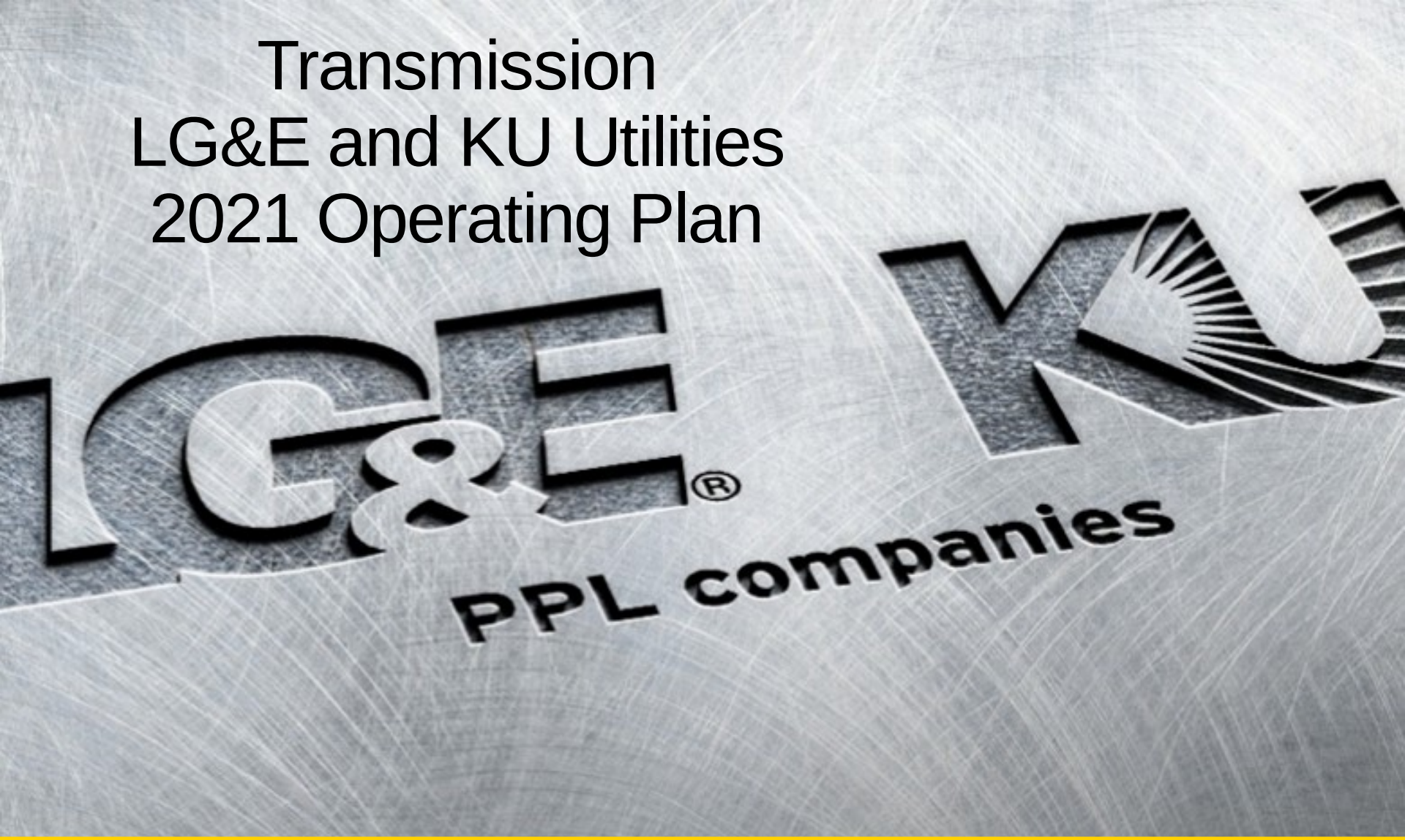
Peak Delta (2021 BP - 2020 BP)

MW	2021	2022	2023	2024	2025
Jan	(314)	(248)	(243)	(244)	(244)
Feb	(182)	(100)	(94)	(164)	(101)
Mar	(224)	(163)	(158)	(72)	(169)
Apr	(121)	(53)	(69)	(58)	(47)
May	(192)	(130)	(115)	(104)	(133)
Jun	(260)	(201)	(189)	(209)	(230)
Jul	(191)	(149)	(149)	(163)	(167)
Aug	(189)	(152)	(158)	(161)	(174)
Sep	29	94	94	87	74
Oct	141	165	189	177	160
Nov	(101)	(74)	(77)	(76)	(84)
Dec	2	36	39	36	26
Peak	**(189)**	**(152)**	**(158)**	**(161)**	**(174)**

Energy Delta (2021 BP - 2020 BP)

GWh	2021	2022	2023	2024	2025
Jan	(139)	(95)	(89)	(88)	(94)
Feb	(47)	(9)	(4)	(41)	(8)
Mar	(102)	(66)	(63)	(14)	(70)
Apr	(67)	(28)	(25)	(29)	(30)
May	(102)	(72)	(66)	(61)	(76)
Jun	(126)	(101)	(97)	(101)	(114)
Jul	(94)	(74)	(73)	(77)	(80)
Aug	(78)	(59)	(59)	(57)	(65)
Sep	1	26	29	25	17
Oct	(18)	1	1	1	(5)
Nov	(88)	(74)	(74)	(74)	(80)
Dec	(31)	(13)	(10)	(11)	(18)
Total	**(892)**	**(564)**	**(531)**	**(527)**	**(621)**

Transmission
LG&E and KU Utilities
2021 Operating Plan



September 2020

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Section 16(7)(c) I.
Page 1 of 253
Bellar/Blake

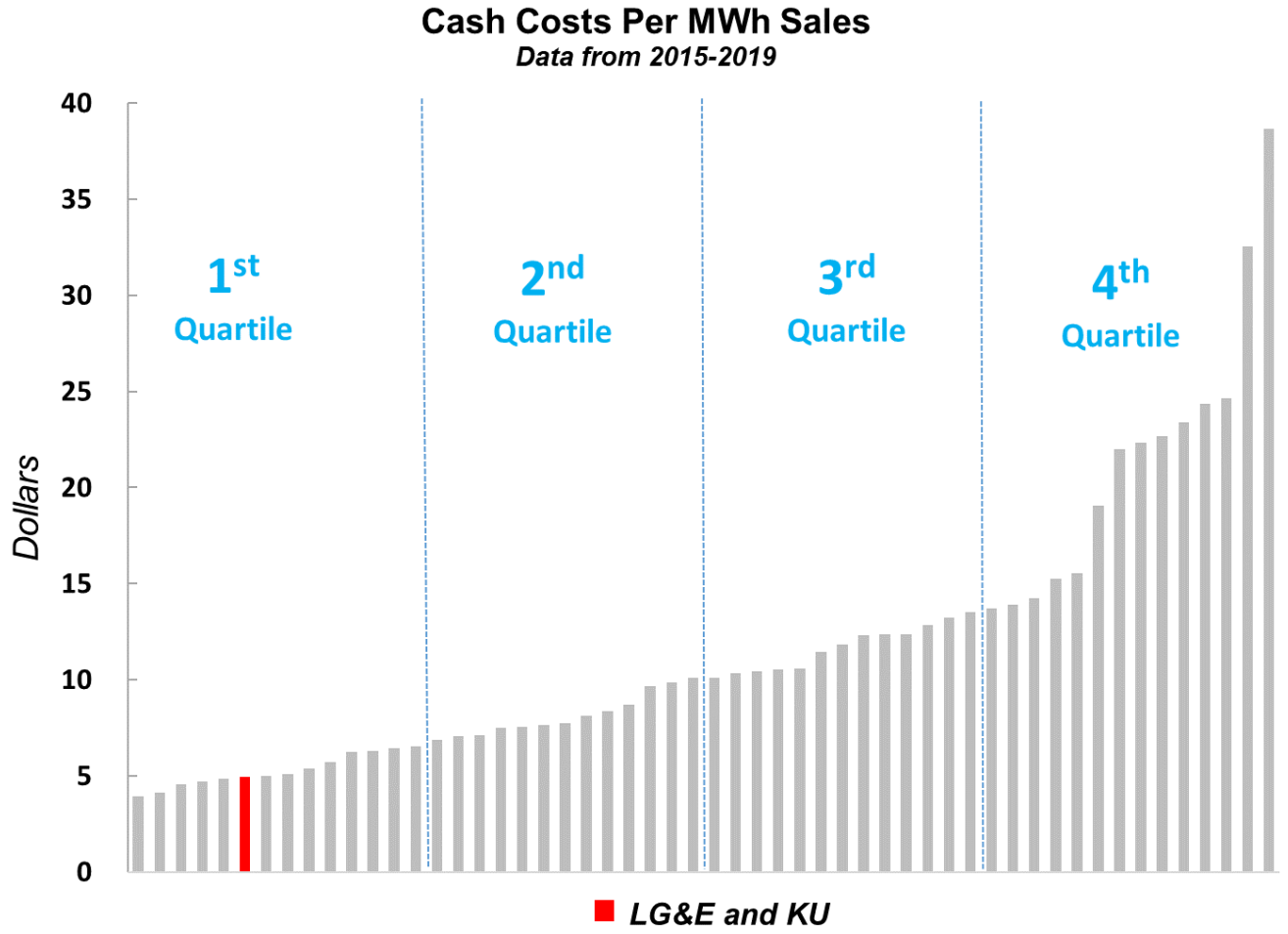
Table of Contents

- Plan Highlights
- Major Assumptions
- Financial Performance
  - 2020-2025 Capital Expenditures
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Supplemental Contractors
    - Non-labor
    - Variable Plant O&M
    - Mechanism O&M
- Key Performance Indicators

Plan Highlights

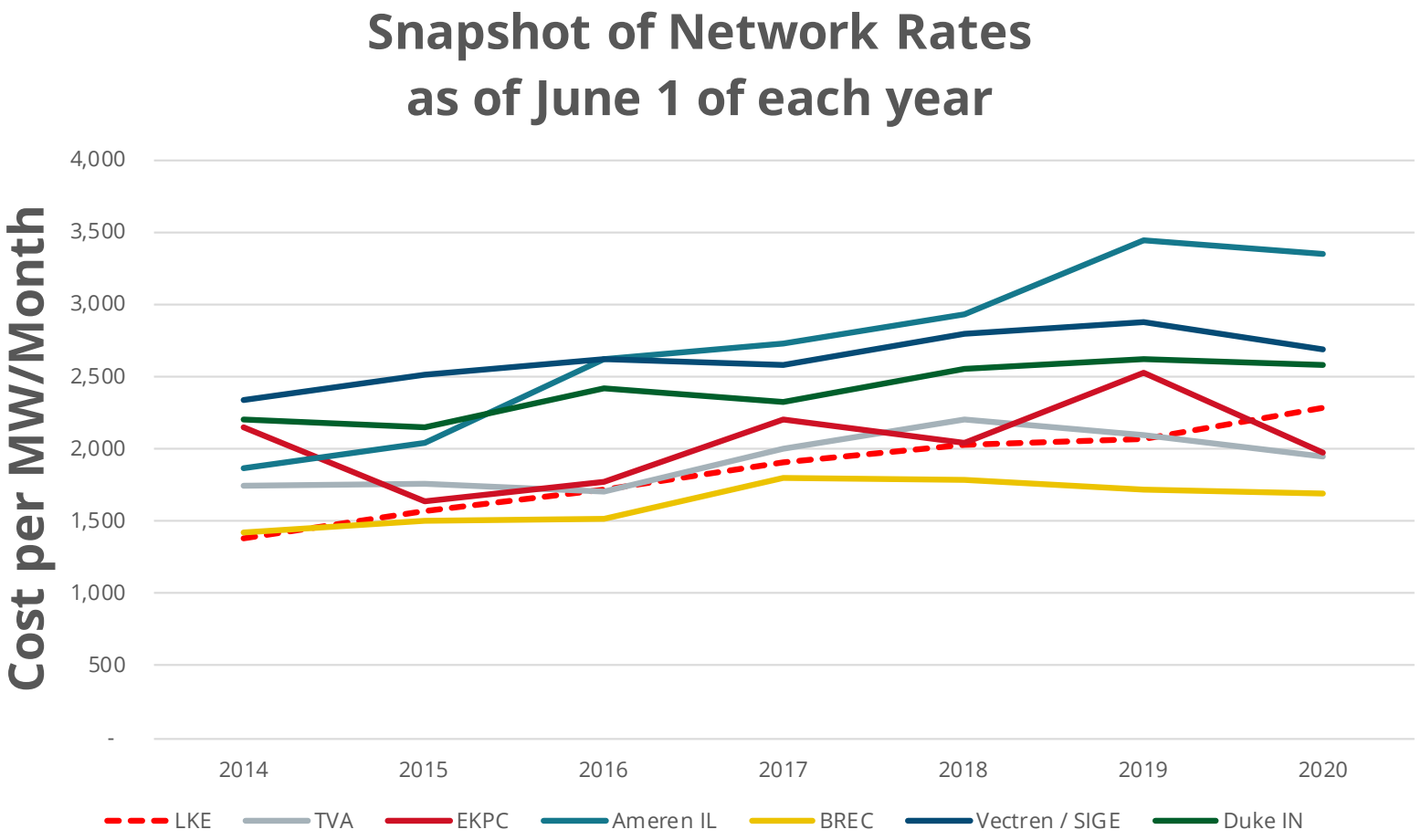
1. The overall objective of the 2021-2025 Transmission Business Plan is to invest in the system to serve firm customer load and a focus on improving system reliability and resiliency at a fair and reasonable cost. The work will be completed while maintaining a strong culture of safety, customer experience, performance, and regulatory compliance.
2. Data analytics will continue to be utilized to improve performance by identifying projects that will reduce outage frequency and duration. Programs in the plan are primarily a continuation of those initiated in 2017 as part of the Transmission System Improvement Plan.
3. Transmission line and substation projects approved by the Independent Transmission Organization (ITO) driven by NERC planning standards and LG&E and KU system planning guidelines ensure electric grid adequacy to reliably serve forecasted firm service requirements in light and heavy load periods.
4. Targeted asset replacement to maintain system integrity.
5. Transmission line extensions to serve new distribution substations for retail customers.
6. Security initiatives include the protection of critical facilities from physical attacks and vandalism.
7. Resiliency initiatives to improve our ability to recover should there be an event.
8. Plan includes Internet Protocol (IP) Connectivity / and Operational Technology (OT) infrastructure

Plan Highlights
FERC Benchmarking Data



Cash cost benchmarking analysis includes Transmission O&M and capital costs per MWh company sales compared to other utilities.

LG&E/KU Rate Compares Favorably with Neighboring Systems



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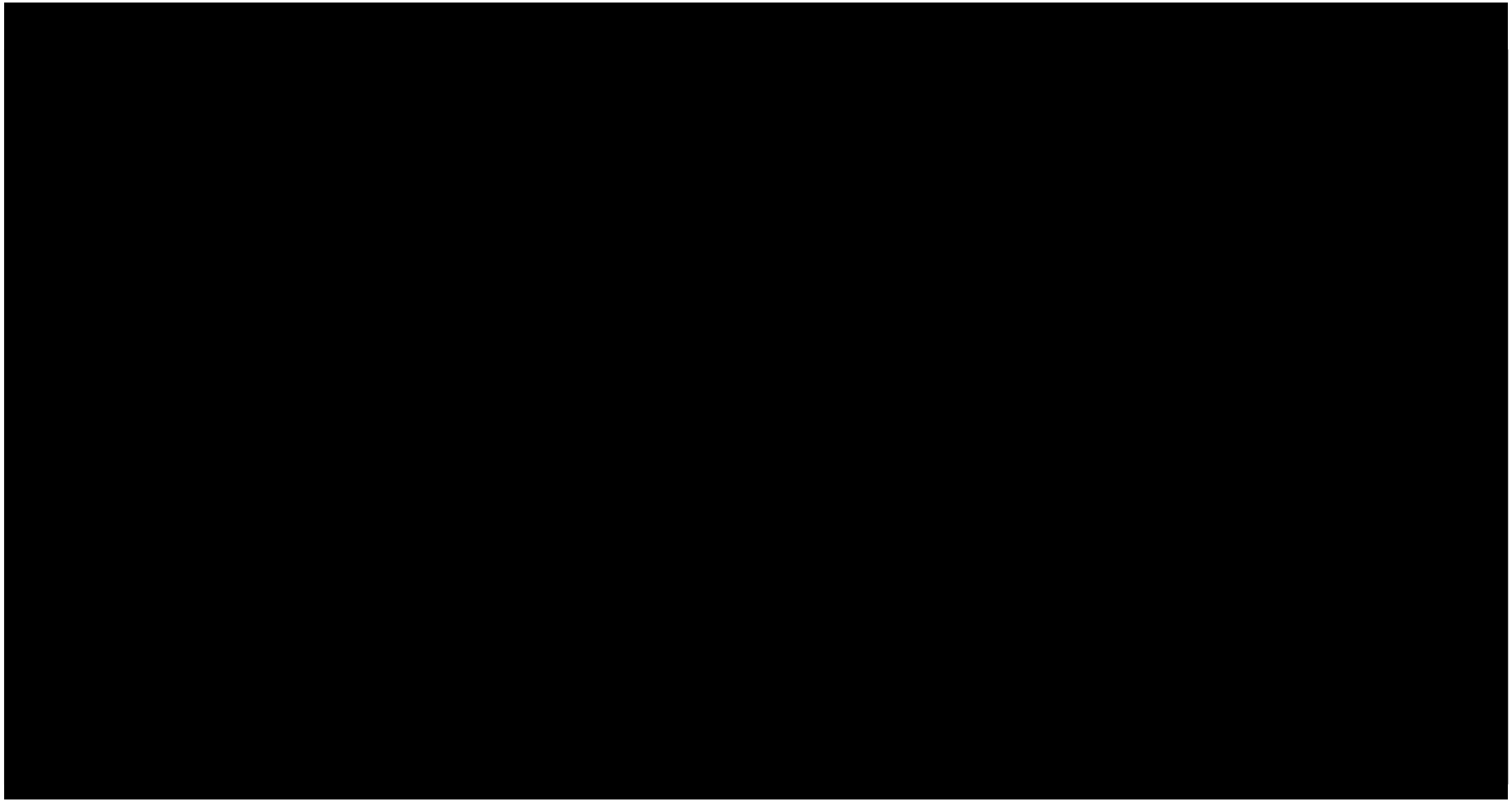
Plan Highlights
Historical Reliability Performance



Major Assumptions

Reliability, Operations and Asset Management:

1. Reliability improvement – Data Analytics will be utilized to prioritize projects based on past performance and overall risk. Programs include:
   i. Line Sectionalizing - Segmenting circuits with equipment to reduce customer exposure from sustained outages and improve restoration time.
   ii. Enhanced vegetation clearing will reduce sustained and momentary outages:
      a. Line vegetation clearing second 5-year maintenance cycle begins in 2022 for all lines 69kV and higher
      b. 345/500kV Lines will be on a 5-year cycle in 2021
      c. A hazard tree identification and removal program continues to reduce the probability of dead, dying, and diseased trees from falling on transmission lines
   iii. Electromechanical relay, breaker, and transformer lifecycle optimization
2. System Integrity - Enhanced transmission asset management will effectively improve the performance and reliability of the assets over time:
   i. Structure, cross arm and insulator replacements based on condition determined by detailed inspections. Replacement of approximately 3,200 wood structures are included in the plan.
   ii. Sensitivity in plan regarding rejection rate and pole replacements.
   iii. Overhead line conductor and static wire replacements are based on age, type (e.g. copper and single layer ACSR) and condition of conductor.
   iv. Control house and related protection and control replacements based on risk, age, condition and performance.
   v. Circuit breaker replacements based on risk, age, condition and maintainability. Priority on removing oil breakers from system.
   vi. Extend life of tower and substation structural steel through condition assessment and enhanced maintenance including corrosion prevention and control.
3. Storm damage and emergency replacement costs are based on past trends.
4. Vegetation management cost increases built into plan starting in 2021 when existing contracts are renewed.

Major Assumptions

Transmission Expansion Plan (TEP) and Native Load:

1. Projects are based on the 2020 TEP, which has been approved by the ITO, and initial analysis for the 2021 TEP, which includes transmission customer demand forecasts submitted in the fall of 2019. It is assumed those customer forecasts are reasonable and that the Independent Transmission Organization (ITO) will approve the 2021 TEP without significant revisions.
2. The TEP includes funding for rating increases to certain transmission lines, with cost estimates based on preliminary analysis from available survey information. Estimates will be updated as project scopes are refined through subsequent detailed analyses.
3. Connection costs for native load are coordinated with the Electric Distribution planning requirements.

Regulatory and Compliance:

1. Assessments of the system for impact from a Geomagnetic Disturbance (GMD) will not result in risks requiring material expenditures to mitigate.
2. Expenditures related to mitigating Electromagnetic Pulse (EMP) events are not anticipated during the plan period. Standards development is likely within the plan period.
3. Additional revisions to NERC Reliability standards will not require material incremental expenditures beyond what is funded in this plan.
4. Regional and interregional planning processes as required by FERC Order 1000 will not result in material expenditures.

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Major Assumptions

3rd Party OATT Requests

1. No funding in the plan for new long term, firm Transmission Service Requests (TSRs). Future TSRs may require funding.

   i. As of Sept. 3, 2020, there are no transmission service requests in the queue.

2. Projects related to Generator Interconnection Requests (GIRs), where a GI agreement has been executed, are budgeted if the GI is believed to have a likelihood of proceeding to commercial operations. Considerations for the decision to budget GI projects include, but are not limited to the following:

   - GI agreement is not suspended, notice to proceed has been received, or Company has received an indication from the GI customer that they plan to provide a notice to proceed.
   - Generation capacity and/or energy has been sold
   - A TSR has been submitted by a transmission customer from the generation source
   - Commercial Operations Date of the Generation (e.g., a commercial operation date beyond 3 years in the future may not be budgeted since it still has a chance for suspension and future budget cycles can include any associated projects)

   [redacted]

3. No funding in the plan for GIRs in the queue. Funding may be required if these projects proceed and are constructed during the plan period.

   i. As of Sept. 3, 2020, there are 12 GI requests in the queue totaling 1,518 MW; 4 developers have multiple requests in the queue

4. No funding in the plan for projects to support MISO firm flow transfers. Joint Parties, SPP, and MISO are discussing options that may include projects and incremental revenue.

5. No funding in the plan for network upgrades from affected system studies. TSRs and GIRs on neighboring transmission systems that impact the LG&E and KU transmission system may require funding for network upgrades.

Major Assumptions

Open Access Transmission Tariff (OATT) Revenue is based on the following:

1. Customer provided load forecasts have been evaluated and adjusted, based on historical performance, to reflect their expected monthly coincident peak billing amount.
2. OATT rate forecast is based on 2019 FERC Form 1 data, the current FERC approved rate formula and Return on Equity, and 2021 Business Plan projections, including O&M and capital.
3. Owensboro Municipal Utilities (OMU) will not renew its existing point to point reservation at the end of its term (2022), based on the retirement of both Elmer Smith Units.
4. Joint Party Settlement revenue of $1.3 mil annually (escalating) is assumed to continue through the duration of the plan. Revenue could be higher or lower during the plan period from a change in MISO usage or Settlement Agreement amendments.

Cost of Sales is based on the following:

1. Depancaking expense in the plan is based on current credits and initial terms expiring on two power purchase agreements in 2024. Depancaking expense could be materially different over the plan period.
    i. The Company has filed a rehearing request with FERC and an appeal with the D.C. Circuit Court regarding FERC's September 2019 Orders. A new Transition Mechanism Agreement, based on its September 2019 Orders, is expected to be filed with FERC in 2020 with the option to revise it with a favorable ruling from either FERC or the D.C. Circuit Court in the future. In addition, the Company has filed an appeal with the Sixth Circuit Court regarding a FERC decision on how depancaking expense is credited to OMU.
2. TranServ will continue as the ITO service provider at costs based on the existing agreement.
3. TVA will remain as the Reliability Coordinator at costs based on the existing agreement.
4. FERC/NERC/SERC assessments will not vary significantly from current estimates. No penalties are built into costs.

2020-2025 Capital Expenditures ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Compliance	$ 774	$ 325	$ 1,687	$ 528	$ 529	$ 528
Emergency Replacement	3,528	2,496	2,455	2,539	2,574	2,600
Native Load	4,651	1,665	4,381	5,738	2,669	2,465
Operations Support	1,853	3,493	314	759	549	1,039
Proactive Replacement	128,934	156,475	82,440	89,529	88,816	94,858
Reliability	17,018	10,454	4,950	4,596	4,763	4,678
Resiliency	7,903	931	-	-	-	-
TEP	29,098	44,639	15,391	7,190	8,163	97
Third Party Requests	13	3,359	3,492	-	-	-
All Other	(2,652)	5,197	1,060	-	-	-
Total Capital	$ 191,120	$ 229,034	$ 116,171	$ 110,879	$ 108,065	$ 106,265
2020 Plan	$ 190,239	$ 232,655	$ 119,746	$ 112,098	$ 109,342	
Change	$ (881)	$ 3,621	$ 3,575	$ 1,218	$ 1,277	

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 12,552	$ 14,405	$ 14,773	$ 15,099	$ 15,535	$ 15,778
Vegetation Management	13,546	15,905	15,235	15,576	15,626	15,308
Lines Asset Management	3,910	4,371	4,935	4,457	4,125	4,010
Substation and Protection	3,547	4,747	5,156	3,851	4,014	3,759
Operations and Compliance	3,249	3,512	3,612	3,685	3,798	3,929
Planning, Tariffs and Reliability Perf.	210	353	355	357	359	361
All Other Non-labor	693	363	363	363	363	363
sub-total	$ 37,707	$ 43,655	$ 44,428	$ 43,389	$ 43,820	$ 43,510
ITO, RC, and Depancaking	$ 32,187	$ 33,383	$ 34,077	$ 35,098	$ 34,646	$ 34,943
Total O&M	**$ 69,894**	**$ 77,038**	**$ 78,505**	**$ 78,487**	**$ 78,466**	**$ 78,453**

Employee Headcount by Department

Department	Actual 8/30/20	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Lines	34	35	36	36	36	36
Sub Construction & Maint	35	35	36	37	37	37
Substation Engineering	12	14	14	14	14	14
Project Management	7	8	8	8	8	8
System Operations	32	32	32	32	32	32
Ops Eng & Out Coordinator	12	12	12	12	12	12
Energy Management Systems	9	10	10	10	10	10
Strategy & Planning	8	10	10	10	10	10
Policy & Tariffs	3	3	3	3	3	3
Reliability & Perf. Standards	6	6	6	6	6	6
Administration	8	8	8	8	8	8
Interns	13	12	12	12	12	12
Total	179	185	187	188	188	188

Total Employee Workforce

2021BP	179	185	187	188	188	188
Prior Plan	179	182	185	186	186	
Change from Prior Plan	-	(3)	(2)	(2)	(2)	

** Average headcount not end of year for the BP

2022 through 2024 higher by 2 than the prior plan due to an incremental headcount for OT / IT Security IP Connectivity and an intern.

Supplemental Contractor Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Lines	354	380	300	299	299	299
Sub Construction & Maint	100	111	92	61	61	61
Substation Engineering	1	2	2	2	2	2
Project Management	10	10	9	7	7	7
System Operations	-	-	-	-	-	-
Ops Eng & Out Coordinator	-	-	-	-	-	-
Energy Management Systems	-	-	-	-	-	-
Strategy & Planning	-	-	-	-	-	-
Policy & Tariffs	-	-	-	-	-	-
Reliability & Perf. Standards	-	-	-	-	-	-
Administration	-	-	-	-	-	-
Total	465	503	403	369	369	369
Total Contractor Workforce						
2021BP	465	503	403	369	369	369
Prior Plan	502	537	399	381	383	
Change from Prior Plan	37	34	(4)	12	14	

** Average headcount not end of year

2020-2025 Vegetation Management Non-Labor Expense ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Cycle Clearing	12,364	13,324	14,154	14,616	14,666	14,480
345kV ROW Widening	1,020	1,500	-	-	-	-
Hazard Tree Removal	-	617	617	536	536	552
Hazard Tree Patrol	162	156	156	156	156	-
Emerald Ash Borer	-	308	308	268	268	276
Total	$ 13,546	$ 15,905	$ 15,235	$ 15,576	$ 15,626	$ 15,308
Supplemental Contract Labor included above:	$ 8,269	$ 9,082	$ 8,098	$ 8,488	$ 8,619	$ 8,541

2020-2025 Lines Maintenance Non-Labor Expense ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Aerial Patrol	$ 715	$ 1,008	$ 1,008	$ 1,021	$ 1,040	$ 1,063
Switch Maintenance	930	929	952	976	1,000	787
Corrosion Prevention	600	862	1,060	396	310	342
Wood and Steel Structure Inspections	257	282	602	632	543	570
Bulk Electric System LiDAR	286	200	200	50	50	50
Storm Restoration	343	442	453	465	476	488
All Other	779	648	660	917	705	710
Total	$ 3,910	$ 4,371	$ 4,935	$ 4,457	$ 4,125	$ 4,010
Supplemental contract labor included above:	$ 700	$ 1,681	$ 1,719	$ 2,060	$ 2,428	$ 2,099

2020-2025 Substation Maintenance Non-Labor Expense ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Outside Services Labor	$ 1,762	$ 2,535	$ 2,944	$ 1,894	$ 2,064	$ 1,794
Material	905	1,188	1,136	869	869	869
Vehicles	552	554	573	586	579	594
Training Travel Meals	80	143	143	143	143	143
Communications/Computer Equip.	118	321	354	354	354	354
All Other	129	6	6	6	6	6
Total	$ 3,547	$ 4,747	$ 5,156	$ 3,851	$ 4,014	$ 3,759
Supplemental contract labor included above:	$ 994	$ 1,980	$ 2,133	$ 1,401	$ 1,571	$ 1,301

2020-2025 Operations and Compliance Non-Labor Expense ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
FERC	$ 864	$ 868	$ 902	$ 937	$ 974	$ 757
NERC & SERC	1,167	1,254	1,308	1,364	1,422	920
IMEA & IMPA Reactive Power	222	223	223	223	223	333
System Operations - OATI	358	375	386	398	410	249
OSI/Primate/AVI BARCO	291	343	360	378	397	300
All Other	347	448	433	385	372	315
Total	$ 3,249	$ 3,512	$ 3,612	$ 3,685	$3,798	$ 2,874
Supplemental contract labor included above:	$ (2)	$ -	$ -	$ -	$ -	$ -

2020-2025 Planning, Tariffs, & Reliability Non-Labor Expense ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Outside Services Labor	$ 96	$ 148	$ 148	$ 148	$ 148	$ 148
Training	9	17	17	17	17	17
Travel	18	47	47	47	47	47
Meals	2	-	-	-	-	-
Computer / Communications	4	6	6	6	6	6
OATI Web Accounting & FERC 676-H	60	68	70	72	74	76
All Other	21	67	67	67	67	67
Total	$ 210	$ 353	$ 355	$ 357	$ 359	$ 361
Supplemental contract labor included above:	$ 3	$ -	$ -	$ -	$ -	$ -

2020-2025 Depancaking, ITO, & RC Non-Labor Expense ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Depancaking						
OMU (MISO Bills Paid)	$ 8,535	$ 9,644	$ 9,870	$ 9,983	$10,231	$ 10,534
KMPA (MISO Bills Paid)	7,233	7,308	7,473	7,652	7,838	8,075
KYMEA (MISO Bills Paid)	11,077	10,910	11,173	11,863	10,938	10,639
sub-total	$ 26,845	$ 27,862	$ 28,517	$ 29,499	$29,007	$ 29,249
Independent Trans. Operator	$ 2,594	$ 2,648	$ 2,687	$ 2,727	$ 2,767	$ 2,808
Reliability Coordinator	2,748	2,873	2,873	2,873	2,873	2,887
Total	$ 32,187	$ 33,383	$ 34,077	$ 35,098	$34,646	$ 34,943

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024	2025
2021 Business Plan (pg 12)	$ 77,038	$ 78,505	$ 78,487	$ 78,466	$ 78,453
2020 Business Plan	$ 72,942	$ 73,627	$ 76,600	$ 78,445	$ 80,787
Change	$ (4,096)	$ (4,878)	$ (1,887)	$ (21)	$ 2,334
Drivers:					
Labor - Retirement Savings	$ 44	$ 112	$ 180	$ 248	$ 326
Labor - IP Connectivity / OT Security	(47)	(85)	(90)	(93)	(95)
Labor - Capital to O&M	(825)	(964)	(997)	(1,040)	(1,020)
Labor - All Other	(410)	(392)	(402)	(436)	(349)
IP Connectivity / OT Security Nonlabor	(268)	(404)	(404)	(404)	(404)
5 year Storm Average	(89)	(92)	(95)	(97)	(97)
Substation Maintenance	(128)	(564)	98	(71)	272
Line Clearing	(43)	2	470	687	1,489
Lines Maintenace	54	(468)	665	825	1,078
Other Nonlabor Changes	7	32	27	(21)	(28)
Depancaking	(2,390)	(2,054)	(1,340)	382	1,163
Total Drivers	$ (4,096)	$ (4,878)	$ (1,887)	$ (21)	$ 2,334

Plan-over-Plan Margin Variance

	Net OATT Margin				
	2021	2022	2023	2024	2025
2021 BP	4,918	6,408	5,159	8,173	10,091
2020 BP	7,190	9,709	8,913	10,394	13,078
Variance, Fav / (Unfav)	(2,272)	(3,301)	(3,754)	(2,221)	(2,987)
	-31.60%	-34.00%	-42.12%	-21.37%	-22.84%

Slight decrease in load and lower rates

	OATT Revenues						
	2019 Actual	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
2021 BP OATT Revenue							
3rd Party	30,953	29,448	34,883	36,819	36,434	38,809	40,861
Wholesale Customers	3,432	1,634	2,085	2,306	2,436	2,595	2,730
Joint Party Settlement	1,287	1,316	1,333	1,360	1,387	1,415	1,443
Total OATT Revenue	35,672	32,398	38,301	40,485	40,257	42,819	45,034
2020 BP OATT Revenue							
3rd Party		32,055	34,872	38,155	38,894	41,486	45,015
Wholesale Customers		1,760	2,010	2,276	2,476	2,635	2,854
Joint Party Settlement		1,301	1,301	1,301	1,301	1,301	1,301
Total OATT Revenue		35,116	38,183	41,732	42,671	45,422	49,170
Variance, Fav / (Unfav)		(2,718)	118	(1,247)	(2,414)	(2,603)	(4,136)

*Wholesale Customer denotes transmission component revenue associated with the remaining full requirements customers (Bardstown and Nicholasville)

Cost of Sales

Cost Of Sales

	2019 Actual	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
2021 BP Cost of Sales							
ITO	2,565	2,594	2,648	2,687	2,726	2,766	2,807
RC	2,609	2,748	2,873	2,873	2,873	2,873	2,887
Depancaking	25,024	26,845	27,862	28,517	29,499	29,007	29,249
Total Cost of Sales	30,198	32,187	33,383	34,077	35,098	34,646	34,943
2020 BP Cost of Sales							
ITO		2,609	2,648	2,687	2,726	2,767	2,808
RC		2,748	2,873	2,873	2,873	2,873	2,873
Depancaking		25,090	25,472	26,463	28,159	29,388	30,411
Total Cost of Sales		30,447	30,993	32,023	33,758	35,028	36,092
Variance, Fav / (Unfav)		(1,740)	(2,390)	(2,054)	(1,340)	382	1,149

Depancaking by Customer

	2021	2022	2023	2024	2025
OMU (forgiven LKE costs)	-	-	-	-	-
OMU (MISO bills paid)	9,645	9,870	9,983	10,231	10,535
KMPA (MISO bills paid)	7,308	7,474	7,653	7,838	8,075
KYMEA (MISO bills paid)	10,909	11,173	11,863	10,938	10,639
	27,862	28,517	29,499	29,007	29,249

Depancaking by Customer – Plan to Plan

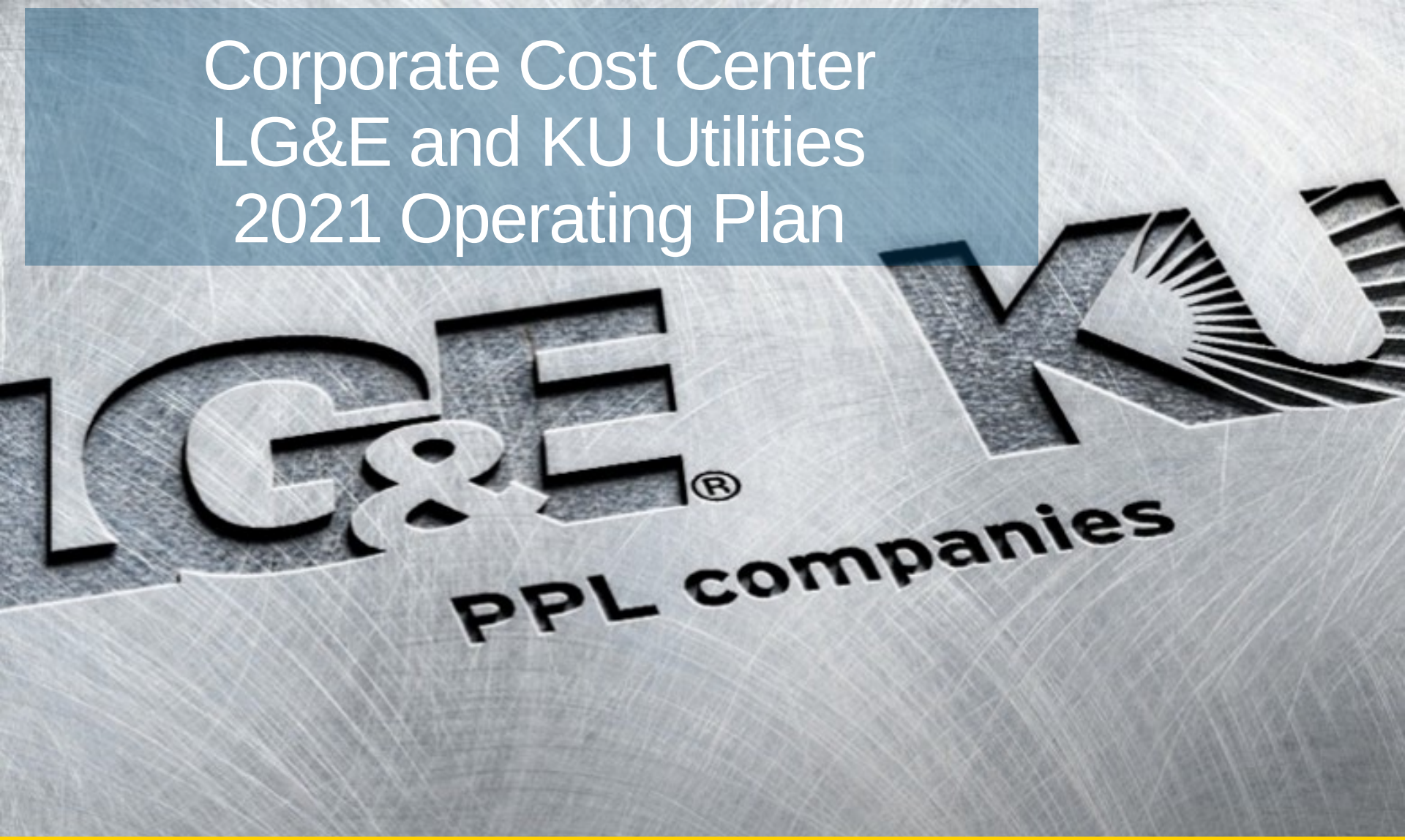
	2021	2022	2023	2024	2025
	Plan	Plan	Plan	Plan	Plan
2021 BP Depancaking					
OMU (forgiven LKE costs)	-	-	-	-	-
OMU (MISO bills paid)	9,645	9,870	9,983	10,231	10,535
KMPA (MISO bills paid)	7,308	7,474	7,653	7,838	8,075
KYMEA (MISO bills paid)	10,909	11,173	11,863	10,938	10,639
Total Depancaking Expense	27,862	28,517	29,499	29,007	29,249
2020 BP Depancaking					
OMU (forgiven LKE costs)	-	-	-	-	-
OMU (MISO bills paid)	6,060	6,312	6,574	6,862	7,143
KMPA (MISO bills paid)	7,683	7,980	8,285	8,658	8,955
KYMEA (MISO bills paid)	11,382	11,824	12,953	13,521	13,966
Various SFP and NF (forgiven LKE costs)	347	347	347	347	347
Total Depancaking Expense	25,472	26,463	28,159	29,388	30,411
Variance, (Fav) / Unfav	2,390	2,054	1,340	(381)	(1,162)

Operational Performance

Key Performance Indicators

KPI	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Recordable Injury Incident Rate - Employees	0.00	0.13	0.13	0.13	0.13	0.13
Recordable Injury Incident Rate - Contractors	1.44	1.66	1.55	1.47	1.38	1.38
Days Away from work, Restricted, or Transfer - Employees	0.00	0.00	0.00	0.00	0.00	0.00
Annual SAIDI (minutes)	5.61	8.25	7.80	7.35	6.90	6.45
Annual SAIFI	0.10	0.13	0.12	0.12	0.11	0.11
Annual CAIDI	67.00	65.80	64.63	63.47	62.30	61.13
Cash Cost / MWh	5.86	6.80	7.47	7.34	7.48	7.10

Corporate Cost Center
LG&E and KU Utilities
2021 Operating Plan



August 2020

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Section 16(7)(c) I.
Page 28 of 253
Bellar/Blake

Table of Contents

- Major Assumptions
- Financial Performance
  - 2020-2025 Capital Expenditures
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Supplemental Contractors
    - Non-labor
    - Variable Plant O&M
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Major Assumptions

- Benefits for 2021 based on 3,625 full-time, 154 co-ops/interns, and 5 part-time regular employees (as of 12/31/20)
- The projection for medical was based upon the calculation provided by Mercer for 2021 and adjusted for incremental headcount.
- Projected insurance premiums are based on retaining existing coverage using feedback from brokers and property value increases due to capital expenditure program.
  - Property insurance market has been adversely impacted by recent floods, wildfires, and hurricanes.
  - D&O insurance market has been adversely impacted by rise in claims from COVID-19.
  - Excess liability insurance market has been adversely impacted by massive verdicts and settlements, including liability for gas explosions and wildfires.
  - The membership credits offered occasionally by FM Global and AEGIS are not assumed to resume.

Major Assumptions

- Regulatory assets and liabilities relating to Brown inventory and Brown stack repairs are written-off in June 2021. The 2018 Winter Storm will be amortized over ten years consistent with the order received for the 2018 Summer Storm. Refined Coal regulatory balance and remaining proceeds at June 30, 2021 has been removed from base rates and will be provided to the customer via a sur-credit.
- Incentive expenses based on:
  - Safety, customer service, cost control, reliability goals
  - Individual effectiveness and team goals
- IMEA/IMPA portion included in Corporate is the administration fee that is charged to partners. The balance of IMEA/IMPA reimbursements are included within Power Production.

Major Assumptions

- Pension Costs
  - The mortality assumption reflects the RP-2014 gender specific healthy employee and healthy annuitant mortality tables with collar and factor adjustments and applying MP-2017 mortality improvements from 2006 on a generational basis.
  - 15 year amortization period used for KPSC-jurisdictional accounting/ratemaking. Double corridor used for Virginia, FERC and LKS charges to LKC.
  - Discount rate is assumed to be 3.32% for the pension plan. This is 29bps lower than discount rates at 12/31/19 based on changes in corporate bond rates through April 2020.
  - EROA is assumed to be 7%
  - Lump sum take rate is assumed to be 50%
  - Service cost is assumed to decrease 7.3% annually for the former non-union plan participants and decrease 2.6% annually for the former union plan participants, except that the union participant service cost includes an assumed offsetting increase to reflect the estimated impact of triennial union negotiations.

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
O&M Expenses Only:						
Labor Burdens	$ 85,144	$ 92,061	$ 94,018	$ 95,891	$ 98,077	$ 100,385
Insurance Premiums	$ 18,635	$ 23,718	$ 25,409	$ 26,579	$ 27,733	$ 28,635
A&G Transferred Credit	$ (11,968)	$ (12,876)	$ (13,474)	$ (13,819)	$ (14,006)	$ (14,025)
Amortization of Regulatory Assets	$ 10,824	$ 6,585	$ 2,462	$ 2,463	$ 2,118	$ 1,765
IMEA/IMPA Billings	$ (4,233)	$ (4,149)	$ (4,274)	$ (4,386)	$ (4,542)	$ (4,670)
Keyman Life Insurance	$ (1,421)	$ (1,470)	$ (1,506)	$ (1,542)	$ (1,580)	$ (1,618)
PPL Direct	$ 663	$ 1,293	$ 1,058	$ 1,242	$ 1,094	$ 1,123
Other	$ 1,353	$ 1,909	$ 1,562	$ 1,549	$ 1,549	$ 1,572
Total O&M-GAAP	**$ 98,998**	**$ 107,072**	**$ 105,254**	**$ 107,976**	**$ 110,442**	**$ 113,168**
Pension NonService Cost	$ (4,654)	$ 681	$ (262)	$ (1,867)	$ (3,882)	$ (5,137)
Total O&M	**$ 94,344**	**$ 107,753**	**$ 104,992**	**$ 106,108**	**$ 106,561**	**$ 108,031**

2020-2025 Non Labor Expense Category Corporate Labor Burdens ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Corporate Labor Burdens						
Pension (Service Cost)	$ 16,360	$ 16,489	$ 15,331	$ 14,268	$ 13,345	$ 12,414
Post Retirement (FAS 106) (Service Cost)	$ 2,842	$ 2,990	$ 2,911	$ 2,836	$ 2,786	$ 2,713
Medical/Dental	$ 26,646	$ 30,318	$ 31,507	$ 32,745	$ 34,031	$ 35,368
Payroll Taxes	$ 21,062	$ 22,063	$ 22,803	$ 23,488	$ 24,192	$ 24,918
401k Total (matching & drop-in)	$ 13,323	$ 13,661	$ 14,396	$ 15,252	$ 16,175	$ 17,173
Other Benefits:	$ 4,911	$ 6,539	$ 7,068	$ 7,303	$ 7,547	$ 7,799
Worker's Comp	$ 640	$ 1,082	$ 1,164	$ 1,222	$ 1,284	$ 1,348
Group Life Insurance	$ 1,161	$ 1,202	$ 1,556	$ 1,603	$ 1,651	$ 1,700
Long Term Disability	$ 1,034	$ 1,456	$ 1,500	$ 1,545	$ 1,592	$ 1,639
FAS 112 (Retiree Medical)	$ 2	$ -	$ -	$ -	$ -	$ -
**Other (Wellness,PBGC,TWR/Mercer fees	$ 2,073	$ 2,799	$ 2,847	$ 2,933	$ 3,021	$ 3,112
Subtotal	$ 85,144	$ 92,061	$ 94,018	$ 95,891	$ 98,077	$100,385
Plus:						
Pension NonService Cost	$ (4,654)	$ 681	$ (262)	$ (1,867)	$ (3,882)	$ (5,137)
Base Rate Recovery	$ 80,491	$ 92,742	$ 93,755	$ 94,024	$ 94,195	$ 95,248

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024
2021 Business Plan (pg 6)	$ 107,072	$105,254	$ 107,976	$ 110,442
2020 Business Plan	$ 94,487	$ 93,040	$ 95,491	$ 97,437
Change	$ (12,585)	$ (12,215)	$ (12,485)	$ (13,005)
Drivers:				
Medical/Dental	$ (1,961)	$ (1,910)	$ (1,858)	$ (1,805)
Pension & Post Ret. Service Cost	$ (2,355)	$ (1,909)	$ (1,554)	$ (1,257)
401k (Match and Drop in)	$ 707	$ 846	$ 928	$ 1,011
Worker's Compensation	$ 169	$ 149	$ 157	$ 164
Group Life Insurance	$ 22	$ (296)	$ (305)	$ (314)
Insurance Premiums	$ (3,543)	$ (4,702)	$ (5,226)	$ (5,753)
A&G Transferred Credit	$ (1,147)	$ (913)	$ (949)	$ (1,304)
Amortization of Reg. Assets	$ (2,208)	$ (1,250)	$ (1,251)	$ (1,455)
Keyman Life Insurance	$ (668)	$ (675)	$ (682)	$ (689)
IMEA/IMPA Billings	$ 84	$ 136	$ 142	$ 147
Other	$ (1,684)	$ (1,693)	$ (1,887)	$ (1,751)
Total Drivers	$ (12,585)	$ (12,215)	$ (12,485)	$ (13,005)

Environmental Affairs
LG&E and KU Utilities
2021 Operating Plan

September 2020

Table of Contents

- Plan Highlights
- Major Assumptions
- Financial Performance
  - 2020-2025 Capital Expenditures
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Non-labor

Plan Highlights

- Labor budget was built on current work force plan. Assumptions include wage increase for current employees on average of 3% per year.
- Current regulations remain the same across the plan.
- No additional new regulations are assumed in the business plan period.

Major Assumptions

- As coal plants continue to close, the spread of Title V fees will increase across the remaining plants.

2020-2025 Capital Expenditures ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Lab Scale	$ 7	$ -	$ -	$ -	$ -	$ -
Environmental Equipment	44	50	50	50	50	50
Total Capital	**$ 51**	**$ 50**	**$ 50**	**$ 50**	**$ 50**	**$ 50**
2020 Plan	**$ 50**	**$ 50**	**$ 50**	**$ 50**	**$ 50**	
Change	**$ (1)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (50)**

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 2,807	$ 2,925	$ 2,996	$ 3,086	$ 3,201	$ 3,274
Title V Fees	4,514	3,276	3,585	3,885	4,251	4,669
Outside Services	103	465	365	265	165	165
Employee Expenses	177	247	250	254	256	261
Materials & Supplies	84	109	110	110	111	112
Base Rate Recovery	**$ 7,684**	**$ 7,022**	**$ 7,307**	**$ 7,600**	**$ 7,984**	**$ 8,481**
Total O&M - GAAP View	**$ 7,684**	**$ 7,022**	**$ 7,307**	**$ 7,600**	**$ 7,984**	**$ 8,481**

Employee Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Director - Revlett	2	2	2	2	2	2
Env Air - Cash	6	6	6	6	6	6
Env Land & Water - Imber	8	9	9	9	9	9
Air Monitoring/Testing - Whitaker	5	5	5	5	5	5
Interns	1	3	3	3	3	3
Total	22	25	25	25	25	25

Total Employee Workforce

2021BP	22	25	25	25	25	25
Prior Plan	24	24	24	24	24	24
Change from Prior Plan	2	(1)	(1)	(1)	(1)	(1)

-2020 numbers are August actuals.
-Plan years are based on average headcount.
-Increase of 1 is the result an added intern.

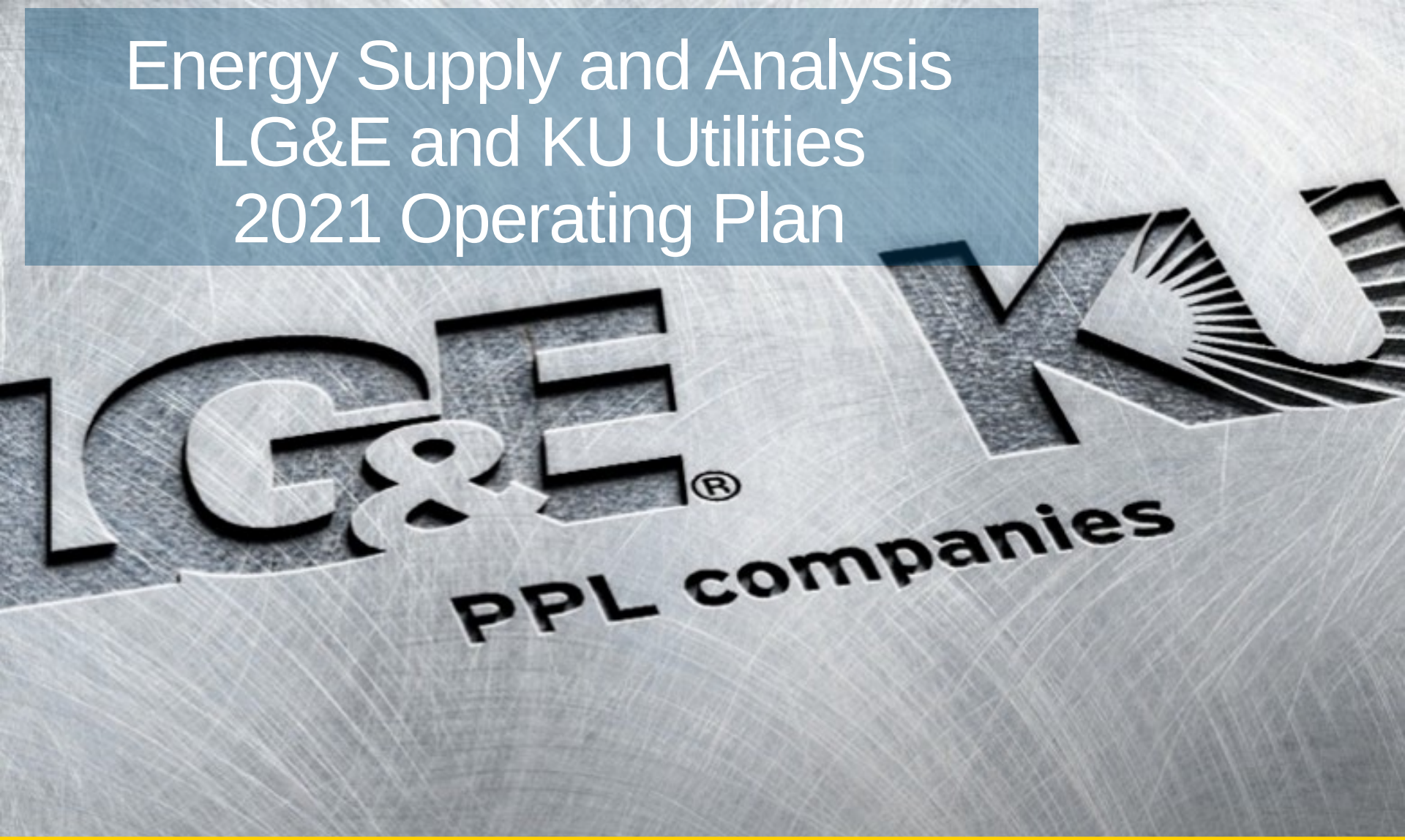
2020-2025 Non-Labor ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Title V Fees						
Kentucky Utilities (Steam)	$ 2,249	$ 1,738	$ 1,915	$ 2,110	$ 2,264	$ 2,491
Louisville Gas & Electric (Steam)	2,215	1,482	1,605	1,706	1,918	2,110
Louisville Gas & Electric (Natural Gas)	50	56	65	68	69	69
Total Title V Fees	**$ 4,514**	**$ 3,276**	**$ 3,584**	**$ 3,885**	**$ 4,251**	**$ 4,669**
Outside Services						
EA General Third Party	$ 103	$ 465	$ 365	$ 265	$ 165	$ 165
Total Outside Services	**$ 103**	**$ 465**	**$ 365**	**$ 265**	**$ 165**	**$ 165**
Employee Expenses						
Education & Training	$ 29	$ 43	$ 43	$ 44	$ 44	$ 45
Travel, Mileage, & Meals	114	170	172	174	176	179
Dues & Subscriptions	14	9	9	9	9	10
Phone & Telecom	20	25	26	26	27	27
Total Employee Expenses	**$ 177**	**$ 247**	**$ 250**	**$ 254**	**$ 256**	**$ 261**
Materials & Supplies						
Purchased Material	$ 73	$ 93	$ 94	$ 94	$ 94	$ 95
Computer Purchases	5	8	8	8	8	8
Other	6	8	8	8	8	9
Materials & Supplies	**$ 84**	**$ 109**	**$ 110**	**$ 110**	**$ 111**	**$ 112**
Total Non-Labor	**$ 4,878**	**$ 4,097**	**$ 4,310**	**$ 4,514**	**$ 4,783**	**$ 5,208**

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024	2025
2021 Business Plan	$ 7,022	$ 7,307	$ 7,600	$ 7,984	$ 8,481
2020 Business Plan	$ 6,948	$ 5,973	$ 6,166	$ 6,398	$ 6,562
Change	$ (74)	$ (1,334)	$ (1,434)	$ (1,586)	$ (1,919)
Drivers:					
Labor	$ (86)	$ (88)	$ (91)	$ (95)	$ (75)
Title V Fees	3	(1,355)	(1,552)	(1,805)	(2,174)
Outside Services	-	101	201	306	320
Purchased Materials	9	8	8	8	9
Total Drivers	$ (74)	$ (1,334)	$ (1,434)	$ (1,586)	$ (1,919)

Energy Supply and Analysis
LG&E and KU Utilities
2021 Operating Plan



September 2020

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Section 16(7)(c) I.
Page 45 of 253
Bellar/Blake

Table of Contents

- Plan Highlights
- Major Assumptions
- Financial Performance
  - 2020-2025 Capital Expenditures
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Supplemental Contractors
    - Non-labor
    - Variable Plant O&M
    - Mechanism O&M
- Key Performance Indicators

Plan Highlights

- Total O&M has been reduced:
  - Plan over plan is lower on average by $1.5 million (8%) annually
  - Half of savings is made possible by reductions in EPRI contract costs while maintaining program participation requested/justified by employees
- Non-labor O&M x/COS is lower in 2025 compared to 2020 Fcst by $0.9 million (18%) due primarily to reduced Technology Research & Analysis spending
- Labor O&M is higher in 2025 compared to 2020 Fcst by $1.2 million (15%) due to new data analysis positions ($0.6 million), filling current vacancies ($0.1 million) and general wage inflation ($0.9 million) offset by $0.4 million in retirement wage savings

Major Assumptions & Risks

- Analysis and commercial resources needed to support major company initiatives (e.g., KPSC filings and renewable procurement) and strategic planning can be met by existing staff levels.
- Four new data analytics positions are filled by mid-2021.
- Outer year cost reductions are accomplished without reductions in staffing.
- CCR revenues are passed through ECR.
- OSS margin risk is minimal due lower electricity prices and KY sharing mechanism.
- Unanticipated major project that would require material outside services (low risk).
- Annual retirements and replacement costs match HR forecast.

2020-2025 Capital Expenditures ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Total Capital	$ -	$ -	$ -	$ -	$ -	$ -
2020 Plan	$ -	$ -	$ -	$ -	$ -	
Change	$ -	$ -	$ -	$ -	$ -	$ -

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 7,897	$ 8,176	$ 8,486	$ 8,661	$ 8,927	$ 9,056
Supplemental Contractors	$ -	$ -	$ -	$ -	$ -	$ -
Dues & Memberships	$ 2,949	$ 2,186	$ 2,186	$ 2,186	$ 2,186	$ 2,186
Subscriptions	$ 520	$ 579	$ 580	$ 582	$ 583	$ 594
Outside Services	$ 395	$ 895	$ 895	$ 895	$ 718	$ 562
Travel	$ 109	$ 188	$ 191	$ 191	$ 191	$ 191
Admin Fees - Reserve Sharing	$ 238	$ 243	$ 249	$ 255	$ 261	$ 268
R&D Battery Storage Amortization	$ 498	$ 498	$ 41	$ -	$ -	$ -
Relocation Expense	$ -	$ 60	$ -	$ -	$ -	$ -
RTO and Transmission Expense	$ 3,358	$ 3,157	$ 3,315	$ 3,376	$ 3,544	$ 3,716
All Other Non-labor	$ 223	$ 257	$ 262	$ 262	$ 264	$ 274
Variable Plant O&M	$ -	$ -	$ -	$ -	$ -	$ -
Total O&M	**$ 16,187**	**$ 16,239**	**$ 16,205**	**$ 16,408**	**$ 16,674**	**$ 16,847**

Employee Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Power Supply	22	22	22	22	22	22
Generation Planning	8	8	8	8	8	8
Sales Analysis	6	6	6	6	6	6
Director Planning & Analysis	2	2	2	2	2	2
Fuels Management	6	6	6	6	6	6
Fuels Admin and By Products	10	10	10	10	10	10
Tech Research & Development	4	4	4	4	4	4
Data Analytics	-	3	4	4	4	4
VP Energy Supply	2	2	2	2	2	2
Interns	2	2	2	2	2	2
Total	62	65	66	66	66	66
Total Employee Workforce						
2021BP	62	65	66	66	66	66
Prior Plan	64	66	66	66	66	66
Change from Prior Plan	2	1	-	-	-	-

** Average headcount not end of year

Supplemental Contractor Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Total	-	-	-	-	-	-

Total Contractor Workforce

2021BP	-	-	-	-	-	-
Prior Plan	0	0	0	0	0	0
Change from Prior Plan	-	-	-	-	-	-

** Average headcount not end of year

2020-2025 Non-Labor Expense - Dues ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
EPRI	$ 2,907	$ 2,135	$ 2,135	$ 2,135	$2,135	$ 2,135
American Coal Ash	17	17	17	17	17	17
Waterways Council	12	12	12	12	12	12
American Coal Council	1	5	5	5	5	5
Kentucky Coal Association	1	2	2	2	2	2
National Coal Transport Assoc.	1	2	2	2	2	2
Indiana Coal Association	1	2	2	2	2	2
Midwest Coal Ash Association	1	1	1	1	1	1
Other Miscellaneous	8	10	10	10	10	10
Total Company Dues	$ 2,949	$ 2,186	$ 2,186	$ 2,186	$2,186	$ 2,186

2020-2025 Non-Labor Expense - Subscriptions ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
IHS Global	$ 170	$ 196	$ 196	$ 196	$ 196	$ 196
PIRA	93	83	83	83	83	83
Platts	49	64	66	67	69	75
R&D - Bloomberg	71	80	80	80	80	80
OATI	18	16	16	16	16	16
S&P Global Electric Price Fcst	38	38	38	38	38	38
R&D - IEEE	23	20	20	20	20	20
Illinois Basin Study	-	15	15	15	15	15
Dolbey Voice Recorder	4	7	7	7	7	7
Weather Service International	7	7	7	7	7	7
Natural Gas Intelligence	10	10	10	10	10	10
MDA - Gas Weather Outlook	9	9	9	9	9	9
Energy Publishing Coal Database	8	8	8	8	8	8
Other Subscriptions	20	26	25	26	25	30
Total Subscriptions	$ 520	$ 579	$ 580	$ 582	$ 583	$ 594

2020-2025 Non-Labor Expense - Outside Services ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Univ of Kentucky Research	$ 79	$ 79	$ 79	$ 79	$ 79	$ 79
Engineering Reseach Studies	50	750	750	750	573	416
Weir Services	-	42	42	42	42	42
Cambridge Energy Research	-	8	8	8	8	8
Coal Combustion	8	8	8	8	8	8
Develop Coal Data Base	5	5	5	5	5	5
Other Outside Services	253	3	3	3	3	4
Total Outside Services	$ 395	$ 895	$ 895	$ 895	$ 718	$ 562

2020-2025 Non-Labor Expense - Travel ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Technology R&D	$ 57	$ 87	$ 87	$ 87	$ 87	$ 87
Fuels Admin & By Products	23	52	52	52	52	52
Power Supply	2	19	19	19	19	19
Fuels Management	11	8	8	8	8	8
All Other Travel	16	22	25	25	25	25
Total Travel	$ 109	$ 188	$ 191	$ 191	$ 191	$ 191

2020-2025 Non-Labor Expense - RTO and XM ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
RTO Expense - Native Load	$ 12	$ 4	$ 52	$ 7	$ 8	$ 7
RTO Expense - OSS (a)	62	110	82	47	77	97
3rd Party Transmission - NL	34	31	33	33	23	21
3rd Party Transmission - OSS (a)	1	-	-	-	-	-
Cost for Serving KU in EKPC	3,250	3,012	3,148	3,289	3,436	3,590
Subtotal before Intercompany	**$ 3,358**	**$ 3,157**	**$ 3,315**	**$ 3,376**	**$ 3,544**	**$ 3,715**
Interco Transmission - NL	$ 6	$ -	$ -	$ -	$ -	$ -
Interco Transmission - OSS (a)	1,325	1,466	1,083	699	961	1,135
Subtotal Intercompany	$ 1,330	$ 1,466	$ 1,083	$ 699	$ 961	$ 1,135
Total Transmission Expense	$ 4,689	$ 4,623	$ 4,398	$ 4,075	$ 4,505	$ 4,850

(a) OSS cost of sales is part of the OSS sharing calculation that is split 75/25.

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024	2025
2021 Business Plan	$ 16,239	$ 16,205	$ 16,408	$ 16,674	$ 16,847
2020 Business Plan	$ 17,687	$ 17,404	$ 17,804	$ 18,150	$ 18,611
Change - Fav (Unfav)	$ 1,448	$ 1,199	$ 1,396	$ 1,476	$ 1,764
Drivers:					
Adjust EPRI/R&D Eng Studies	$ 594	$ 557	$ 668	$ 832	$ 1,062
Delay Hiring - Data Analytics	$ 168	$ 31	$ 31	$ 33	$ 36
Est. ESA Retirement Savings	$ 67	$ 158	$ 236	$ 309	$ 383
Labor Savings Power Supply	$ 97	$ 79	$ 77	$ 83	$ 104
Labor Savings TR&D	$ 62	$ 60	$ 62	$ 52	$ 77
Incremental SEEMS	$ (23)	$ (23)	$ (23)	$ (23)	$ (23)
Other O&M	$ 21	$ 31	$ 29	$ 23	$ 59
Cost of Sales	$ 462	$ 306	$ 316	$ 167	$ 66
Total Drivers	$ 1,448	$ 1,199	$ 1,396	$ 1,476	$ 1,764

Gas Operations
LG&E and KU Utilities
2021 Operating Plan

September 2020

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Section 16(7)(c) I.
Page 59 of 253
Bellar/Blake

Table of Contents

- Plan Highlights
- Major Assumptions
- Financial Performance
  - 2020-2025 Capital Expenditures
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Supplemental Contractors
    - Non-labor
    - Mechanism O&M
- Key Performance Indicators

Plan Highlights

Gas Operations mission is to provide safe, reliable, and affordable natural gas to our customers while meeting or exceeding state and federal regulatory requirements.

Funding levels within the proposed plan were established with the following priorities in mind:

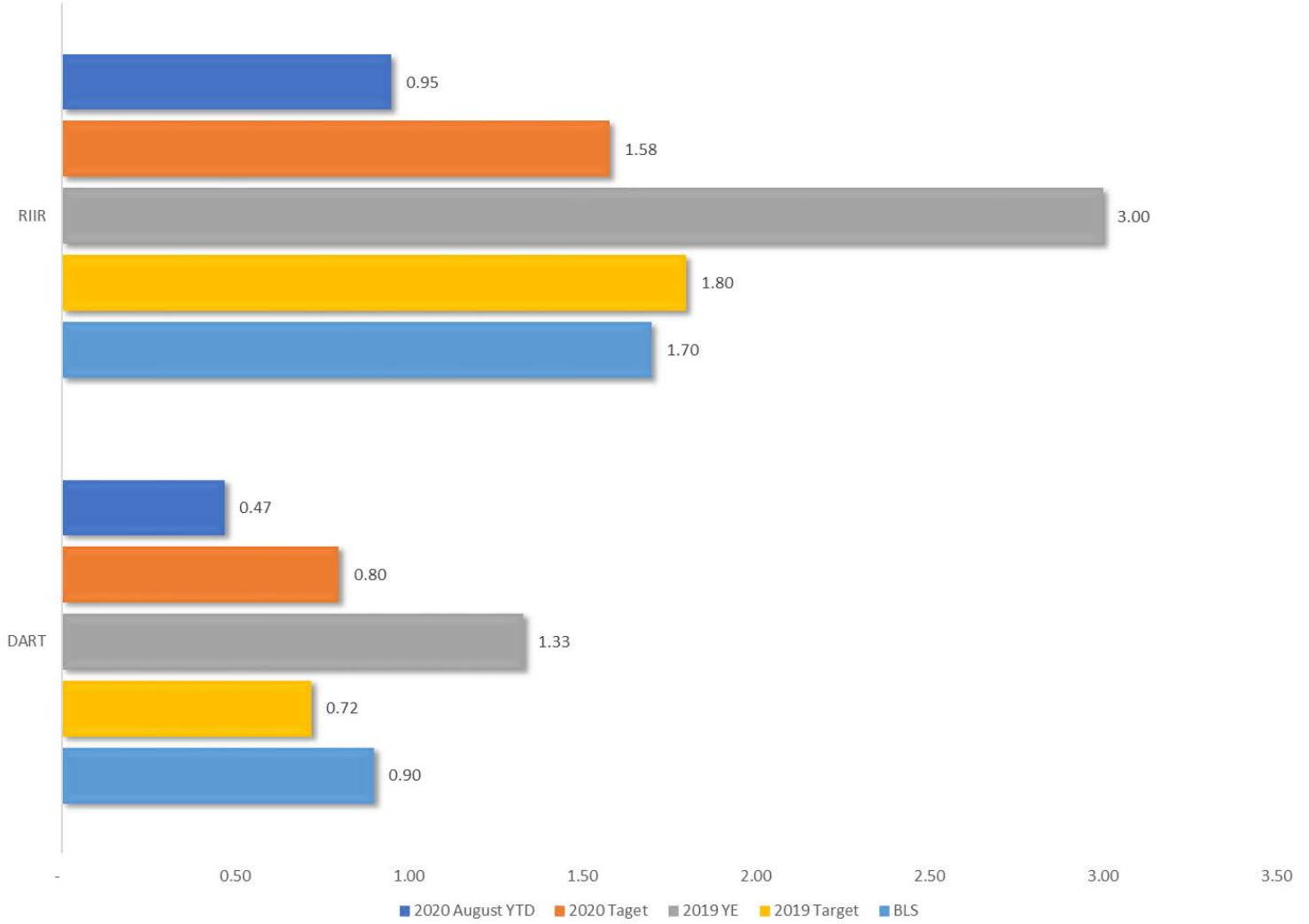
- Employee, contractor and public safety
- Regulatory compliance
- Capital investments for transmission asset modernization and reinforcement
- Supporting customer service requests
- Gas system reliability
  - Asset replacement to ensure reliable and safe service
  - System enhancements to meet customer needs
- Operational technology cyber security initiative

Plan Highlights

- Workforce and Public Safety
  - Continuously strive to improve employee and business partner safety performance
  - Ensure effective employee engagement through the Gas Operations Safety Focus Team.
  - Maintain and enhance gas system safety thru effective Integrity, Public Awareness, Damage Prevention, and Gas Control Room Management programs and continue implementation of a Pipeline Safety Management System
  - Enhanced public safety through customer communications and asset replacement
  - Continuation of motor vehicle safety initiatives
  - Identify, share, and capitalize on industry best practices
  - Mock drills, leak detection training, and emergency response improvements
  - Effective liaison with emergency response agencies
  - Promote wellness initiatives as an aspect of safety

Plan Highlights

Safety Performance - Gas



Plan Highlights

- Control Room Management (CRM) Program
  - The CRM program prescribes the safety requirements for Gas Controllers, Control Rooms, and SCADA systems that are used to remotely monitor and control pipeline operations
  - The CRM program address both engineering and management solutions related to human factors in a control room operation in order to enhance the performance of the operator's personnel and safety of the pipeline control operation
  - LG&E's CRM program consists plans, policies and procedures to address the following:
    - Fatigue mitigation, alarm management, change management, controller training, team training, and compliance validation
  - By the start of 2021, all LG&E and KU gas pipeline facilities planned will be under Gas Operation's CRM.
  - Two incremental operators are required to properly staff the control room for safe, effective and compliant operation.

Plan Highlights

- Damage Prevention Program
  - Annual pipeline locating ticket request volume has remained consistent for 2018-2020 (Approx. 136,000 tickets annually)
  - On time performance has significantly improved for locating underground facilities with the current business partners.
  - Metrics:

Year	Damage Rate	Total Gas Damages	Locator At-Fault Damages	On Time Performance
Target	2.25	NA	NA	95% or greater
2018	2.63	373	90	44%-95.7%
2019	2.14	289	39	99.10%
2020*	1.61	147	12	99.92%

*2020 Data is through August

Plan Highlights

- Emergency Response Time & Success Rate
  - Success rate is the rate of response to an emergency order in under 60-minutes.

Year	Avg. Response Time	Success Rate
2016	37.0	87.6%
2017	37.1	86.8%
2018	32.9	91.4%
2019	34.1	90.6%
2020*	31.4	93.7%

*2020 is through August

Plan Highlights

- Operator Qualification Program
  - Integration with Industrial Training Services compliance program is complete (July 2017 – December 2019)
  - LKE employees completed over (8,000) man hours of evaluations during this initial period
  - In addition to Gas Distribution Operations, Operator Qualification touches several LOBs across the company including:
    - Power Generation - E.W. Brown, Cane Run, Paddy's Run, and Trimble County
    - Customer Service – Call Center representatives, and meter readers
    - Field Services - Gas service turn on/off, gas meter shop, meter change, and meter sampling program
  - Current LG&E/KU employees in the OQ system – 929
  - Current number of individuals in the OQ system (including LG&E/KU employees) – 8,028
  - Total number of OQ qualifications held by all individuals performing OQ related work for LG&E/KU – 97,193

Plan Highlights

- Integrity Assessments – Gas Transmission Program
  - For the dry gas system, approx. 267 miles or 93% is capable of in-line inspection (i.e. piggable)
  - Leveraging an expanded set of technologies enables LG&E to achieve a higher overall level of pipeline safety and pipeline integrity
  - The suite of tools being used provides a better understanding of the threats to the pipeline and its condition and to meet the latest regulatory requirements requiring validation of the actual safe operating pressure for transmission pipelines. Technologies include theses tools:
    - Geometry – pipeline geometry (diameter, pipe ovality, dents)
    - Magnetic Flux Leakage (MFL-A & C) circumferential and axial – pipeline wall loss and corrosion Electro-magnetic Acoustic Transducer (EMAT) – crack-like anomaly detection
    - ROMAT - material and pipe grade determination, hard spots & categorization of the pipe seam
    - Pipe grade sensors – Used to determine pipe yield strength
    - Inertial – Used to determine pipe movement/bend strain and to provide coordinates of anomalies discovered by other tools

Plan Highlights

- Integrity Assessments – Gas Storage Program
  - Enhancing Gas Storage safety by implementing a phased-in, multi-year timeframe for Integrity Management
  - Implementing new risk modeling software (TaskOp), and asset and workflow management system (Asset Manager)
  - Well Inspection base line assessments – deadline 2023 extended to Jan 2027
    - Planned 70% completed by end of 2020
- Integrity Assessments – Gas Distribution Program
  - Implementing new probabilistic risk modeling software (JANA DIMP)
  - Creating a valve isolation program utilizing gas system planning and valve area isolation software to identify valves assigned to the designated valve program.

Plan Highlights

- Customer Experience
  - Meet customer expectations for new service requests
  - Promptly address customer service issues
  - Identify customer service improvement opportunities
  - Promote professional and positive corporate image to customers
  - Restore customer service outages quickly and efficiently
  - Meet customer capacity needs
  - Proactively communicate with customers

Plan Highlights

- Reliability, Infrastructure and Regulatory Compliance
  - Targeted replacement of aging infrastructure to ensure safety, reliability and performance
  - Effectively manage gas safety compliance programs
  - Provide reliable gas supplies through investments in:
    - Gas regulation/measurement facilities
    - Gas transmission system
    - Gas compressor stations
    - Gas storage fields
    - Distribution infrastructure upgrades

Plan Highlights

- Workforce Development
  - Headcount plan that addresses retirements
  - Identification of pre-hires for critical job positions
  - Knowledge transfer to new employees
  - Support of employee continuing education initiatives
  - Support onboarding and enhanced training/operator qualification to promote consistent work practices across operational groups
  - Internal and external training opportunities
  - Mobile computing technologies supporting training
  - Skilled craft-worker intern program in participation with local technical colleges

Major Assumptions

- Customer expectations regarding levels of service and information availability will continue to increase.
- Incremental headcount is needed to meet increased regulatory, work scope and compliance demands, contractor offsets and transfer critical knowledge in preparation for retirements.
- New Business generally assumes low customer growth and inflationary increases through the planning period with new commercial and industrial loads requiring gas main extensions and system reinforcements.
- Discontinuation of the Gas Line Tracker (GLT) mechanism for cost recovery starting in June 2021 except for customer service line ownership and replacing company services.
- Gas Supply Clause remains fundamentally unchanged.
- Available technology, transmission pipeline projects and operating conditions will support successful enhanced in-line inspections.
- No material impacts to costs related to the Pipeline Safety Act reauthorization.

Major Assumptions

- New gas safety regulatory requirements will:
  - Require operators to validate MAOPs of gas transmission pipelines (49 CFR 192.624 MAOP Verification).
  - Expand pipeline integrity requirements beyond high consequence areas (49 CFR 192.710 Pipeline Assessments).
  - Expand operator qualification requirements to construction activities (49 CFR 192.801 Qualification of Pipeline personnel, Scope).
  - Require continuous improvement for distribution system integrity (49 CFR 192.1007 Gas Distribution Pipeline Integrity Management).
  - Require continued implementation of storage integrity compliance program (49 CFR 192.12 Underground Natural Gas Storage).
  - Requirements starting in 2021 have added incremental costs to our plan (49 CFR 192.1 Mega Rule Part 2)

Major Assumptions

- Gas Load Forecast:
  - Forecasted Design Day for 2021 is expected to increase to 689,000 Mcf/day from 679,000 Mcf/day estimated in the prior BP. Through the current 5-year planning period, the forecasted Design Day is expected to gradually increase to 692,000 Mcf/day.

2020-2025 Capital Expenditures ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Gas Line Tracker	$ 81,708	$ 37,259	$ 11,094	$ 11,034	$ 11,034	$ 11,037
Base (Non-Tracker)						
New Business	5,344	6,389	4,989	4,989	4,989	4,989
Enhance the Network	28,036	70,803	15,664	9,514	66,703	4,360
Maintain the Network	34,259	25,542	18,237	15,335	16,697	18,582
Repair the Network	1,011	1,100	1,101	1,100	1,099	1,099
Miscellaneous	343	1,643	661	506	514	521
Subtotal Base	68,994	105,477	40,650	31,443	90,001	29,550
Total Capital	**$ 150,702**	**$ 142,735**	**$ 51,744**	**$ 42,477**	**$ 101,035**	**$ 40,586**
2020 Plan	**$ 148,704**	**$ 126,873**	**$ 63,250**	**$ 58,701**	**$ 51,436**	
Change	**$ (1,998)**	**$ (15,862)**	**$ 11,506**	**$ 16,224**	**$ (49,599)**	

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 22,289	$ 23,336	$ 24,162	$ 25,200	$ 26,196	$ 26,698
Non-Labor:						
In-Line Inspections	4,794	10,253	10,933	7,220	11,206	10,407
Line Locating	12,173	12,163	11,751	11,032	10,468	10,537
Compressor Stations	4,409	4,087	4,191	4,277	4,546	4,117
Gas Control	1,308	1,505	1,453	1,459	1,391	1,451
Gas Ops, Construction, Engineering	3,986	3,981	3,998	3,983	3,959	3,968
Strorage Integrity Engineering	4,819	5,847	5,837	5,885	5,931	5,895
Distribution Integrity & Compliance	406	467	447	432	458	457
Transmission Integrity & Compliance	24	783	1,202	937	1,179	973
Other	1,280	1,791	1,771	1,764	1,792	1,799
Total Base Rate Recovery	**$ 55,488**	**$ 64,214**	**$ 65,744**	**$ 62,188**	**$ 67,127**	**$ 66,301**
GLT Mechanism O&M	$ 1,326	$ 999	$ 1,023	$ 1,038	$ 1,052	$ 1,065
GSC Mechanism O&M	$ 1,500	$ 1,421	$ 1,466	$ 1,593	$ 1,593	$ 1,427
Total O&M	**$ 58,314**	**$ 66,633**	**$ 68,233**	**$ 64,819**	**$ 69,772**	**$ 68,793**

[1] Multi-diameter tool development was assumed to move to GLT mechanism in 2020, but that was denied by the PSC. Inline inspections were assumed to move to GLT in 2021, but that was not allowed.

Employee Headcount by Department

Department	9/30/2020 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
VP Gas Distribution Operations	2	2	2	2	2	2
Pipeline Safety Mgmt Systems	4	6	7	7	7	7
Gas Regulatory Compliance	**49**	**55**	**59**	**66**	**71**	**72**
Dir Gas Regulatory Compliance	1	1	1	1	1	1
Transmission Integrity & Comp	11	15	16	16	16	16
Distribution Integrity & Comp	30	31	34	41	46	47
Gas Storage Integrity Engineering	3	4	4	4	4	4
Operator Qualifications Program	4	4	4	4	4	4
Gas Management & Supply	**6**	**6**	**6**	**6**	**6**	**6**
Gas Ops, Construction & Engnr	**127**	**130**	**130**	**130**	**130**	**130**
Dir Gas Ops, Const, & Engnr	1	1	1	1	1	1
Gas Operations	81	83	83	83	83	83
Gas Construction	32	33	33	33	33	33
Gas Engineering	13	13	13	13	13	13
Gas Control & Storage	**96**	**99**	**101**	**101**	**101**	**101**
Dir Gas Control and Storage	2	2	2	2	2	2
Muldraugh Operations	28	30	30	30	30	30
Magnolia Operations	22	22	22	22	22	22
Gas Control	44	45	47	47	47	47
Interns	7	13	13	13	13	13
Total	**291**	**310**	**318**	**325**	**330**	**331**
2021BP	291	310	318	325	330	331
Prior Plan	315	324	329	334	339	
Change from Prior Plan	24	14	11	9	9	

** Average headcount not end of year

Supplemental Contractor Headcount by Department

Department	6/30/2020 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Magnolia Gas Storage Operations	-	-	-	-	-	-
Muldraugh Gas Storage Operations	5	5	3	3	3	3
Gas Control	5	4	4	4	4	4
Operator Qualification Program	-	-	-	-	-	-
Gas Transmission Integrity & Compliance	25	15	15	17	15	15
Gas Distribution Integrity & Compliance	150	150	145	140	135	135
Gas Constuction	147	147	100	100	100	100
Gas Engineering and Planning	2	-	-	-	-	-
Gas Operations	30	42	42	42	42	42
Gas Supply	-	-	-	-	-	-
Pipeline Safety Mgmt System	-	-	-	-	-	-
Total	**364**	**363**	**309**	**306**	**299**	**299**
Total Contractor Workforce						
2021BP	364	363	309	306	299	299
Prior Plan	386	385	380	375	370	370
Change from Prior Plan	**22**	**22**	**71**	**69**	**71**	**71**

Change from prior plan due to reduction in Distribution Integrity & Compliance contractors and Gas Construction contractors.

2020-2025 Non Labor Expense Category ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Inline Inspections:						
Ballardsville ILI	$ -	$ 1,613	$ 1,074	$ 1,029	$ 295	$ -
Blanton-Paddy's ILI	-	2,830	1,235	-	-	-
Calvary ILI	2	-	-	-	3,200	1,280
Center 20 ILI	246	-	-	-	-	2,842
Doe Valley 8 ILI	-	-	1,940	324	-	-
MAG 16 ILI	472	-	-	-	-	3,117
MAG 20 ILI	-	3,324	689	-	-	-
Mill Creek 12 ILI	0	-	-	-	1,679	637
Muldraugh - Piccadilly ILI	117	-	-	-	-	-
Muldraugh to Penile ILI	-	-	-	-	3,083	917
Penile - Paddy's ILI	48	-	-	-	-	-
Riverport 12 ILI	-	-	1,223	-	-	-
Riverport 8 ILI	-	-	-	950	-	-
Western Kentucky A - ILI	45	-	-	3,199	946	-
Western Kentucky B - ILI	767	-	3,699	360	-	-
Tool Development	3,098	1,005	-	-	-	-
Validation Digs	-	1,481	1,072	1,358	2,003	1,614
Total Inline Inspections	**$ 4,794**	**$ 10,253**	**$ 10,933**	**$ 7,220**	**$ 11,206**	**$ 10,407**

2020-2025 Non Labor Expense Category ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Line Locating:						
Electric Line Locating	$ 5,359	$ 5,360	$ 5,527	$ 5,408	$ 5,326	$ 5,394
Unlocatables	305	312	265	270	270	270
Software	60	-	-	-	-	-
Total Electric Line Locating	$ 5,724	$ 5,672	$ 5,792	$ 5,678	$ 5,596	$ 5,664
Gas Line Locating	$ 5,154	$ 5,191	$ 4,577	$ 3,946	$ 3,456	$ 3,461
Unlocatables	1,231	1,300	1,381	1,408	1,416	1,412
Software	65	-	-	-	-	-
Total Gas Line Locating	$ 6,450	$ 6,491	$ 5,958	$ 5,354	$ 4,872	$ 4,873
Total Line Locating	$12,173	$ 12,163	$11,751	$11,032	$ 10,468	$ 10,537

2020-2025 Non Labor Expense Category ($000)

Item	2020 Forecas	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Compressor Stations:						
Supplemental Contractors	$ 58	$ 44	$ 57	$ 57	$ 57	$ 57
Outside Services-Other	1,631	851	893	872	914	880
Materials	1,419	1,899	1,929	2,019	2,226	1,817
Transportation & Equipment	800	835	853	871	892	904
Other	500	458	458	458	458	458
Total Compressor Stations	$ 4,409	$ 4,087	$ 4,191	$ 4,277	$ 4,546	$ 4,117
Gas Control:						
Supplemental Contractors	$ 11	$ 22	$ 22	$ 22	$ 22	$ 22
Outside Services-Other	332	565	482	493	409	458
Materials	463	364	377	361	361	361
Transportation & Equipment	362	376	392	403	420	432
Other	140	179	179	179	179	179
Total Gas Control	$ 1,308	$ 1,505	$ 1,453	$ 1,459	$ 1,391	$ 1,451

2020-2025 Non Labor Expense Category ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Gas Operations, Construction & Engineering:						
Gas Construction	$ 252	$ 345	$ 348	$ 351	$ 354	$ 357
Gas Operations:						
Trouble	$ 742	$ 662	$ 677	$ 688	$ 673	$ 680
Customer Initiated	616	495	512	527	521	522
Leak Repair	588	572	592	605	609	617
Patrolling & Related Repair Costs	95	112	186	149	145	147
Materials	1,510	1,304	1,343	1,358	1,352	1,357
Transportation	58	128	139	143	124	117
Administrative	1,158	925	945	949	952	956
Other	294	251	259	267	275	284
Total Gas Operations	5,060	4,449	4,654	4,685	4,651	4,680
Gas Engineering	73	58	61	62	64	66
Director	5	9	9	9	9	10
Total Gas Operations, Construction & Engineering:	$ 5,390	$ 4,861	$ 5,072	$ 5,108	$ 5,079	$ 5,113

2020-2025 Non Labor Expense Category ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Distribution Integrity & Compliance:						
Leak Survey	$ 882	$ 938	$ 938	$ 948	$ 980	$ 927
Public Awareness	276	427	425	431	431	431
Stop Box Inspections	1,196	1,300	1,300	1,350	1,350	1,350
Priority Valves	92	107	110	112	115	115
Farm Tap Inspections	45	50	52	50	50	50
Corrosion Control	1,905	2,317	2,325	2,333	2,341	2,349
Records Review	-	90	90	90	90	90
Administrative	232	348	356	360	362	372
Other	191	270	241	211	212	211
Total Dist Int. & Compliance:	$ 4,819	$ 5,847	$ 5,837	$ 5,885	$ 5,931	$ 5,895
Transmission Integrity & Compliance:						
Records Review	$ 107	$ 50	$ 50	$ 50	$ 50	$ 50
Pipeline Integrity	169	325	305	290	316	315
Administrative	-	-	-	-	-	-
Other	111	92	92	92	92	92
Total Trans Int. & Compliance:	$ 386	$ 467	$ 447	$ 432	$ 458	$ 457

2020-2025 Non Labor Expense Category ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Storage Integrity Engineering:						
Outside Services-Other	$ 5	$ 716	$ 1,132	$ 869	$ 1,108	$ 903
Materials	6	2	2	2	2	2
Transportation & Equipment	10	27	27	28	29	30
Other	2	39	41	39	41	39
Total Storage Integrity Engineering	$ 24	$ 783	$ 1,202	$ 937	$ 1,179	$ 973
Other:						
Pipeline Safety Management Systems	$ 14	$ 84	$ 92	$ 90	$ 107	$ 97
Operator Qualification	78	152	180	182	181	186
Gas Supply	173	190	189	169	169	169
American Gas Association Dues	219	213	219	226	233	240
Dept Of Transportation Storage Fee	167	167	100	100	100	100
Dept of Transportation Assessment	125	147	153	158	162	167
OT Security	88	543	543	543	543	543
Liability Claims	99	109	109	109	109	109
Other	318	186	187	187	188	189
Total Other	$ 1,280	$ 1,791	$ 1,771	$ 1,764	$ 1,792	$ 1,799

2020-2025 Mechanism O&M Expense ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
GLT Mechanism:						
CSO Meter Conditions	589	375	388	398	406	414
Repair Leaks	374	314	325	330	336	341
Customer Unlocatables	362	310	310	310	310	310
Total GLT Mechanism	**$ 1,326**	**$ 999**	**$ 1,023**	**$ 1,038**	**$ 1,052**	**$ 1,065**
GSC Mechanism:						
Gas Losses - Muldraugh	1,311	1,241	1,281	1,407	1,407	1,241
Gas Losses - Magnolia	189	180	185	186	186	186
Total GSC Mechanism	**$ 1,500**	**$ 1,421**	**$ 1,466**	**$ 1,593**	**$ 1,593**	**$ 1,427**
Total Mechanism Expense	**$ 2,826**	**$ 2,420**	**$ 2,489**	**$ 2,631**	**$ 2,645**	**$ 2,492**

Annual Gas Losses assumed to be 418 MMcf at Muldraugh and 60 MMcf at Magnolia.

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024	2025
2021 Business Plan (pg 6)	$ 66,633	$ 68,233	$ 64,819	$ 69,772	$ 68,793
2020 Business Plan	63,625	63,446	59,940	65,272	67,026
Change	**$ (3,008)**	**$ (4,787)**	**$ (4,880)**	**$ (4,500)**	**$ (1,767)**
Drivers:					
Labor	$ 652	$ 1,005	$ 1,008	$ 1,160	$ 1,480
Inline inspections	(2,848)	(4,069)	(3,948)	(3,145)	(2,105)
Line Locating	(555)	(907)	(1,117)	(846)	(628)
Mega Rule Part 2 Compliance	(311)	(393)	(400)	(408)	(416)
Well Logging	559	187	86	(541)	(319)
Customer Initated Requests	27	21	16	30	44
Leak Repair	(83)	(97)	(98)	(95)	(89)
Trouble Orders	(14)	36	48	146	156
Compressor Stations Material	37	(86)	(107)	(305)	142
OT / IT Security	(543)	(543)	(543)	(543)	(543)
All Other	70	58	176	46	511
Total Drivers	**$ (3,008)**	**$ (4,787)**	**$ (4,880)**	**$ (4,500)**	**$ (1,767)**

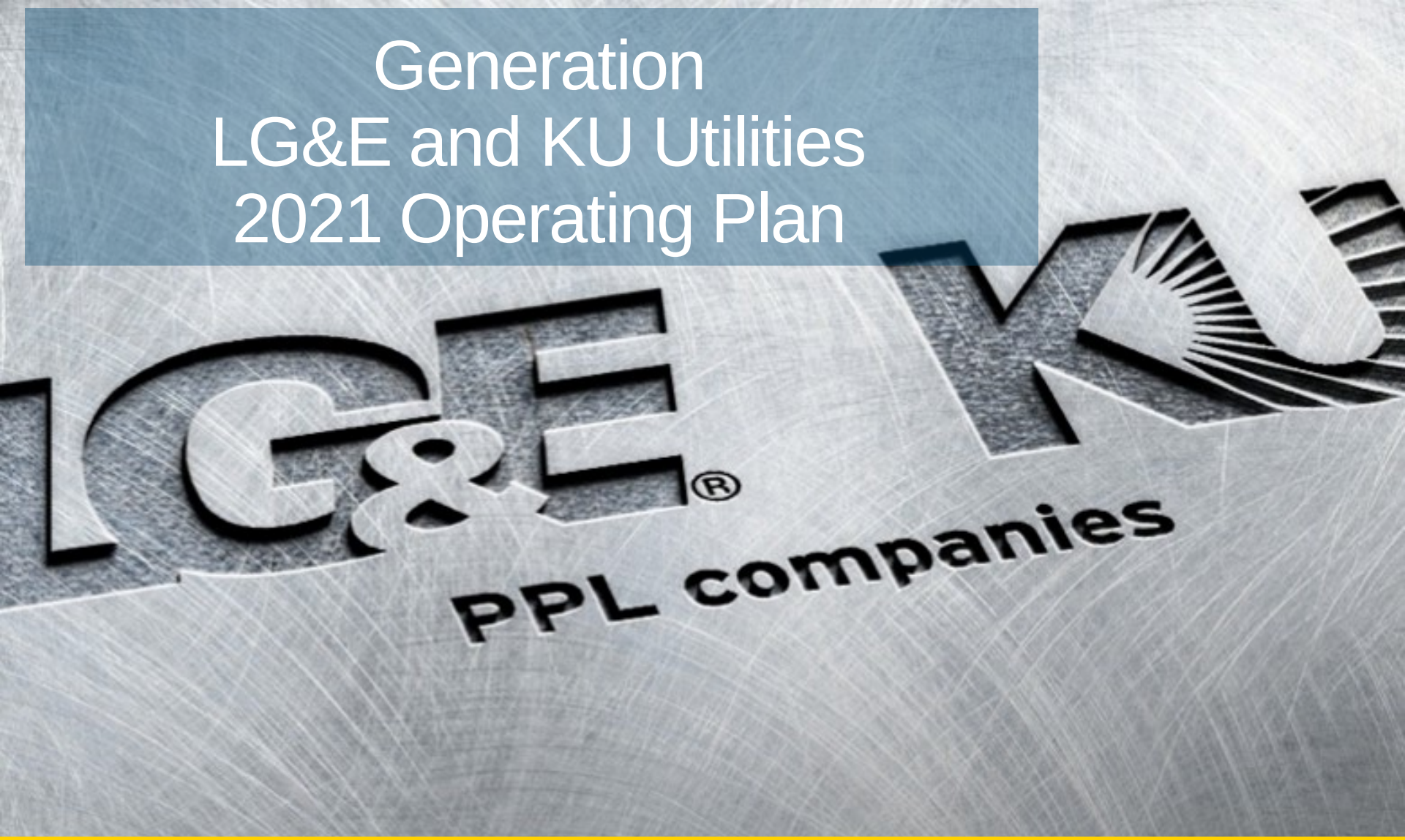
Operational Performance

Key Performance Indicators

KPI	2020 Aug YTD	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Safety - Employee Incident Rate	0.95	1.56	1.55	1.53	1.51	1.51
Safety - Contractor Incident Rate	2.01	1.66	1.55	1.47	1.38	1.38
DART - Employees	0.47	0.78	0.77	0.75	0.73	0.73
Gas Response Priority 1 Calls (minutes)	31.4	34.5	34.5	34.0	34.0	34.0
New Business Cycle Time (calendar days)[1]	5.50	8.50	8.00	7.50	7.50	7.00

1) Measures from the time a service request is approved by a locator from the Design department to the time the service is installed.

Generation
LG&E and KU Utilities
2021 Operating Plan



September 2020

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Section 16(7)(c) I.
Page 89 of 253
Bellar/Blake

Table of Contents

- Plan Highlights
- Major Assumptions
- Financial Performance
  - 2020-2025 Capital Expenditures
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Supplemental Contractors
    - Non-labor
    - Variable Plant O&M
    - Outage
    - Mechanism O&M
- Key Performance Indicators

Plan Highlights

- **Major investment and integration of environmental compliance – Coal Combustion Residuals (CCR), pond closures and Effluent water Limitation Guidelines (ELG).**
- **Generation forecast assumes continued trend of high Natural Gas Combined Cycle (NGCC) production levels based on current projections for gas prices over the five year plan.**
- **Increased resource requirements to meet and maintain compliance with incremental regulatory requirements – ELG staffing will begin in 2023.**
- **No generation capacity additions are in the plan through 2025.**

Major Operational Assumptions

- Mill Creek 2 offline from April through October starting in 2021 and continuing through 2024 to comply with Louisville Metro Air Pollution Control District agreement.
- Retirement of Mill Creek 1: 12/31/2024
- The next turbine overhauls by unit are as follows:
  - 2020: Ghent 4
  - 2021: Ghent 1
  - 2022: Mill Creek 4
  - 2023: Trimble County 2 (Generator)
  - 2024: Cane Run 7 (CT1, CT2, and ST HP-IP)
  - 2025: Trimble County 1
- Demolition Timing:
  - Completed:
    - Paddy's Run Coal Plant (2017)
    - Green River Coal Plant (February 2020)
    - Pineville Coal Plant (2019)
    - Tyrone Coal Plant (July 2020)
  - Cane Run Coal Plant completion expected 3rd quarter 2020
  - Canal Station completion expected 4th quarter 2021

Major Financial Assumptions

- Base rate case will be filed in the fourth quarter of 2020 for test year beginning July 1, 2021 through June 30, 2022. Base year will be March 1, 2020 through February 28, 2021.

- Outage normalization:
    - Current regulatory treatment is based on a five year historical average through June 2021.
    - Assumes regulatory treatment is based on an eight year average (four year historical and four years forward looking 2017-2024)
    - Assume amortization of regulatory assets or liabilities will be over a six year period for the remaining balance on the 2016 case and over an eight year period for the balance on the 2018 case .

- Labor budget built on current work force plan recommendations. Assumptions include an anticipated retirement savings based on actuarial calculations developed by Towers Watson and a wage increase for current employees on average of 3% per year.

- Supplemental contractor work force includes on average a 3.2% escalation in costs based on anticipated increase in contracts expected be awarded in 2021.

- As currently drafted, the Affordable Clean Energy (ACE) Rule would have insignificant cost impacts; however, no costs have been included in the 2021 business plan.

- The plan does not include potential ongoing expenses related to COVID-19.

Major Assumptions – Combustion Turbines

- Combustion turbine (CT) outages in the plan:
  - The second set of Trimble County CT hot gas path inspections are in progress with the remaining units scheduled as follows:
    - Unit 9 in 2020
    - Unit 8 in 2021
    - Unit 10 in 2024
  - The third hot gas path inspection will commence on TC Unit 5 in the fall of 2020 and will include a rotor inspection.
  - A hot gas path inspection on Paddy's Run 13 is scheduled to commence in 2025.
  - E.W. Brown C inspections by unit are as follows:
    - Unit 7 in 2021
    - Unit 8 in 2022
    - Unit 9 in 2025
- Funding for enhanced in line inspections for gas transmission included in fuel costs for E.W. Brown (2021), Cane Run 7 (2022), Trimble County (2025) and Paddy's Run 12 (2025).
- E.W. Brown 6 and 7 Long-Term Services Agreement (LTSA) is in place.
- The CT component outages for Cane Run 7 are a Hot Gas Path Inspection (HGPI) Spring 2020, Combustion Inspection Spring 2022, and a major in 2024 (HGPI and turbine overhaul).
  - Cane Run 7 CT's are covered under a signed Long Term Program Contract (LTPC).

Major Assumptions – Water Treatment

- Process water systems (PWS) (Phys-chem for Mercury, Arsenic, metals) included on the 2016 ECR plan for all four coal-fired plants:
    - Mill Creek – In-service November 2019
    - Trimble County – In-service October 2019
    - Ghent – April 2020
    - E.W. Brown – May 2020
- All PWS labor and non labor costs for operating and maintaining process water systems are in base rates.
- Effluent Limitation Guidelines (ELG), primarily for Mercury, Selenium, and Nitrate reductions have projected capital spend in 2020-2024. Trimble County has an anticipated in service date of November 2023 while the anticipated in service date for Mill Creek and Ghent November 2024.
- ELG at E.W. Brown is included in the plan as a sensitivity due to less volume resulting in cycling up chlorides and closed loop on WFGD.
- ELG plans include a diffuser at Ghent and Mill Creek (both in-service 2021), and a bottom ash sluice water recirculation system at Ghent (in-service 2023).
- An ECR filing for ELG was submitted in April 2020 seeking recovery of ELG costs, both capital and operating expense. ECR approval granted October 2020 to support award of EPC in 4Q, 2020.
- ELG operating expenses included in the plan align with the ECR filing.

Major Assumptions – Coal Combustion Residuals (CCR's)

- EPA finalized the CCR rule on December 19, 2014 (published in the Federal Register on April 17, 2015).
  - Expect all CCR impoundments to stop receiving sluiced CCR by October 2020 due to trigger of groundwater criteria. (The Remand Rule Phase I Part I to the CCR Rule provided 18 months of relief for impoundment to stop receiving sluiced CCR and start the closure process to October 2020.)
  - Congress passed and the President signed the Water Infrastructure Improvements for the Nation Act (WIIN Act) on December 16, 2016. The WIIN Act is the first step to allow for the implementation of the federal CCR Rule through a state or federal based permit program.
  - All CCR impoundment closures, including non process water ponds and PWS Phys-chem water treatment facilities, were included in the approved 2016 ECR filing.

- CCR Impoundment Closures under the CCR rule by year are as follows:
  - Completed Closures
    - 2017 - Mill Creek Emergency Pond
    - 2018 - Mill Creek Clearwell and Construction Runoff Pond , Green River SO2 Pond and Main Ash Pond
    - 2019 - Green River ATB #2, Pineville Ash Pond, Tyrone Ash Pond, Mill Creek Dead Storage Pond, Ghent Reclaim Pond and Gypsum Stack (Phase I of II)
    - 2020 - E.W. Brown Main Ash Pond (landfill partial Phase II and entire Phase III)
  - 2020: Ghent Gypsum Stack (Phase II of II) and Mill Creek Ash Pond
  - 2021: Ghent ATB #1,Ghent Secondary Pond, and E.W. Brown Auxiliary Pond.
  - 2023: Trimble County GSP and Ghent ATB#2 .
  - 2024: Trimble County BAP.
    - NOTE: Given recent updates to the CCR Rule, the 5-year deadline is no later than August 2025.

- Each pond will be retired from the property accounting ARO perspective in the year it is closed

Major Assumptions – CCR (continued)

- CCR Well Installation and Monitoring
  - The installation of wells at each of the CCR-regulated units and the initial eight rounds of background monitoring required by the CCR Rule was completed in February 2019 under the direction of Project Engineering.
  - Ongoing CCR well sampling, additional CCR-related well installations, and monitoring cost post-trigger for 30-year minimum are managed and covered by Generation Services projects.
  - Cane Run well monitoring is included in the Generation Services budget as a non-ECR project.
  - Well installation and monitoring costs for Green River, Pineville, and Tyrone are not included in the plan.
- Trimble County Treatment, Transport, and Landfill
  - The treatment system was placed into service in June, 2019.
  - The transport system was placed into service in January, 2020.
  - The contracted in-service date for Landfill Phase 1A is projected to be 4Q, 2021 to account for change of conditions and extensive rainfall in 2018 and 2019.
    - All permits required to allow landfill construction have been received.
    - While no lawsuits exist as of September 2020, litigation of permit remains possible; however, construction will continue as planned unless court issues a stay of the permit.
- The CCR impoundment closure projects assume that existing CCR materials from each plant can be beneficially used to construct the designed contour in each pond similar to that done at Cane Run. If that is not allowed by rule, the estimated cost of having to instead procure off-site fill material is an additional $200M.

2020-2025 Capital Expenditures ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
CT Major	$ 11,220	$ 39,605	$ 4,110	$ -	$ 8,971	$ 46,183
Coal Major	40,808	39,803	29,247	1,394	3,884	35,710
Cane Run 7 Major	24,036	-	9,289	-	29,901	-
Non-Major Outage	31,732	53,826	34,491	73,954	66,865	43,799
Reliability	41,992	67,761	23,020	37,767	40,215	23,743
OT Security	-	1,585	379	-	-	-
ECR Mechanism	12,077	1,126	186	197	197	197
All Other	7,244	6,266	1,055	3,156	4,313	2,289
Total Capital	**$ 169,110**	**$ 209,972**	**$ 101,775**	**$ 116,468**	**$ 154,346**	**$ 151,922**
2020 Plan	**$ 149,385**	**$ 220,091**	**$ 106,210**	**$ 121,099**	**$ 166,115**	
Change	**$ (19,725)**	**$ 10,119**	**$ 4,435**	**$ 4,631**	**$ 11,769**	**$ (151,922)**

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Non-Outage:						
Labor	$ 80,817	$ 87,900	$ 90,052	$ 89,972	$ 90,850	$ 91,747
Supplemental Contractors	22,290	26,545	29,190	30,827	31,562	32,880
Plant Maintenance	51,611	60,164	63,848	61,372	56,826	55,409
Plant Operations	12,311	15,890	19,924	20,274	20,828	20,671
Variable Plant O&M	21,822	28,229	34,997	36,071	37,780	37,778
Subtotal Non-Outage	$ 188,850	$ 218,728	$ 238,012	$ 238,516	$ 237,846	$ 238,485
Outage:						
Labor	$ 3,217	$ 3,401	$ 2,730	$ 2,696	$ 2,937	$ 3,211
Supplemental Contractors	2,204	1,833	1,444	1,607	1,370	1,597
Non Labor	27,100	38,195	48,457	47,891	48,912	47,772
Subtotal Outage	$ 32,520	$ 43,428	$ 52,631	$ 52,194	$ 53,219	$ 52,580
Base Rate Recovery	**$ 221,370**	**$ 262,156**	**$ 290,643**	**$ 290,709**	**$ 291,065**	**$ 291,065**
ECR Mechanism O&M:						
Labor	$ 3,334	$ 1,680	$ 381	$ 510	$ 891	$ 1,134
Supplemental Contractors	4,637	3,546	1,801	3,100	4,913	6,201
Non Labor	13,605	3,426	(6,554)	(4,551)	(321)	3,151
ECR Mechanism Recovery	**$ 21,575**	**$ 8,651**	**$ (4,371)**	**$ (941)**	**$ 5,482**	**$ 10,486**
Total O&M - GAAP View	**$ 242,945**	**$ 270,807**	**$ 286,272**	**$ 289,768**	**$ 296,547**	**$ 301,551**

Note - ECR Termination: 2021 - $13,446k, 2022 - $26,079k, 2023 - $28,146k, 2024 - $30,142k, 2025 - $30,454k

Employee Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Mill Creek	204	215	214	207	201	201
Trimble County	174	183	182	183	184	184
Cane Run/Ohio Falls	49	52	52	52	52	52
Ghent	202	214	212	212	214	215
Brown	113	116	113	112	110	108
Generation Services	55	60	60	60	60	60
Commercial Ops	44	45	44	44	44	44
Other Generation	4	5	4	4	4	4
CO-OPS / Interns	24	42	42	38	38	38
Total	869	932	923	912	907	906

Total Employee Workforce

2021BP	869	932	923	912	907	906
Prior Plan	938	940	937	939	941	-
Change from Prior Plan	69	8	14	27	34	(906)

2020 numbers are August actuals.
Plan years are based on average headcount.
The increase from 2020 to 2021 due to current open employee positions.

Supplemental Contractor Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Mill Creek	132	134	134	135	138	141
Trimble County	112	110	110	118	122	118
Cane Run/Ohio Falls	5	6	6	6	6	6
Ghent	124	129	129	129	133	136
Brown	38	42	42	43	44	46
Commercial Ops	14	14	14	14	14	14
Generation Services	23	22	22	22	22	22
Total	448	456	456	466	478	483

Total Contractor Workforce

2021BP	448	456	456	466	478	483
Prior Plan	468	471	471	472	480	
Change from Prior Plan	20	15	15	6	2	(483)

-2020 numbers are August actuals.
-Plan years are based on average headcount.
-The increase from 2020 to 2021 due to current open positions.
-Increase at Trimble County in 2023 driven by landfill operations contractors (9) upon completion of utilizing plant material for pond closures as well as ELG contractors (7). Increase in 2023 offset by reductions in late 2024 and 2025 of maintenance contractors (8).
-ELG contractors at Ghent starting in 2023 (7) and Mill Creek in 2024 (6).

2020-2025 Supplemental Contractors Non-Outage Base ($000)

Supplemental Contractors	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Fuel and Ash Handling Equipment	$ 6,920	$ 6,833	$ 7,091	$ 7,342	$ 7,617	$ 7,861
Buildings and Grounds	4,678	5,493	5,628	5,828	5,658	5,868
Boiler Systems	2,487	4,136	4,224	4,397	3,788	4,140
Process Water	2,039	2,236	2,291	2,362	2,421	2,519
Plant Operations	2,302	2,646	3,419	4,095	4,829	5,011
Environmental	1,163	2,051	3,034	3,193	3,326	3,532
CCR Disposal	1,755	1,713	2,009	2,065	2,112	2,145
Cooling Water Systems	426	464	475	484	479	481
Turbine/Generator Systems	189	165	179	184	184	177
Other	1,916	2,692	2,770	2,857	2,944	3,038
Total Supplemental Contractors (100%)	$ 23,875	$ 28,430	$ 31,122	$ 32,807	$ 33,358	$ 34,774
Trimble County Partner	$ (1,585)	$ (1,885)	$ (1,931)	$ (1,980)	$ (1,796)	$ (1,893)
Total Supplemental Contractors Net	$ 22,290	$ 26,545	$ 29,190	$ 30,827	$ 31,562	$ 32,880

2020-2025 Plant Maintenance Non-Outage Base ($000)

Maintenance	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Boiler Systems	$ 9,434	$ 11,115	$ 10,989	$ 10,667	$ 9,570	$ 8,771
Turbine/Generator Systems	3,926	5,338	5,340	5,438	5,278	5,264
Cooling Water Systems	3,293	4,176	3,827	4,167	3,715	3,953
Fuel and Ash Handling Equipment	6,164	7,627	7,400	6,499	5,799	6,060
Landfill and CCRT	1,393	2,970	4,504	4,198	4,126	4,175
Buildings and Grounds	9,982	8,178	7,953	7,879	7,427	6,887
Electrical Systems	857	842	852	857	865	874
Flue Gas Desulfurization (FGD)	2,805	3,049	3,537	3,583	3,462	3,016
Limestone Systems	1,681	3,336	2,737	2,549	2,531	2,789
Tools and Consumables	2,461	2,038	2,038	2,039	2,047	2,064
Process Water Systems	821	1,769	1,817	1,865	1,912	1,951
Compressed Air Systems	1,240	1,247	1,247	1,141	1,334	1,340
Computer/Monitoring/Controls Systems	3,356	3,221	3,274	3,322	3,141	3,185
Inspections	744	986	784	606	582	529
Obsolete Inventory	453	996	998	760	765	774
Precipitator	402	161	168	168	169	170
Selective Catalytic Reduction (SCR) systems	1,078	807	893	887	854	907
SO3 Mitigation systems	16	181	327	327	329	332
Pulse Jet Fabric Filter (PJFF) systems	51	510	1,075	891	888	739
Brown Regulatory Assets	824	412	-	-	-	-
Other Maintenance	3,467	4,080	6,946	6,323	4,430	4,117
Total Maintenance (100%)	$ 54,449	$ 63,039	$ 66,705	$ 64,166	$ 59,221	$ 57,895
Trimble County Partner	$ (2,839)	$ (2,875)	$ (2,857)	$ (2,794)	$ (2,396)	$ (2,486)
Total Maintenance Net	$ 51,611	$ 60,164	$ 63,848	$ 61,372	$ 56,826	$ 55,409

2020-2025 Plant Operations Non-Outage Base ($000)

Operations	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Chemicals/Gases/Diesel	$ 4,212	$ 5,158	$ 4,930	$ 4,701	$ 4,779	$ 4,788
Administrative and General Supplies	2,131	1,823	1,847	1,872	1,889	1,908
Health and Safety	2,953	1,798	1,832	1,819	1,832	1,850
Fuel Handling Equipment	1,559	1,710	1,763	1,808	1,827	1,851
Tools and Consumables	1,124	1,732	1,760	1,777	1,744	1,577
Water and Water Treatment	1,380	1,321	1,332	1,315	1,309	1,325
HydroElectric Facilities	836	993	1,008	1,023	1,039	1,054
Combustion Turbine Facilities	740	1,214	1,331	1,189	1,277	1,196
Environmental	410	800	1,082	1,044	1,040	1,018
Training and Development	326	641	644	646	649	650
OT IT Security	-	496	991	991	991	991
Refined Coal	(5,234)	(2,487)	-	-	-	-
Other Operations	2,915	1,745	2,735	3,442	3,857	3,916
Total Plant Operations (100%)	$ 13,352	$ 16,944	$ 21,256	$ 21,628	$ 22,233	$ 22,126
Trimble County Partner	$ (1,042)	$ (1,054)	$ (1,332)	$ (1,354)	$ (1,404)	$ (1,456)
Total Operations Net	$ 12,311	$ 15,890	$ 19,924	$ 20,274	$ 20,828	$ 20,671

2020-2025 Variable Plant O&M Expense Non-Outage Base ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Scrubber Reactant Ex	$15,031	$13,121	$13,350	$13,821	$14,472	$14,262
NOx Reduction Reagent	4,051	4,262	4,443	4,573	4,934	4,932
Liquid Injection Reagent	2,003	2,786	3,979	4,000	4,525	4,626
Sorbent Reactant	1,868	7,286	11,935	12,240	12,654	12,729
Process Water Chemicals	1,122	1,760	1,745	1,692	1,763	1,781
Activated Carbon	-	738	1,431	1,524	1,506	1,441
Other Waste Disposal	81	312	514	528	542	554
Total Variable Plant O&M Expenses (100%)	$24,155	$30,264	$37,398	$38,378	$40,396	$40,326
Trimble County Partner	(2,333)	(2,035)	(2,401)	(2,306)	(2,616)	(2,548)
Total Variable Plant O&M Expenses Net	$ 21,822	$ 28,229	$ 34,997	$ 36,071	$ 37,780	$ 37,778

2020-2025 Outage Expense ($000)

Outages	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Coal Fired Units	$37,536	$46,882	$36,262	$33,602	$35,617	$39,263
Combustion Turbines	$9,709	$4,207	$6,594	$2,763	$16,765	$3,608
Total Outage	**$47,245**	**$51,089**	**$42,856**	**$36,365**	**$52,382**	**$42,871**
Outage Normalization	($15,404)	($11,792)	$2,192	$8,246	($6,747)	$2,126
Outage Normalized	**$31,841**	**$39,297**	**$45,048**	**$44,611**	**$45,636**	**$44,997**
Outage Regulatory Asset Amortization 2016 Case	$679	$1,087	$1,495	$1,495	$1,495	$1,495
Outage Regulatory Asset Amortization 2018 Case	$0	$3,044	$6,088	$6,088	$6,088	$6,088
Outage Regulatory Asset Amortization	**$679**	**$4,131**	**$7,583**	**$7,583**	**$7,583**	**$7,583**
2021 Business Plan Outage Expense	**$32,520**	**$43,428**	**$52,631**	**$52,194**	**$53,219**	**$52,580**

2020-2025 Mechanism O&M Expense ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$3,441	$1,791	$508	$680	$1,106	$1,355
Supplemental Contractor	4,968	4,086	2,325	3,985	5,981	7,309
ECR ELG Chemicals	-	-	-	590	3,024	5,015
ECR ELG Maintenance	-	-	-	546	2,231	3,458
ECR Landfill Operations	645	238	-	-	-	-
ECR Landfill Maintenance	5,675	3,151	1,751	3,527	3,541	3,666
ECR Fly Ash Disposal - Beneficial Reuse	(5,332)	(5,946)	(5,846)	(6,075)	(5,720)	(5,561)
ECR Other Waste Disposal - Beneficial Reuse	(3,339)	(2,675)	(2,869)	(2,865)	(2,864)	(2,851)
ECR CCP System Maintenance	176	346	406	412	418	428
ECR Activated Carbon	1,435	698	-	-	-	-
ECR Liquid Injection - Reagent	1,611	1,109	-	-	-	-
ECR Nox Reduction Reagent	294	127	-	-	-	-
ECR Sorbent Reactant - Reagent	10,278	5,318	-	-	-	-
ECR Baghouse Maintenance	654	530	-	-	-	-
ECR Maintenance-FGDs	1,043	485	-	-	-	-
ECR Maintenance Of SCR/NOx Reduction Equip	68	56	-	-	-	-
ECR Sorbent Injection Operation	228	51	-	-	-	-
ECR Sorbent Injection Maintenance	391	145	-	-	-	-
ECR SO2 Emission Allowances	1	-	-	-	-	-
Total ECR Mechanism	$22,237	$9,509	($3,724)	$801	$7,718	$12,818
Trimble County Partner	(662)	(858)	(647)	(1,742)	(2,236)	(2,332)
Total ECR Mechanism Net	$ 21,575	$ 8,651	$ (4,371)	$ (941)	$ 5,482	$ 10,486

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024	2025
2021 Business Plan	**$ 270,807**	**$ 286,272**	**$ 289,768**	**$ 296,547**	**$ 301,551**
2020 Business Plan	**$ 283,460**	**$ 297,254**	**$ 303,703**	**$ 314,626**	**$ 319,706**
Change	**$ 12,654**	**$ 10,982**	**$ 13,935**	**$ 18,079**	**$ 18,155**
Drivers:					
Outage					
Outage O&M	$ (6,940)	$ 451	$ 573	$ (278)	$ 10,188
Outage Normalization	3,917	(908)	(1,018)	(221)	(10,244)
Outage Regulatory Asset Amortization 2016 Case	149	19	19	19	19
Outage Regulatory Asset Amortization 2018 Case	1,249	352	352	352	352
Subtotal Outage	**$ (1,625)**	**$ (86)**	**$ (75)**	**$ (129)**	**$ 314**
Non Outage:					
Labor	$ 1,052	$ 1,221	$ 3,296	$ 4,213	$ 5,025
Retirement Savings	740	1,827	2,884	3,885	4,859
Supplemental Contractors	2,324	2,320	553	(729)	(2,294)
Non Labor:					
Refined Coal	2,270	0	0	0	0
Reactants and Reagents	3,891	5,840	6,064	6,549	5,326
Process Water Systems	1,123	1,240	1,407	1,511	1,461
Beneficial Reuse	2,075	1,991	2,229	1,847	1,536
Maintenance and Overhauls	(944)	(5,291)	(2,441)	2,331	5,832
Mill Creek 2 APCD Agreement	522	454	404	1,038	229
Mill Creek 1 Retirement			91	197	1,106
TC Landfill Ops and Maintenance	2,639	2,557	1,380	1,407	1,440
GH Landfill Ops and Maintenance	(988)	(206)	(1,214)	(2,188)	(2,254)
Effluent Water - ELG		100	356	(747)	(3,841)
OT IT Security	(496)	(991)	(991)	(991)	(991)
Non Labor Other	69	6	(8)	(116)	405
Subtotal Non Outage	**$ 14,279**	**$ 11,068**	**$ 14,010**	**$ 18,208**	**$ 17,841**
Total Drivers	**$ 12,654**	**$ 10,982**	**$ 13,935**	**$ 18,079**	**$ 18,155**

Operational Performance

Key Performance Indicators

KPI	2020 Forecast[6]	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Generation (Twh)[1]	30.27	31.26	31.44	31.36	31.41	31.30
EAF (Steam)	84.5%	84.2%	86.2%	86.3%	85.5%	86.7%
EFOR (Steam)	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Controllable Cost ($M)[2]	$242.9	$270.8	$286.3	$289.8	$296.5	$301.6
Controllable Cost (per Mwh)[2]	$8.03	$8.66	$9.11	$9.24	$9.44	$9.63
Cash Cost (per Mwh)[3]	$13.61	$15.38	$12.34	$12.95	$14.36	$14.49
Cost Per Mwh [4]	$7.94	$8.25	$8.61	$9.05	$9.42	$9.76
Recordable Injuries[5]	1.03	1.10	1.09	1.08	1.07	1.07
Days Away/Restricted/Transferred Case Rate (DART)	0.69	0.63	0.62	0.60	0.59	0.59

[1] Steam Generation includes 75% of Trimble County 1 and 2.

[2] Controllable Costs include Utility O&M and Other Cost of Sales.

[3] Cash cost includes controllable costs plus capital divided by MWH (75% TC)

[4] Five year average - measure is non fuel O&M used in FERC benchmarking and includes all lines of business divided by MWH (75% TC)

[5] The 2020 number represents the August YTD value. Values are without hearing loss.

[6] The 2020 Forecast is based on the 8+4 forecast.

Customer Services
LG&E and KU Utilities
2021 Operating Plan

October 2020

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Section 16(7)(c) I.
Page 110 of 253
Bellar/Blake

Table of Contents

- Plan Highlights
- Major Assumptions
- Financial Performance
  - 2020-2025 Capital Expenditures
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Supplemental Contractors
    - Non-labor
    - Mechanism O&M
- Key Performance Indicators

Plan Highlights

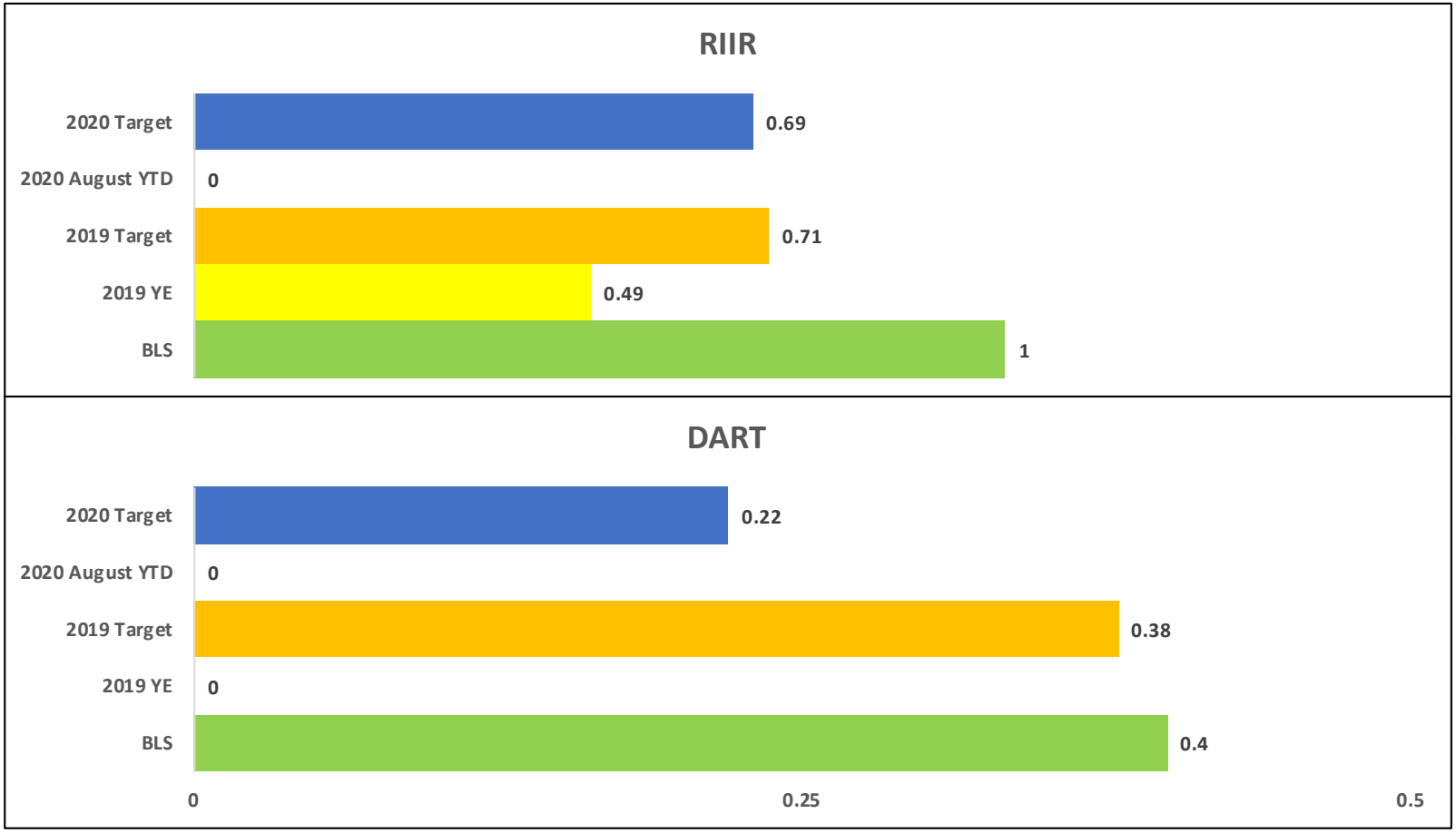
Customer focus is a core value at LG&E and KU. Customer Services leads the company strategy to enhance the customer's experience through providing products and services that exceed customer expectations and improve their quality of life. We are committed to delivering positive experiences that create value, enhance our relationship, and build trust.

Funding levels within the proposed plan are established with the following priorities in mind:

- Employee and public safety including compliance with industry regulatory requirements
- Full scale implementation of AMI
- Focus on economic development and emerging technologies
- Continue current Energy Efficiency programs and services for our customers
- Invest in technology to enhance customer experience and improve operational efficiency
- Continue using Robotic Process Automation (RPA) opportunities to drive cost reductions
- Execute Facility construction and renovation plans to address operational needs
- Maintain operational performance levels
- Manage "best in class" bad debt expense

Plan Highlights

Safety Performance – Customer Service

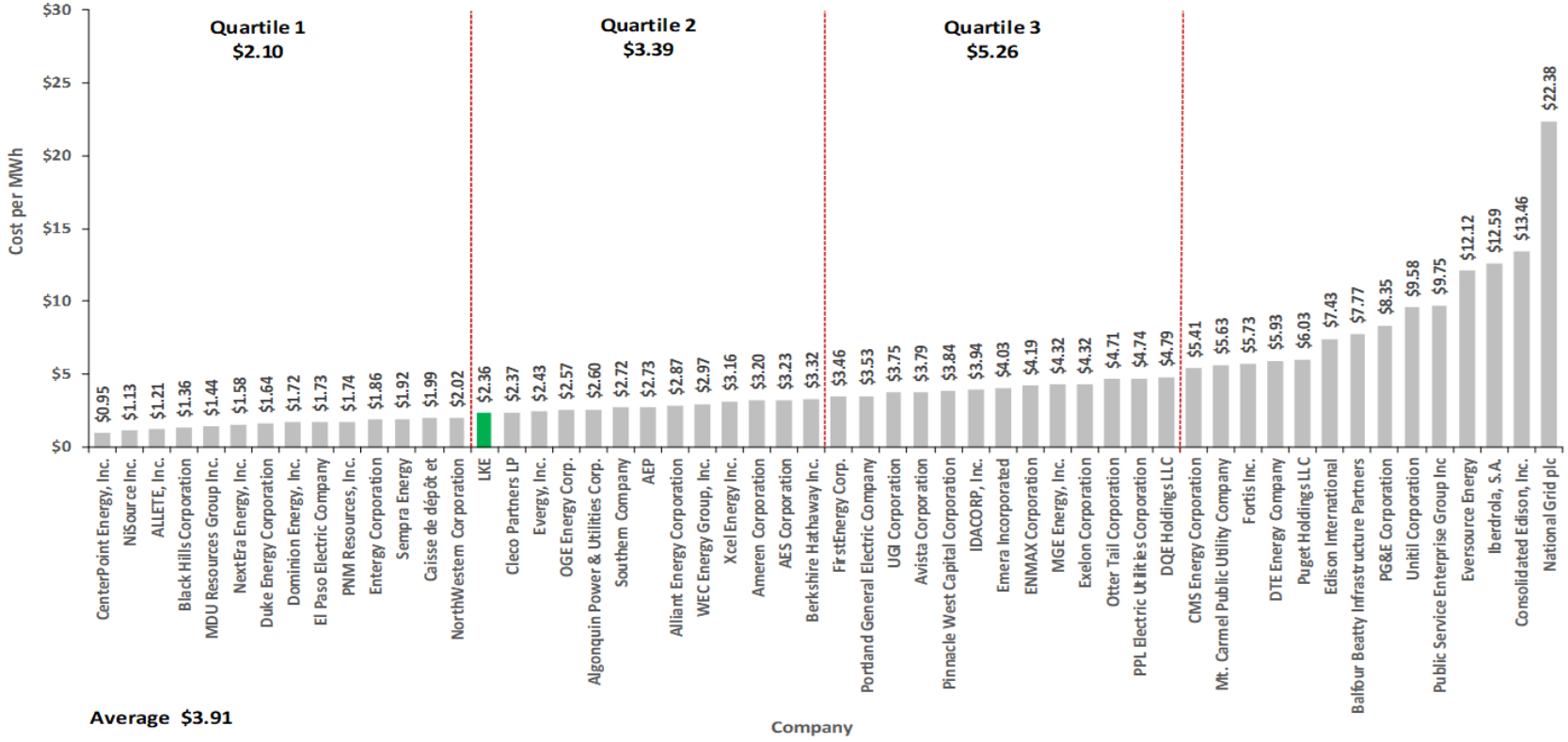


2017 BLS - most recent data

Plan Highlights

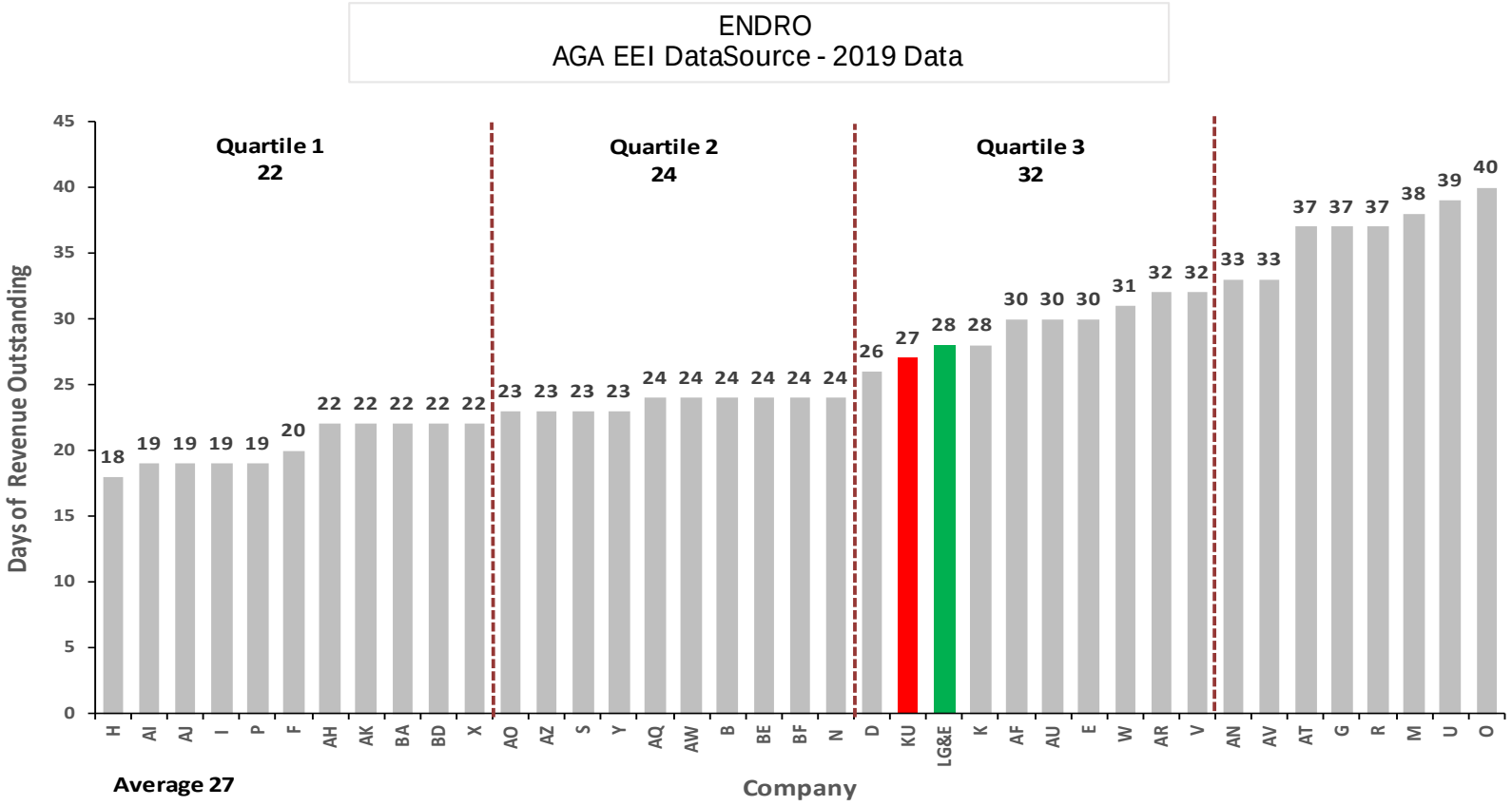
Total Customer Service Electric O&M Cost per MWh

Overall Customer Service Electric O&M Expenditures per MWh
FERC Utility Cost Benchmarking – 5 Year Average Data (2015-2019)
(Electric Only)



Plan Highlights

Estimated Number of Days of Revenue Outstanding (ENDRO)

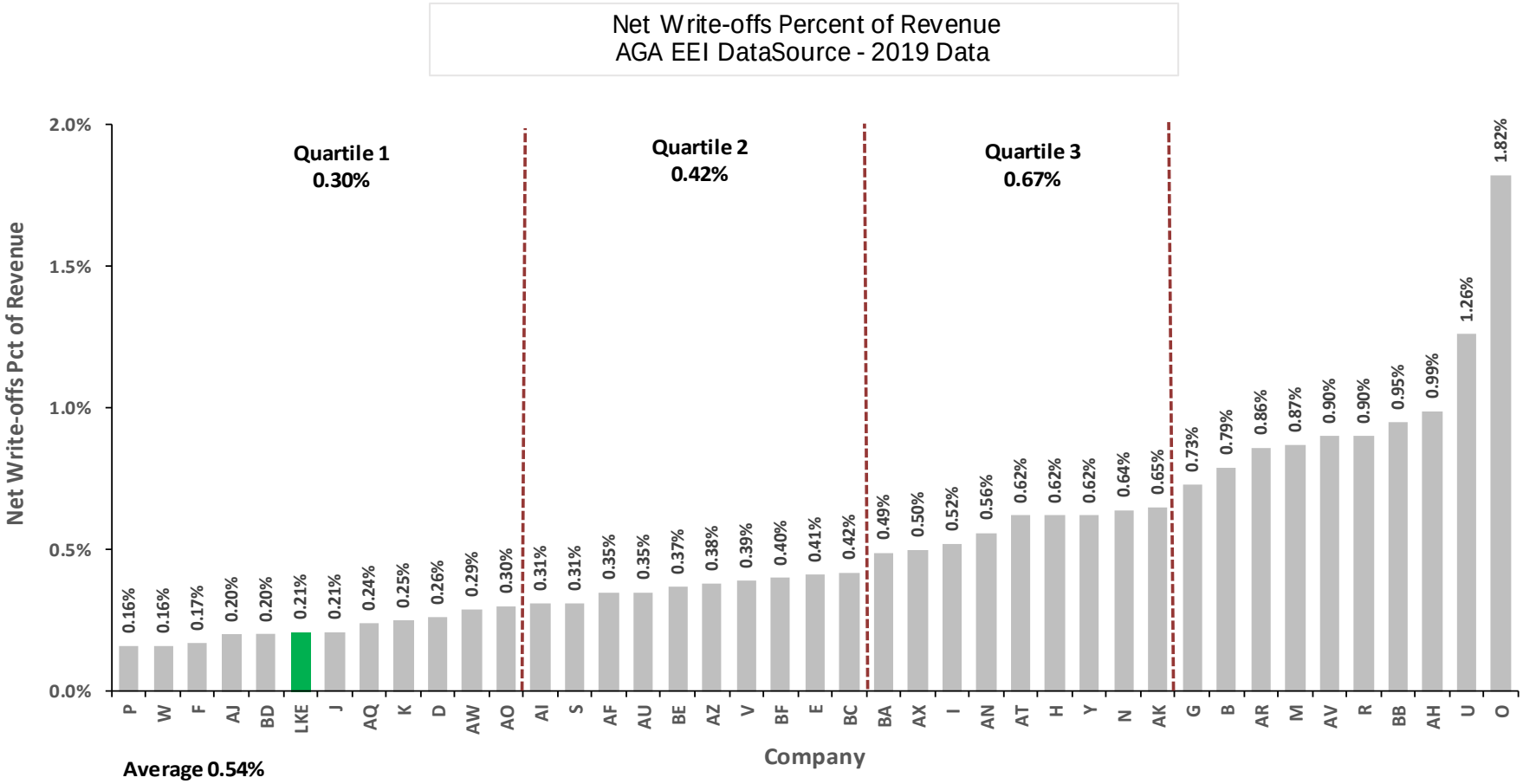


Note: January 2013 Rate Case granted customers more time to pay (minimum 22 calendar days vs. 12 calendar days).

Note: The AGA EEI DataSource Benchmarking information be used for internal purposes only. The benchmarking information cannot be shared externally to any third-party including government agencies (PSC), contractor, consultant, etc.

Plan Highlights

Net Write-Offs as a Percent of Revenues to Ultimate Customers

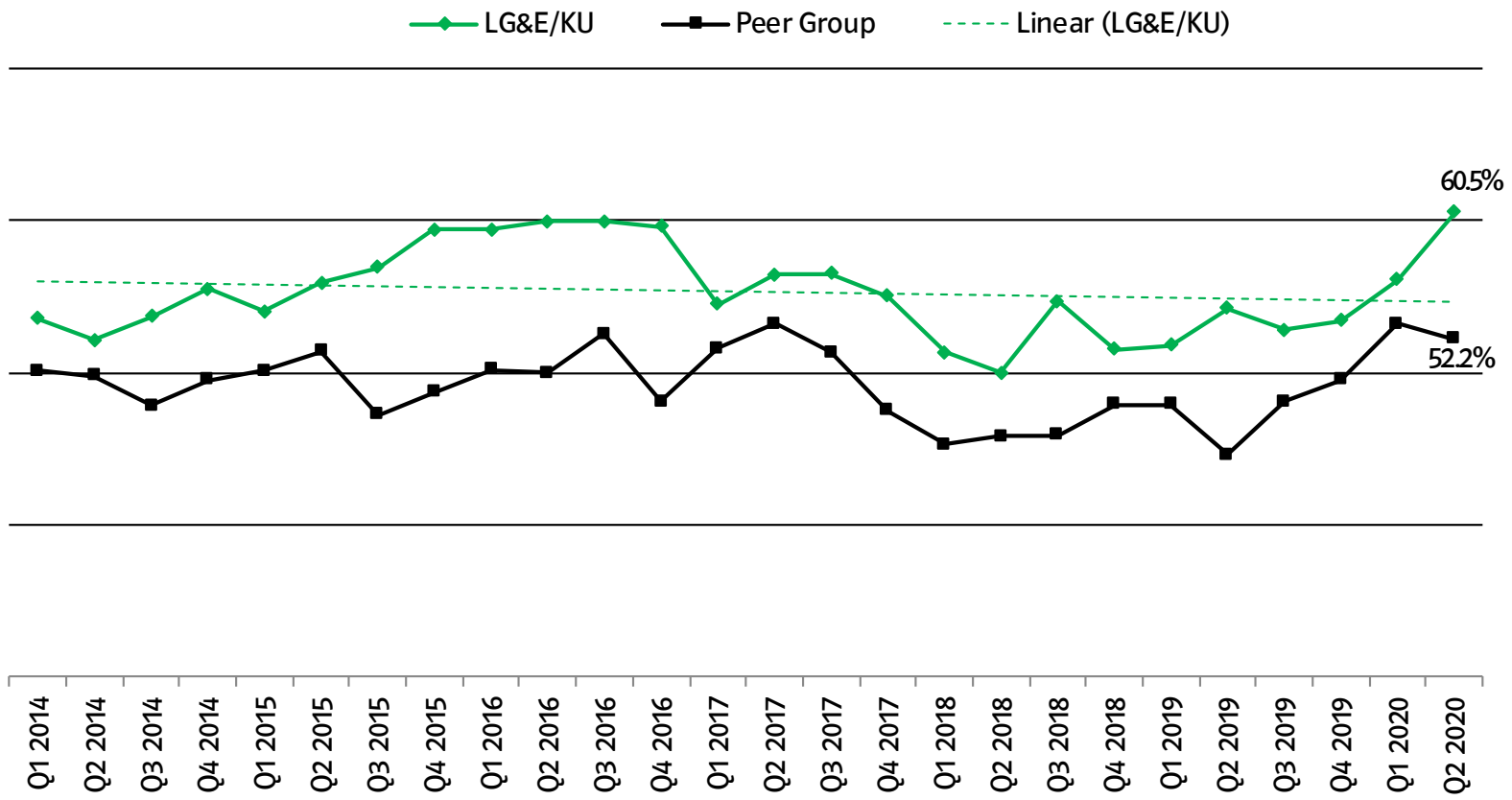


Note: The AGA EEI DataSource Benchmarking information be used for internal purposes only. The benchmarking information cannot be shared externally to any third-party including government agencies (PSC), contractor, consultant, etc.

Plan Highlights

Residential Customers – Satisfaction Survey

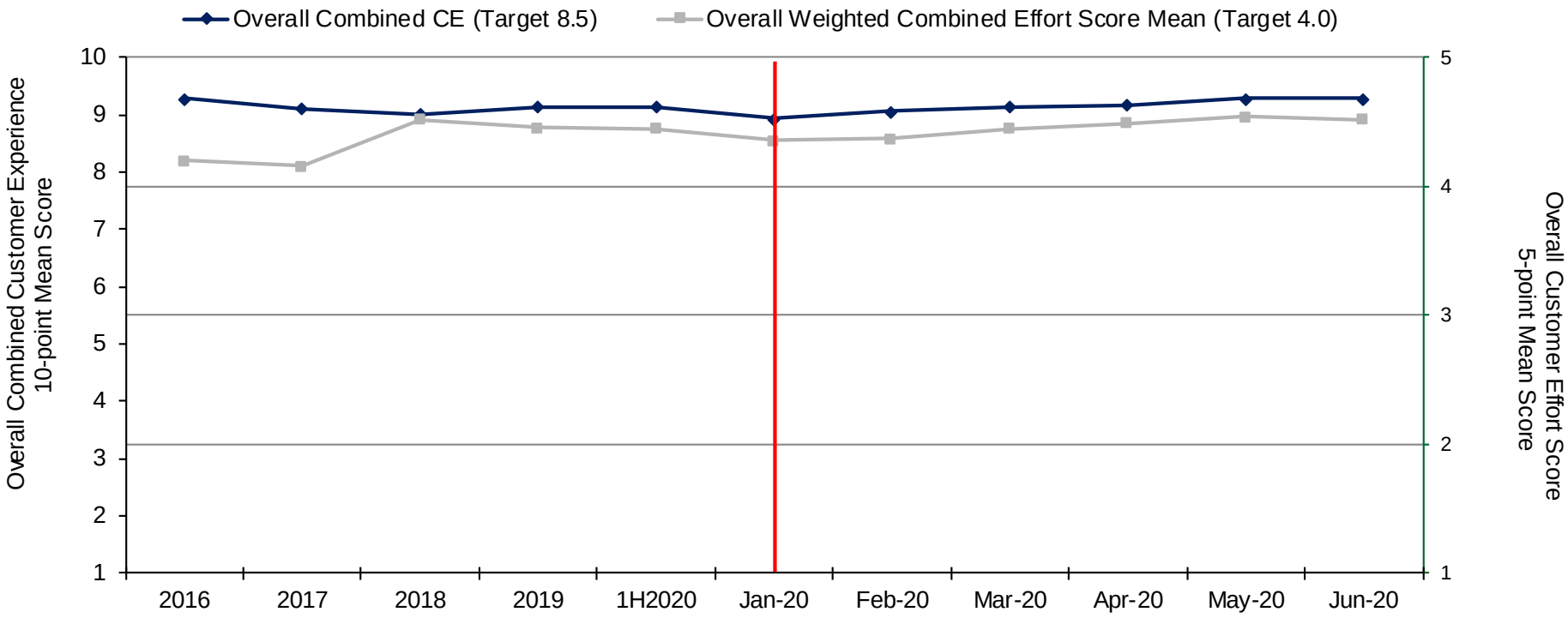
Measured as "Top Two Box" (score of 9 or 10 on 10-point scale)



Plan Highlights

All Customer Contact Channels

Combined "Customer Experience" vs "Combined Effort" Score



Note: 2016-2018 Combined CE Scores = Residential and Business agent and self serve contact channels, weighted by channel volumes.
In 2016, Residential and Business IVR transaction surveys were disconnected and in 2019, Website and My Account studies were discontinued.

Plan Highlights

- Safety and Wellness
  - Continue a comprehensive safety/technical focus for both field field and office workers including safety knowledge transfer from seasoned to new employees
  - Continue to improve motor vehicle safety
  - Continue to improve workforce, business partners and public safety
  - Utilize the strength of our employee led safety teams to identify, share and capitalize on industry best practices
  - Maintain industry safety leading performance
  - Enhance operational effectiveness within the COO organization
  - Promote wellness initiatives as an aspect of safety

Plan Highlights

- Customer Experience
  - Advance corporate-wide "Customer Experience" strategy/initiative
  - Continue investments in technology to enhance digital customer experience and improve operational efficiency
    - Expand AMI to all of our customers
    - Expand and improve online offerings, through MyAccount and new Mobile App, to enhance the customer digital experience
    - Implement new customer notification platform to provide flexible, timely and proactive options in sending information to customers
    - Improve contact center platforms to take advantage of future features and continue reliable online (email and chat) and phone (including IVR self-service) support for customers
  - Enhance our "Customer Advocacy" role through partnerships with customer focus groups
  - Continue commitment to corporate citizenship and community involvement

Plan Highlights

- Customer Experience
  - Continue to assist low-income customers through energy efficiency programs and partnerships with advocacy groups
    - Enhance, as necessary, low income agency website to improve the agency experience while assisting customers
  - Leverage funding from partners and continue to lead economic development by addressing inventory shortages and aging sites and buildings, through strategic investments.
  - Utilize Green tariff, EDR enhancements and one-time LPC waiver to demonstrate Company's commitment to meet customer needs
  - Expand the number of customers participating in our renewable offerings and enhance programs to meet customers needs

Major Assumptions

- The “Customer Experience” will continue to be a significant focus across the Company.
- Approval for full deployment AMI is achieved. Project timelines and schedule milestones are met to provide for the financials included in the plan as a mechanism tracker for benefits, capital, and expenses.
- Bad debt expense is calculated using a five-year average write off percentage.
- The Company will continue investing in economic development and infrastructure such as vehicle electrification that could diversify revenue streams.
- The plan assumes labor savings associated with replacement of retirees at lower salaries. Risk in achieving O&M targets if assumptions in number of retirements or rate of replacements are lower than expected.

Major Assumptions

- Customer expectations regarding levels of service, digital experience and availability of information will continue to increase.
- DSM cost of sales reflected in the Plan are based on the approved filing plus current estimates on the non-residential rebate program which could dictate a new filing in late 2022.
- Continued facility consolidations, identified building renovations and ongoing maintenance needs are included in the plan.
- Manual meter reading costs will continue to escalate at or near the allowed contractual limit.
- As AMI progresses, manual meter reading contracts do not trigger retention or price escalations – current meter reading business partners are assumed to manage deployment of smart meters.
- Meter Assets loaned labor for AMI meter deployment will not be backfilled.

2020-2025 Capital Expenditures ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
AMI Projects	$ -	$ 16,653	$ 55,021	$ 81,588	$ 74,770	$ 56,687
Meter Purchases	5,441	5,112	4,766	4,455	4,113	4,306
Facility & Site Improvements	16,443	7,805	3,744	5,060	9,747	8,824
Facility Consolidation	4,126	3,673	2,243	4,300	1,500	2,000
Limestone / Louden Relocation	25	10,939	8,327	-	-	-
KUGO Remodel	8,281	5,450	-	-	-	-
AOC Expansion	8,546	-	-	-	-	-
Engineering Center	1,414	7,016	-	-	-	-
Medical Clinics	2,197	-	-	-	-	-
Facility Relocation Property	(0)	500	-	500	-	-
Furniture & Equipment	310	1,340	742	989	975	697
Security Systems &/or Equipment	799	800	600	600	600	600
Electric Vehicle Charging Stations	7	-	400	825	-	-
Solar Projects - Community	735	-	-	-	-	-
All Other	1,295	1,340	1,269	1,275	1,289	1,363
Total Capital	**$ 49,619**	**$ 60,628**	**$ 77,113**	**$ 99,593**	**$ 92,994**	**$ 74,477**
2020 Plan	**$ 39,993**	**$ 41,541**	**$ 20,715**	**$ 20,862**	**$ 22,462**	
Change : (Incr) / Decr	**$ (9,626)**	**$ (19,087)**	**$ (56,398)**	**$ (78,731)**	**$ (70,532)**	

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 44,156	$ 46,890	$ 47,367	$ 47,749	$ 48,474	$ 48,951
Supplemental Contractors	28,865	32,342	32,638	33,308	34,068	34,983
Bad Debt Expense	9,857	7,519	7,663	7,707	7,771	7,803
Other Outside Services	11,061	12,837	11,367	15,251	9,688	8,458
Materials & Supplies	1,815	2,517	2,142	2,270	2,240	1,859
Transportation	1,678	1,934	1,947	1,964	1,945	1,977
Postage	4,970	5,044	5,138	5,233	5,330	5,553
All Other Nonlabor	7,129	7,964	7,942	7,942	7,870	7,752
DSM Mechanism O&M	13,707	15,607	15,733	14,990	15,023	15,042
GSC Mechanism O&M	238	197	194	188	188	187
Total O&M	**$ 123,477**	**$ 132,851**	**$ 132,131**	**$ 136,602**	**$ 132,596**	**$ 132,566**

Employee Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
VP	1	2	2	2	2	2
Operating Services & Corporate Security	49	53	53	53	53	53
Revenue Integrity	212	223	223	222	222	222
Customer Services & Marketing	364	378	378	378	378	371
Business & Economic Development & Energy Efficiency	31	32	32	32	32	32
Project Services	3	4	8	11	12	12
Interns	5	5	5	5	5	5
Total	665	697	701	703	704	697

Total Employee Workforce

2021BP	665	697	701	703	704
Prior Plan	687	696	696	695	695
Change from Prior Plan	22	(1)	(5)	(8)	(9)

** Average headcount not end of year

NOTE: 2020 numbers are August actuals.

Supplemental Contractor Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Operating Services & Corporate Security	234	242	242	242	242	242
Revenue Integrity	262	260	250	198	105	44
Customer Services & Marketing	15	21	21	21	21	20
Business & Economic Development & Energy Efficiency	69	69	69	69	69	69
Project Services	-	-	-	-	-	-
Total	580	592	582	530	437	375

Total Contractor Workforce

2021 BP	580	592	582	530	437
Prior Plan	578	576	576	576	576
Change from Prior Plan	(2)	(16)	(6)	46	139

**Average headcount not end of year

NOTE: 2020 numbers are August actuals.

2020-2025 Non Labor Expense Category ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Supplemental Contractors						
Operating Services & Corporate Security						
Facilities Services	$ 3,643	$ 3,094	$ 3,089	$ 3,088	$ 3,082	$ 3,107
Corporate Security & Business Continuity	1,814	2,552	2,628	2,691	2,775	2,848
O&M for Shared Facilities	2,428	2,770	2,794	2,862	2,860	2,923
Revenue Integrity						
Billing Integrity	-	1,043	1,018	976	964	1,064
Field Services	5,193	6,112	6,301	6,468	6,554	6,769
Meter Reading	14,221	15,284	15,354	15,775	16,306	16,711
Meter Shop	1,157	793	739	727	795	860
Customer Service & Marketing						
Business Offices	408	491	504	507	509	473
Other Areas & Departments	2	203	211	214	222	228
Total Supplemental Contractors	**$ 28,865**	**$ 32,342**	**$ 32,638**	**$ 33,308**	**$ 34,068**	**$ 34,983**

2020-2025 Non Labor Expense Category ($000)

Item	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Bad Debt Expense					
Retail Revenue from Ultimate Consumer + Change in Receivables					
LG&E - Electric	1,089,029	1,111,093	1,118,470	1,124,020	1,129,399
LG&E - Gas (excluding GSC)	227,462	228,903	232,094	234,370	234,811
KU	1,652,979	1,686,024	1,693,696	1,709,945	1,717,089

Year & % of Revenue	LG&E	KU
2015	0.226%	0.350%
2016	0.167%	0.280%
2017	0.184%	0.279%
2018	0.269%	0.309%
2019	0.172%	0.247%
Simple Average	0.203%	0.293%

Net Charge Offs ($000s)					
LG&E Retail - Electric	2,215	2,259	2,274	2,286	2,297
LG&E Retail - Gas (excluding GSC)	463	465	472	477	477
KU Retail Revenue	4,842	4,938	4,961	5,008	5,029
Total Bad Debt Expense	7,519	7,663	7,707	7,771	7,803

2020-2025 Non Labor Expense Category ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Other Outside Services						
Facilities Services	$ 3,918	$ 3,619	$ 2,884	$ 3,235	$ 2,973	$ 2,616
O&M for Shared Facilities	1,300	2,400	2,200	2,424	2,200	2,422
Business Analysis	1,164	1,474	1,323	1,334	1,348	1,401
Billing Integrity	55	1,040	924	940	957	959
Revenue Strategy & Collection	1,995	871	881	893	903	917
Emerging Business Planning & Development	737	795	755	1,859	746	210
Business Services	268	650	408	1,614	1,572	1,205
Corporate Security & Business Continuity	502	616	640	658	666	678
Business Offices	278	373	381	419	426	433
Residential Service Center	244	370	330	330	330	340
RBSS&L	282	220	228	238	244	251
Real Estate & Right of Way	18	109	110	111	111	115
AMI Incremental Expense / (Savings) *	-	0	1	904	(3,064)	(3,376)
All Other	299	300	303	292	275	286
Total Other Outside Services	**$ 11,061**	**$ 12,837**	**$ 11,367**	**$ 15,251**	**$ 9,688**	**$ 8,458**
** Includes any transfer to Regulatory Assets & Liabilities*						
Materials & Supplies						
Emerging Business Planning & Development	$ 138	$ 569	$ 318	$ 429	$ 396	$ -
Business Offices	291	446	373	383	381	384
Facilities Services	333	300	249	249	245	233
Field Services	274	285	288	288	300	300
O&M for Shared Facilities	140	218	219	219	219	256
Meter Shop	228	180	180	180	180	180
Corporate Security & Business Continuity	89	144	144	144	144	147
Meter Reading	48	143	143	143	143	143
All Other	275	232	229	235	233	217
Total Materials & Supplies	**$ 1,815**	**$ 2,517**	**$ 2,142**	**$ 2,270**	**$ 2,240**	**$ 1,859**

2020-2025 Non Labor Expense Category ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Transportation						
Field Services	1,006	1,147	1,175	1,205	1,235	1,266
Meter Shop	277	258	254	245	238	236
Meter Reading	151	199	204	210	216	222
Facilities Services	121	204	173	160	138	117
All Other	123	126	141	144	118	135
Total Transportation	**$ 1,678**	**$ 1,934**	**$ 1,947**	**$ 1,964**	**$ 1,945**	**$ 1,977**
All Other Nonlabor						
Rent	$ 4,137	$ 3,951	$ 3,975	$ 3,951	$ 3,954	$ 3,936
Meals	597	794	800	795	794	808
Education & Training	139	261	265	262	259	259
Travel	107	272	275	280	282	287
Mileage	254	290	296	290	286	289
Utilities	559	613	629	629	629	628
Telecomm	472	501	464	465	463	470
Rights of Way	313	325	310	312	323	326
Dues & Subscriptions	98	178	104	104	104	105
All Other	453	778	825	855	775	645
Total Other Nonlabor	**$ 7,129**	**$ 7,964**	**$ 7,942**	**$ 7,942**	**$ 7,870**	**$ 7,752**

2020-2025 Mechanism O&M Expense ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
DSM Programs						
Residential WeCare	$ 6,303	$ 6,305	$ 6,490	$ 6,182	$ 6,185	$ 6,182
Commercial Rebates	3,515	4,427	4,349	4,552	4,556	4,556
Residential Demand	2,163	2,583	2,302	2,293	2,286	2,278
Commercial Demand	546	841	976	831	834	837
Development & Administration	494	737	816	833	852	870
Advanced Metering Systems	687	715	799	300	310	319
Total DSM	$ 13,707	$ 15,607	$ 15,733	$ 14,990	$ 15,023	$ 15,042

2020-2025 Mechanism O&M Expense ($000)

Item	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Bad Debt Expense - Gas Supply Clause					
Retail Revenue from Ultimate Consumer					
LG&E - GSC	115,126	113,473	110,004	110,035	109,360

Year & % of Revenue	LG&E
2015	0.213%
2016	0.145%
2017	0.153%
2018	0.222%
2019	0.120%
Simple Average	0.171%

Net Charge Offs ($000s)					
LG&E GSC Bad Debt Expense	**197**	**194**	**188**	**188**	**187**

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024	2025
2021 Business Plan (pg 16)	$ 132,851	$ 132,131	$ 136,602	$ 132,596	$ 132,566
2020 Business Plan	130,189	134,407	136,091	138,367	142,675
Change : (Increase) / Decrease	$ (2,662)	$ 2,275	$ (511)	$ 5,771	$ 10,109
Drivers:					
DSM Mechanism (CoS)	(1,786)	(1,832)	(1,578)	(1,579)	(1,216)
Removal of Gap	(1,714)	(766)	(793)	(813)	(838)
Retirement Savings Assumptions	471	1,169	1,873	2,578	3,287
Bad Debt Expense	1,683	1,818	1,839	1,914	2,075
AMI O&M	(3)	(16)	(919)	3,054	3,377
Facilities Maintenance	(1,746)	(412)	(939)	(359)	(22)
Corporate Security & Business Continuity	143	196	235	257	288
Meter Reading Contracts	(294)	(35)	(108)	(503)	(425)
EV Charging Strategy	-	-	(1,100)	-	-
Emerging Business	42	392	288	324	1,542
Business Services	60	459	250	301	695
Economic Development Activities	-	-	(1,000)	(1,000)	(1,000)
Meter Shop Lower Labor Due to Working on AMI	(9)	158	324	553	625
RERoW (more capital support)	66	224	227	226	235
Business Analysis (primarily Ad Hoc Studies)	(14)	183	179	172	177
Residential Service Center	0	102	102	102	342
Training / Travel / Mileage / Tuition	260	253	288	275	295
Other	178	385	320	270	672
Total Drivers	$ (2,662)	$ 2,275	$ (511)	$ 5,771	$ 10,109

Operational Performance

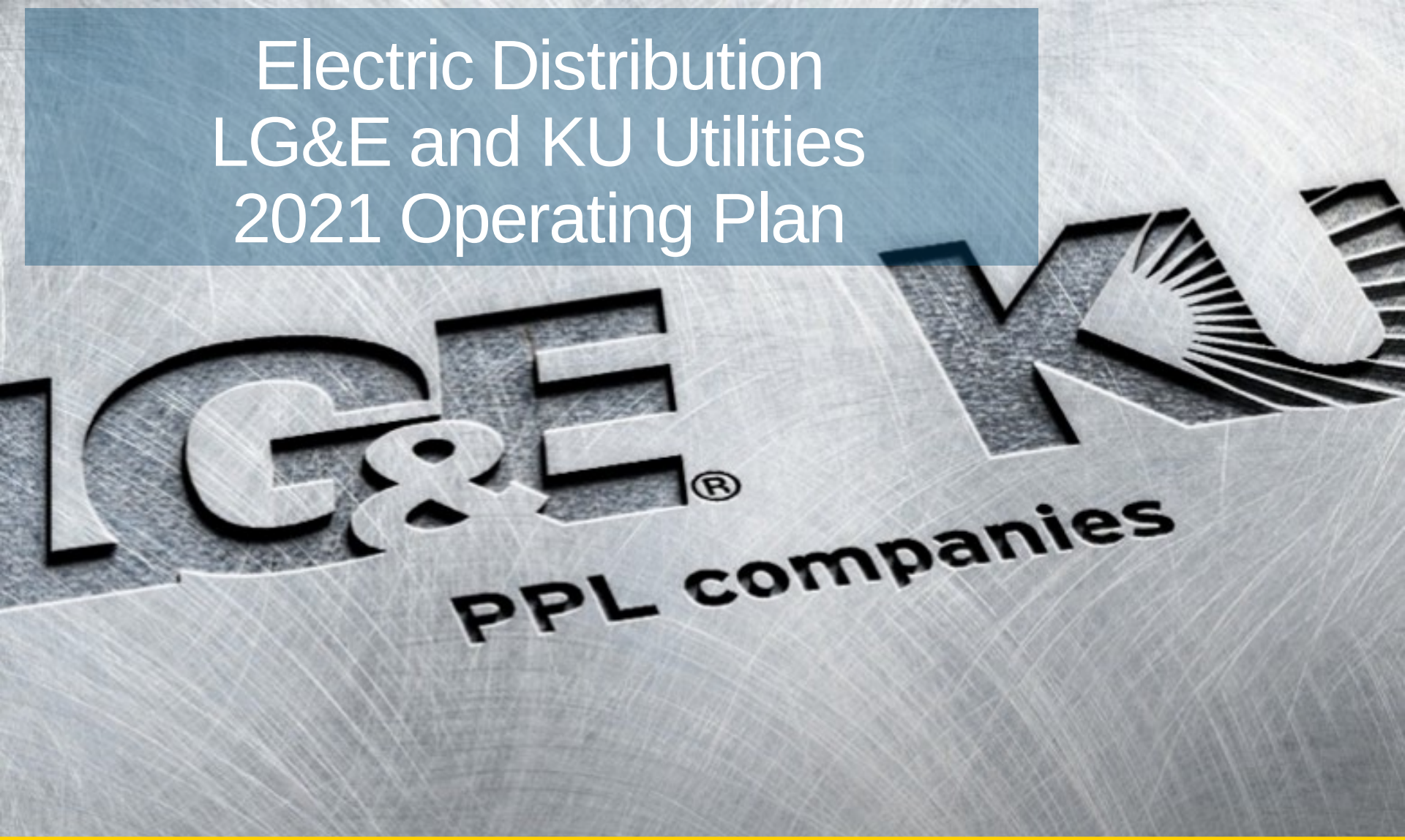
Key Performance Indicators

KPI	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Safety - Employees [1]	0.00	0.68	0.68	0.67	0.66	0.66
Safety - Contractors [1]	1.72	1.66	1.55	1.47	1.38	1.38
DART - Employees [1]	0.00	0.22	0.21	0.21	0.20	0.20
Overall Customer Experience	8.50	8.50	8.50	8.50	8.50	8.50
Overall Customer Satisfaction (TIA Points)	18.00	18.00	18.00	18.00	18.00	18.00
LKE Service Order Days to Complete [2]	1.00	1.00	1.00	1.00	1.00	1.00
O&M Cost per MWH Sold - 5-Year Average Calc	2.43	2.46	2.47	2.55	2.63	2.63

[1] 2020 numbers are YTD August actual.

[2] Measures the time between the scheduled date and the completed service order date (excludes credit and adjustment-related service orders).

Electric Distribution
LG&E and KU Utilities
2021 Operating Plan



October 2020

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Section 16(7)(c) I.
Page 136 of 253
Bellar/Blake

Table of Contents

- Plan Highlights
- Major Assumptions
- Financial Performance
  - 2020-2025 Capital Expenditures
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Supplemental Contractors
    - Non-labor
- Key Performance Indicators

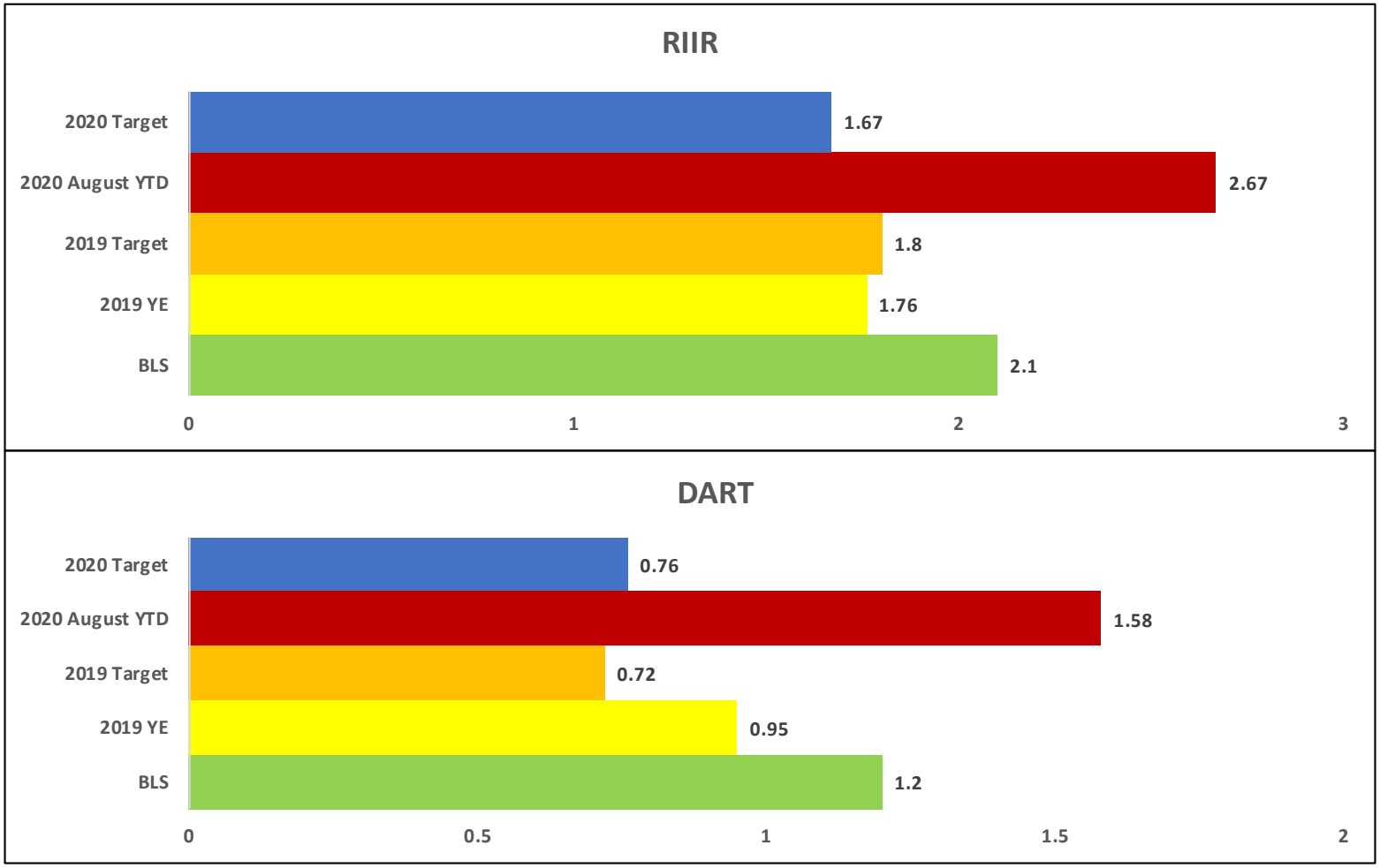
Plan Highlights

Electric Distribution's Business Plan provides for continued emphasis on the Company's core values of safety and customer satisfaction. Plan funding will continue to provide for safe, reliable, resilient, secure and low-cost operations, maintenance, and construction of the electric distribution system, including:

- Assuring worker, customer, and public safety.
- Constructing, maintaining, and operating the electric distribution system in accordance with applicable regulations and standards.
- Investing in new or enhanced infrastructure to serve new customers and load.
- Continuing investments in system hardening, operational technology, and aging assets replacement to assure sustained strong performance in system reliability, resiliency, security and power quality for customers.
- Responding effectively to all customer requests for service.
- Maintaining and executing business processes which assure timely and effective responses to abnormal system operating conditions.
- Investing in proven and evolving technologies which enhance operational performance and efficiencies.
- Establishing and maintaining an effectively trained and qualified workforce.

Plan Highlights

Safety Performance - Electric

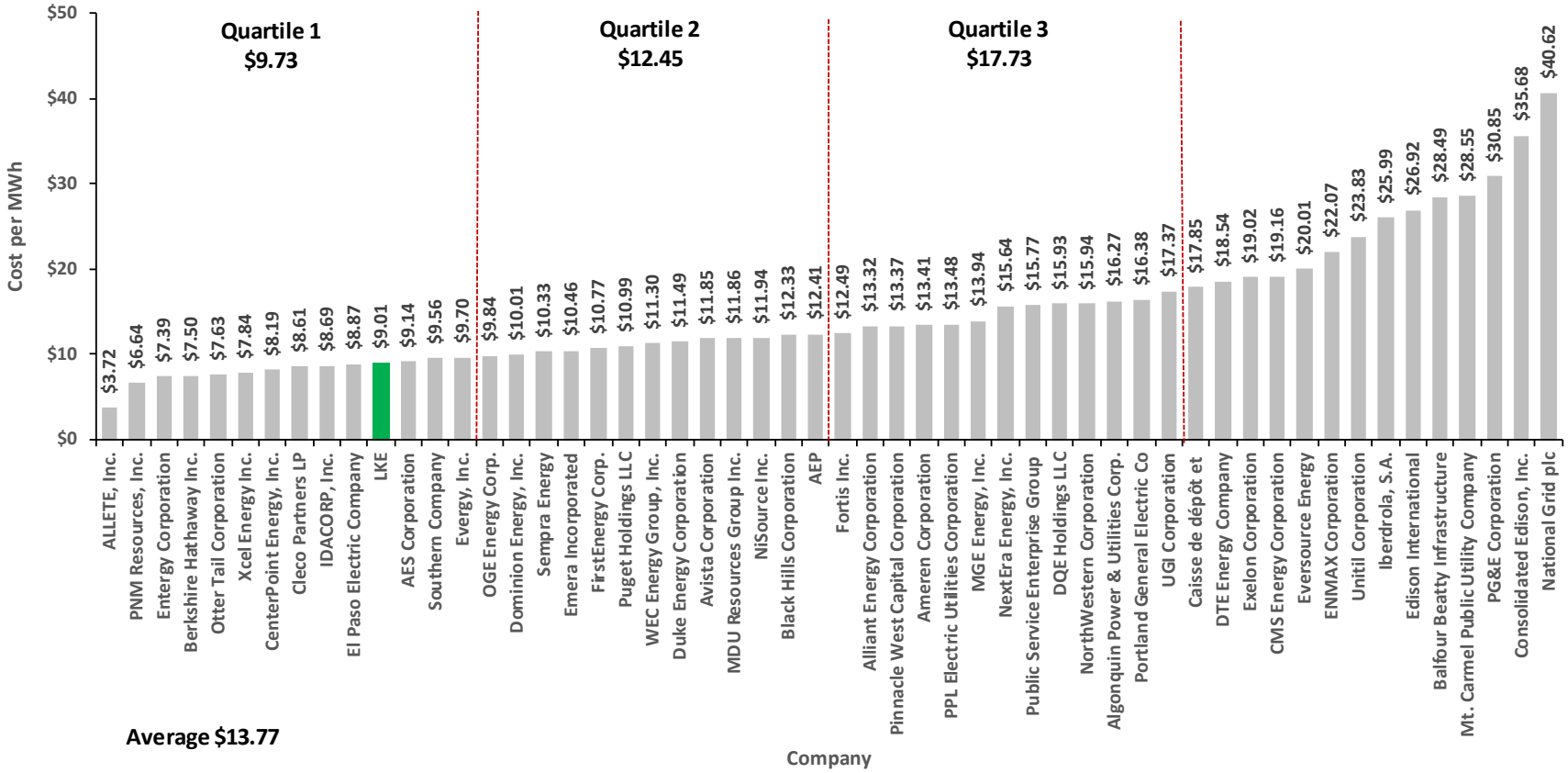


2017 BLS - most recent data

Plan Highlights

Total Electric Distribution Cash Cost per MWh

Overall Electric Distribution Expenditures per MWh
FERC Utility Cost Benchmarking – 5 Year Average Data (2015-2019)
(Electric Only)



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Plan Highlights

Reliability Performance

Plan Highlights

- Safety and Wellness
  - Continue commitment to employees, business partners and public safety
  - Focus on incident prevention plans and critical danger zones
  - Support transfer of safety knowledge from seasoned to new employees
  - Continue development of comprehensive safety/technical training plans for all roles and responsibilities
  - Benchmark and implement industry best practices
  - Influence industry leading performance
  - Continue to improve motor vehicle safety
  - Promote wellness initiatives as an aspect of safety

Plan Highlights

- Customer Experience
  - Respond effectively and efficiently to customer requests for service
  - Invest in system reliability and contingency to meet increasing customer expectations respective to service availability
  - Invest in aging infrastructure to continue long term service reliability
  - Advance grid intelligence to meet evolving customer expectations and align with industry trends
  - Respond to outage events in an efficient and effective manner, and continue to improve on the accuracy, timeliness, and provision of estimated restoration times
  - Build on technology which enhances business processes, reduces cycle times, and expands communications with customers
  - Focus on portraying a professional and positive image to customers
  - Satisfy system capacity needs to meet customer load

Major Assumptions

- Customers will continue to value the convenience and dependability of utility provided electric service, but expectations regarding electric system safety, reliability, resilience, and security will expand as end use devices advance and customer dependency on electricity increases.
- Severe weather events, extreme temperatures, natural disasters, physical and cyber security threats, and interference from wildlife and vegetation will continue to challenge the operability, reliability, and service life of the electric distribution grid.
- Government energy policy trends and regulations influencing the construction, maintenance, and operations of the electric distribution grid are not forecasted to change substantially during the plan period for LG&E and KU service areas.
- Technology innovation and convergence will continue to create opportunities to enhance electric system safety, optimize operational efficiencies, reduce expenses, and more effectively communicate with customers and key stakeholders.

Major Assumptions

- New Business investments for electric system expansion and upgrades will continue to be influenced by local economies and job markets. Associated plan funding reflects forecasted downturns in new business early in the plan period due to the ongoing recession caused by the coronavirus pandemic, modest growth in metropolitan areas, and flat to no growth in most rural operations areas.

- Planned investments for system reliability target overall decreases in outage frequencies and durations for substations and lines.
  - Substation investments will continue to provide for enhanced wildlife protection, expansion of Supervisory Control and Data Acquisition (SCADA), and modernization of relay technology.
  - Distribution Automation investments will continue through 2021, providing for deployment of additional SCADA capable reclosers and systematic advancement of recently deployed ADMS functionality.
  - Investments for targeted circuit hardening and reliability improvement projects will continue to be allocated based on circuit reliability performance and specific customer interruption frequencies.

Major Assumptions

- Investments allocated throughout the plan period target enhanced system resiliency through added operational flexibility and systematic upgrade and maintenance of key system assets:
  - Distribution Substation Transformer Contingency Program
  - Pole Inspection, Treatment, and Replacement Program
- Consistent and prudent investments in aging infrastructure replacement is necessary to assure continued provision of safe and reliable electric service. Capital budgeted throughout the plan period will provide for:
  - Replacement of legacy substation equipment such as oil breakers and underground exit cables.
  - Replacement of Paper Insulated Lead Covered cable in the Downtown Louisville Distribution Network
  - Structural repair of vaults and manholes in the Downtown Louisville Distribution Network
- Customer interconnection rates of distributed energy resources and electric vehicles are projected to increase slightly over the plan period. Modest investments in information and operations technology are required during this timeframe to provide greater visibility and operability of interconnected resources and to assure continued provision of safe and reliable electric service to customers into the future.

Major Assumptions

- Capital planned for routine replacement, maintenance and repair of the distribution system is based on historical and known work drivers and projected asset investment trends.
- Vegetation continues to be a leading contributor to the frequency and duration of distribution system outages. Funding allocated to mitigate vegetation interference will provide for maintenance of a 5-year trim/treatment cycle and targeted management of vegetation most significantly contributing to the frequency and duration of system outages.
- Expenses reserved to protect the public, restore customer outages, and make system repairs following severe weather events and natural disasters reflect the most recent 5-year average for associated costs.

Major Assumptions

- Labor expenses budgeted for the plan period were adjusted from recent expense trends to reflect lower estimated salaries and total labor costs for personnel replacing recent and projected future retirements.
- Reengineering of business processes associated with recently deployed and planned technology investments will be required to meet targeted labor and outside services expenses.
- Continued workforce transformation and advancing technology will necessitate creative and timely solutions for transferring critical knowledge and meeting evolving skillset needs.

2020-2025 Capital Expenditures ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Connect New Customer	$ 83,304	$ 70,138	$ 69,006	$ 71,023	$ 73,149	$ 75,341
Enhance the Network	89,921	80,480	61,368	57,586	51,860	46,882
Maintain the Network	92,711	95,483	73,063	72,904	71,202	70,033
Repair the Network	16,891	18,584	19,169	19,430	19,991	20,560
Miscellaneous	1,622	2,214	1,912	1,535	1,592	1,357
Total Capital	$ 284,448	$ 266,899	$ 224,517	$ 222,479	$ 217,795	$ 214,173
2020 Plan	$ 267,957	$ 264,841	$ 233,023	$ 224,916	$ 220,371	
Change	$ (16,491)	$ (2,058)	$ 8,506	$ 2,437	$ 2,576	

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 25,067	$ 25,601	$ 26,150	$ 26,599	$ 26,973	$ 27,436
Non Labor:						
Line Clearance[1]	24,358	26,270	27,051	27,848	28,663	29,516
Storm Restoration[2]	3,940	5,319	5,536	5,768	6,048	6,229
VP	410	525	360	(984)	(2,650)	(4,601)
LG&E Distribution Operations	6,896	7,262	7,485	7,210	7,175	7,261
KU Distribution Operations	7,954	7,812	7,906	8,031	8,164	8,361
Distribution System Operations & Planning	1,754	3,219	3,193	3,182	3,243	3,330
Substations & Asset Management	4,718	6,682	6,752	6,808	6,863	6,937
Total O&M	**$ 75,097**	**$ 82,690**	**$ 84,432**	**$ 84,461**	**$ 84,479**	**$ 84,469**
Supplemental Contractors (included above)	29,882	36,878	37,957	38,674	39,643	40,729

[1]Total Line Clearance including labor is $25.5M in 2020, $27.2M in 2021, $28.0M in 2022, $28.8M in 2023, $29.6M in 2024, $30.5M in 2025.

[2]Total Storm Restoration including labor is $5.7M in 2020, $7.4M in 2021, $7.6M in 2022, $7.8M in 2023, $8.0M in 2024, $8.1M in 2025.

Employee Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
VP	2	2	2	2	2	2
LG&E Distribution Operations	181	180	180	180	180	180
KU Distribution Operations	302	304	304	304	304	304
Distribution Systems Operations & Planning	115	120	121	121	121	121
Substations & Asset Management	128	134	134	134	134	134
Interns	13	14	14	14	14	14
Total	741	754	755	755	755	755

Total Employee Workforce

2021BP	741	754	755	755	755
Prior Plan	755	752	753	753	753
Change from Prior Plan	14	(2)	(2)	(2)	(2)

** Average headcount not end of year

NOTE: 2020 numbers are August actuals.

Supplemental Contractor Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
LG&E Distribution Operations	409	391	344	341	336	332
KU Distribution Operations	223	205	158	155	150	146
Distribution Systems Operations & Planning	399	399	399	399	399	399
Substations & Asset Management	23	23	23	23	23	23
Total	1,054	1,018	924	918	908	900

Total Contractor Workforce

2021 BP	1,054	1,018	924	918	908	900
Prior Plan	1,043	1,035	959	939	929	
Change from Prior Plan	(11)	17	35	21	21	

**Average headcount not end of year

Note: 2020 numbers are August actuals.

2020-2025 Non Labor Expense Category ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Line Clearance:						
Routine LGE	$ 6,959	$ 7,446	$ 7,668	$ 7,897	$ 8,128	$ 8,370
Routine KU	14,024	14,187	14,608	15,035	15,475	15,936
Subtotal Routine	**20,983**	**21,633**	**22,276**	**22,932**	**23,603**	**24,306**
Hazard LGE	1,440	951	979	1,009	1,038	1,069
Hazard KU	1,935	3,686	3,796	3,907	4,022	4,141
Subtotal Hazard	**3,375**	**4,637**	**4,775**	**4,916**	**5,060**	**5,210**
Total Line Clearance	**$ 24,358**	**$ 26,270**	**$ 27,051**	**$ 27,848**	**$ 28,663**	**$ 29,516**

2020-2025 Non Labor Expense Category ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Storm Restoration - 5 yr. avg	**$ 3,940**	**$ 5,319**	**$ 5,536**	**$ 5,768**	**$ 6,048**	**$ 6,229**

	Total Expense			CPI	CPI Adjusted Amount		
	LG&E	KU	Total	Index	LG&E	KU	Total
Normalized Storm Costs:							
2019	5,296	2,023	7,319	1.0000	5,296	2,023	7,319
2018	5,774	2,787	8,561	1.0182	5,879	2,838	8,717
2017	2,267	2,533	4,800	1.0430	2,365	2,642	5,006
2016	2,305	2,841	5,146	1.0653	2,455	3,027	5,482
2015	4,844	3,606	8,451	1.0788	5,226	3,891	9,117
Total	20,486	13,790	34,276		21,220	14,420	35,640
5 Year Average	**4,097**	**2,758**	**6,855**		**4,244**	**2,884**	**7,128**
	-	-					

5 Year Average - CPI Adjusted						Labor	NonLabor
2020	8+4 Forecast			**3,294**	**2,430**	**5,725**	1,785	3,940
2021		1.0360		**4,397**	**2,988**	**7,385**	2,066	5,319
2022		1.0619		**4,507**	**3,063**	**7,570**	2,034	5,536
2023		1.0894		**4,624**	**3,142**	**7,765**	1,997	5,768
2024		1.1163		**4,738**	**3,219**	**7,957**	1,909	6,048
2025		1.1432		**4,852**	**3,297**	**8,149**	1,920	6,229

2020-2025 Non Labor Expense Category ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
VP:						
Liability Claims	$ 435	$ 430	$ 430	$ 430	$ 430	$ 430
Reserve	(115)					
Data Analytics Efficiencies			(165)	(1,509)	(3,175)	(5,127)
Other	91	95	96	95	95	96
Total VP	**$ 411**	**$ 525**	**$ 361**	**$ (984)**	**$ (2,650)**	**$ (4,601)**
LG&E Distribution Operations:						
Administrative	$ 661	$ 642	$ 683	$ 700	$ 705	$ 707
Building, Tools & Equipment	292	358	368	380	391	403
Inspections	417	306	315	325	332	343
Metering	224	242	248	255	262	270
Network Vaults	296	328	348	367	388	409
Repair Defective Equipment	2,028	1,826	1,891	1,963	2,037	2,112
Repair Street Lighting	359	450	464	479	494	509
Safety/Training/Uniforms	543	612	618	626	672	637
Trouble Work	1,863	2,229	2,270	1,828	1,601	1,570
Other	213	269	279	286	294	301
Total LG&E Distribution Operation	**$ 6,896**	**$ 7,262**	**$ 7,485**	**$ 7,210**	**$ 7,175**	**$ 7,261**
KU Distribution Operations						
Administrative	$ 1,101	$ 1,049	$ 1,062	$ 1,069	$ 1,063	$ 1,073
Building, Tools & Equipment	970	972	968	985	1,017	1,057
Inspections	472	413	425	447	458	472
Line Locating	1,244	1,106	1,149	1,157	1,194	1,217
Repair Defective Equipment	575	555	564	569	591	619
Repair Street Lighting	266	279	287	296	309	318
Safety/Training/Uniforms	819	998	1,009	1,019	1,066	1,089
Trouble Work	2,190	2,054	2,045	2,048	2,012	2,041
Other	317	386	397	441	454	475
Total KU Distribution Operations	**$ 7,954**	**$ 7,812**	**$ 7,906**	**$ 8,031**	**$ 8,164**	**$ 8,361**

2020-2025 Non Labor Expense Category ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Distribution System Operations & Planning						
System Restoration & Dispatch	$ 476	$ 775	$ 778	$ 765	$ 767	$ 784
Asset Information	265	471	446	396	414	438
Data Analytics	141	49	51	49	49	51
Electrical Engineering & Planning	91	217	220	233	235	236
Regulatory Compliance	-	85	45	45	45	45
Pole Inspection & Treatment Program	260	536	552	568	586	604
Emergency Management and Planning	140	289	290	290	290	291
System Administration	145	375	392	409	422	442
Distribution Automation	160	205	207	210	215	220
Other	76	217	213	217	216	220
Total Distribution System Operations & Planning	**$ 1,754**	**$ 3,219**	**$ 3,193**	**$ 3,182**	**$ 3,240**	**$ 3,330**
Substations & Asset Management:						
Administrative	$ 494	$ 740	$ 747	$ 715	$ 719	$ 728
Corrective Maintenance	1,269	1,800	1,816	1,856	1,870	1,898
Preventive Maintenance	1,545	1,749	1,779	1,805	1,823	1,860
Transformer Services	210	192	199	203	210	215
IT OT Security	-	1,500	1,500	1,500	1,500	1,500
Asset Management	256	250	253	256	259	260
Other	945	451	458	473	482	476
Total Substations & Asset Management:	**$ 4,719**	**$ 6,682**	**$ 6,752**	**$ 6,808**	**$ 6,863**	**$ 6,937**

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024	2025
2021 Business Plan (pg 15)	$ 82,690	$ 84,432	$ 84,461	$ 84,479	$ 84,469
2020 Business Plan	80,534	82,807	85,074	87,556	92,258
Change	$ (2,156)	$ (1,625)	$ 613	$ 3,077	$ 7,789
Drivers:					
OT Security	$ (1,500)	$ (1,500)	$ (1,500)	$ (1,500)	$ (1,500)
Storm Restoration	(693)	(717)	(747)	(768)	(751)
Hazard Tree Program	1,178	1,206	1,235	1,266	1,288
Routine Tree Trimming Contract Increases	(314)	(332)	(344)	(353)	(336)
Distribution Operations Centers	30	87	774	1,148	2,538
Substations and Transformer Services	-	85	62	150	197
Reallocation of Stretch	(1,000)	(1,000)	(1,000)	(1,000)	-
Data Analytics Efficiencies		165	1,509	3,176	5,126
Higher Retirement Savings Assumptions	18	184	379	570	789
Other	125	197	245	388	438
Total Drivers	$ (2,156)	$ (1,625)	$ 613	$ 3,077	$ 7,789

Operational Performance

Key Performance Indicators

KPI	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Safety - Employees Incident Rate [1]	2.67	1.65	1.64	1.62	1.60	1.60
Safety - Contractors Incident Rate [1]	0.90	1.66	1.55	1.47	1.38	1.38
DART - Employees [1]	1.58	0.75	0.73	0.71	0.70	0.70
SAIFI	0.800	0.790	0.780	0.771	0.763	0.755
SAIDI	78.94	78.13	77.39	76.70	76.05	75.45
Residential New Business Cycle Time (Business Days) [2]	3.00	3.00	3.00	3.00	3.00	3.00
Repair Street Lights (Business Days) [3]	2.00	2.00	2.00	2.00	2.00	2.00
Electric Trouble Arrival Response Time (Minutes) [4]	45.00	45.00	45.00	45.00	45.00	45.00
Estimated Restoration Time (ERT) Accuracy [5]	95.0%	96.0%	96.0%	97.0%	97.0%	98.0%
Cash Cost Per MWH Sold - 5 Yr. Avg. Calculation	10.00	10.72	11.38	12.05	11.93	11.76

1) 2020 numbers are YTD August actual.
2) Measures the time between the approved inspection and the connection to the customer.
3) Measures the duration from once the call is received to when we are onsite to assess / repair.
4) Measures the time frame between the first call and arrival time for emergency calls on Blue Sky Days
5) Measures the percentage that service is restored on or before the ERT.

Safety & Technical Training
LG&E and KU Utilities
2021 Operating Plan

September 2020

Table of Contents

- Plan Highlights
- Major Assumptions
- Financial Performance
  - 2020-2025 Capital Expenditures
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Supplemental Contractors
    - Non-labor
- Key Performance Indicators

Plan Highlights

- The internal and contracted resources reflected in the plan allow us to attempt to meet the training, auditing, programming, compliance and investigation needs of the company as dictated by regulations and client demands.
- The plan includes investment in tools, programs and materials to enhance the learning and training experience for employees which leads to better retention as well as safer workers.
- Technological solutions to train community first responders as well as tools for leaders to manage the safety performance of their employees are included.

Major Assumptions

- Meeting training and safety needs of new employees as well as seasoned employees who have transitioned to new positions will continue to be a focal point across all five years of the plan.
- Activities to maintain compliance required by both OSHA and PHMSA will continue to ramp up and impact resources.
- Employee Health and Safety (EHS) system is included in the plan as program options are being considered for implementation.
- Labor budget was built on current work force plan. Assumptions include wage increase for current employees on average of 3% per year.
- Training Admin position transitioned from Supplemental Contractor to Full Time Employee.

2020-2025 Capital Expenditures ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
STT Gas Trng Flow Skids	$ 804	$ -	$ -	$ -	$ -	$ -
STT Gas Trng Bld RR	303	-	-	-	-	-
STT Equip Simulators	108	-	-	-	-	-
STT Trng Facilities	60	30	30	-	-	-
STT High Volt Demo Trl	59	-	-	-	-	-
STT ITS Customization	-	203	-	-	-	-
STT Proc Cont Equip	-	203	-	-	-	-
STT Doe Run #3 Rep	-	202	-	-	-	-
STT Welding Equip	-	127	-	-	-	-
STT Training Valves	-	41	-	-	-	-
STT Trng Regulators	-	30	-	-	-	-
STT Training Simulator	-	30	-	-	-	-
STT All Other	81	76	77	$ 77	$ 77	$ 77
Total Capital	**$ 1,415**	**$ 944**	**$ 107**	**$ 77**	**$ 77**	**$ 77**
2020 Plan	**$ 1,418**	**$ 947**	**$ 107**	**$ 77**	**$ 77**	
Change	**$ 2**	**$ 3**	**$ (0)**	**$ (0)**	**$ (0)**	**$ (77)**

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 4,509	$ 4,564	$ 4,672	$ 4,808	$ 4,996	$ 5,111
Supplemental Contractors	186	123	123	124	128	132
All Other Non-Labor	2,048	2,462	2,606	2,469	2,427	2,333
Base Rate Recovery	**$ 6,744**	**$ 7,149**	**$ 7,401**	**$ 7,401**	**$ 7,551**	**$ 7,576**
Total O&M - GAAP View	**$ 6,744**	**$ 7,149**	**$ 7,401**	**$ 7,401**	**$ 7,551**	**$ 7,576**

Employee Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Director-Chambers	2	2	2	2	2	2
Tech Trng - Baker	6	7	7	7	7	7
Generation Safety- Chin	4	4	4	4	4	4
Elect Dist & Trans - Downs	7	7	7	7	7	7
Gas Safety - Murphy	10	10	10	10	10	10
Public Safety - Lindsey	8	8	8	8	8	8
Glove Lab - Lindsey	1	1	1	1	1	1
Total	38	39	39	39	39	39

Total Employee Workforce

2021BP	38	39	39	39	39	39
Prior Plan	38	38	38	38	38	
Change from Prior Plan	-	(1)	(1)	(1)	(1)	(39)

-2020 numbers are August actuals.
-Plan years are based on average headcount.
-Increase of 1 is the result of an administrative role in Technical Training transitioning from a contractor to an employee position.

Supplemental Contractor Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Tech Training Clerical - Baker	1	-	-	-	-	-
Glove Lab - Lindsey	1	1	1	1	1	1
Total	2	1	1	1	1	1

Total Contractor Workforce

2021BP	2	1	1	1	1	1
Prior Plan	2	2	2	2	2	
Change from Prior Plan	-	1	1	1	1	(1)

-2020 numbers are August actuals.
-Plan years are based on average headcount.
-Decrease of 1 is the result of an administrative role in Technical Training transitioning from a contractor to an employee position.

2020-2025 Supplemental Contractors ($000)

Department	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Technical Training	$ 62	$ -	$ -	$ -	$ -	$ -
Glove Lab	123	123	123	124	128	132
Total Supplemental Contractors	**$ 186**	**$ 123**	**$ 123**	**$ 124**	**$ 128**	**$ 132**

2020-2025 Non-Labor ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Outside Services	$ 392	$ 683	$ 685	$ 699	$ 701	$ 574
Safety Summit, Stretch, GSC	$ 128	103	103	103	103	105
Education & Training	$ 198	356	366	374	377	385
Transportation & Equipment	$ 271	262	264	266	270	275
Purchased Materials	$ 560	494	498	502	502	503
Fees & Permits (Gas)	$ 54	55	56	57	57	59
Phones	$ 44	65	66	67	67	69
Meals	$ 57	158	158	159	148	141
All other Non-labor	$ 344	286	410	242	203	223
Total Non-labor	**$ 2,048**	**$ 2,462**	**$ 2,606**	**$ 2,469**	**$ 2,427**	**$ 2,333**

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024	2025
2021 Business Plan	$ 7,149	$ 7,401	$ 7,401	$ 7,551	$ 7,576
2020 Business Plan	$ 7,149	$ 7,281	$ 7,446	$ 7,663	$ 7,875
Change	$ -	$ (121)	$ 45	$ 112	$ 299
Drivers:					
Labor	$ 20	$ 26	$ 28	$ 21	$ 56
Supplemental Contractors	57	59	61	61	63
3D E-Training Programs		(121)			
Non-Labor	(77)	(85)	(44)	30	180
Total Drivers	$ 0	$ (121)	$ 45	$ 112	$ 299

Operational Performance

Key Performance Indicators

KPI	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Employee RIIR	0.95	0.94	0.93	0.92	0.91	0.91
Business Partner RIIR	1.45	1.42	1.40	1.37	1.35	1.35
Employee Dart	0.46	0.45	0.44	0.43	0.42	0.42

Chief Financial Officer
LG&E and KU Utilities
2021 Operating Plan

August 2020

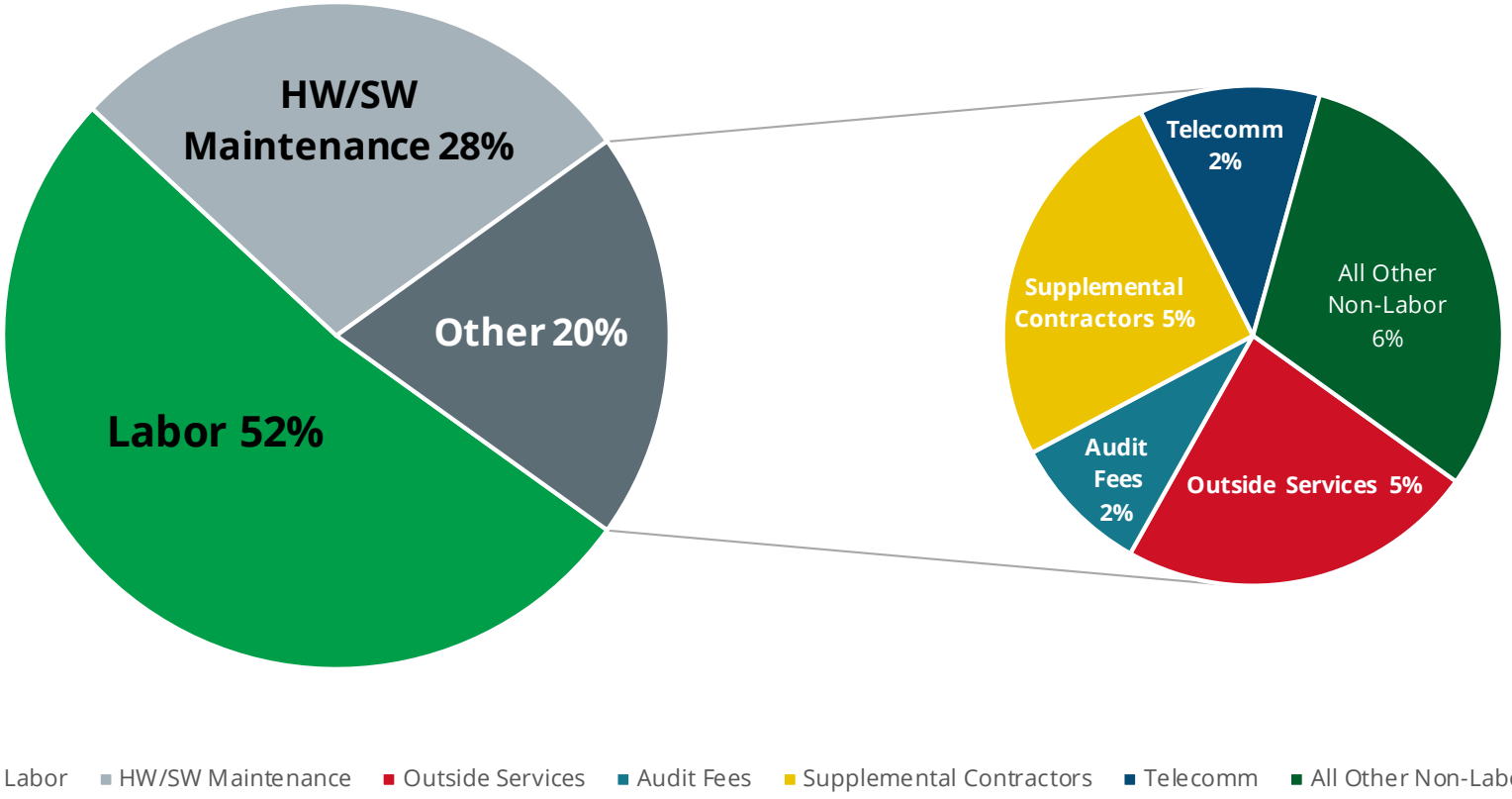
Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirements
Tab 16 - 807 KAR 5:001 Section 16(7)(c) I.
Page 171 of 253
Bellar/Blake

Table of Contents

- Plan Highlights
- Major Assumptions
- Financial Performance
  - 2020-2025 Capital Expenditures
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Supplemental Contractors
    - Non-Labor

Plan Highlights

Composition of the CFO Operating Expenses for the 2021 BP



Plan Highlights

- CFO group is designed to meet the overall objectives of the Company in the most cost-effective manner possible.
  - Functions include accounting, information technology, reporting, financial systems and processes, tax, payroll, financing, cash management, investor relations, financial planning & budgeting, insurance, pensions, rates, state regulatory affairs, audit services, SOX compliance and supply chain.
- Headcount, excluding interns, will increase by 6 in 2021 compared to the 2020BP. Headcount will decrease by three positions by the end of 2022, and one additional position each for 2023 and 2024.

Major Assumptions

- Information Technology
  - Hardware/software maintenance accounts for approximately 40% of the IT budget over the five-year plan period. Increases are driven by vendor escalation as well as new additions based on capital projects.
  - Approximately 48% of the five-year capital plan ($106.4M) represents 14 major projects (including $18.5M for Enterprise GIS, $15M for technology refresh of desktops and laptops, $13M for SAP upgrade).
  - Cybersecurity initiatives to achieve National Institute of Standards Technology maturity and compliance with the Enterprise Security Standards continue to drive increases in both capital and O&M
  - Increased reliance on technology is leading to increased storage, maintenance and support costs which are reflected in the plan. We continue to look for ways to mitigate these increases through adoption of new infrastructure technologies that offer lower support costs.

Major Assumptions

- Treasurer
  - Bank service fees projected to remain flat through February 2022 based on contract,
    - then increase at 5% annually to return to market levels by 2023,
    - increase at 2% thereafter based on recent experience.
  - Rating agency fees projected to increase at 7% annually based on recent experience.
- Controller
  - Audit fees through 2021 are based on negotiated fees with firms and prior costs of predecessor consents. Audit fees for financial statements beyond 2021 are based on increases experienced in the most recent contract re-opener.
  - Increase in cloud subscription costs for new FERC XBRL Form 1/3 requirements.
  - Oracle upgrade go-live scheduled for April 2021.
  - Next PowerPlan upgrade scheduled for 2024.

Major Assumptions

- Supply Chain
  - The level of supplemental contractors utilized for line of business material and logistics support drops from 2021 to 2023 going forward due to changes in support for Capital projects being completed and through efficiency initiatives and technology deployment.
  - Capital expenditures in the plan include some equipment, material storage infrastructure and pole yard management capability projects based on current assumptions for facility requirements to address line of business support needs.
  - Continued labor support to Capital in first four months of 2021 for Oracle project.

2020-2025 Capital Expenditures ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Information Technology	$ 69,742	$ 57,542	$ 38,609	$ 45,054	$ 38,447	$ 39,841
Supply Chain	$ 1,162	$ 1,497	$ 500	$ 500	$ 500	$ 500
Total Capital	$ 70,904	$ 59,039	$ 39,109	$ 45,554	$ 38,947	$ 40,341
2020 Plan	$ 69,262	$ 53,912	$ 36,664	$ 47,203	$ 46,286	
Change	$ (1,642)	$ (5,127)	$ (2,445)	$ 1,649	$ 7,339	

Refer to the Information Technology presentation and the CFO All Other presentation for details on the Capital amounts.

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 49,240	$ 51,657	$ 52,564	$ 53,202	$ 54,679	$ 55,732
HW/SW Maintenance	$ 24,488	$ 27,985	$ 29,543	$ 31,725	$ 34,040	$ 36,454
Telecom	$ 2,342	$ 2,307	$ 2,275	$ 2,177	$ 2,178	$ 2,178
Supplemental Contractors	$ 3,656	$ 4,990	$ 4,933	$ 4,099	$ 4,099	$ 4,159
Outside Services	$ 3,775	$ 4,228	$ 4,289	$ 4,760	$ 2,122	$ 2,223
Bank & Rating Agency Fees	$ 1,123	$ 1,550	$ 1,832	$ 1,926	$ 2,024	$ 2,174
Audit Fees	$ 1,576	$ 1,786	$ 1,885	$ 1,884	$ 1,885	$ 2,071
Training, Travel & Meals	$ 745	$ 1,814	$ 1,847	$ 1,844	$ 1,850	$ 1,844
Departmental Efficiencies	$ -	$ -	$ (1,080)	$ (3,553)	$ (4,832)	$ (8,840)
All Other Non-Labor	$ 2,681	$ 2,685	$ 2,693	$ 2,716	$ 2,736	$ 2,786
Total O&M	**$ 89,628**	**$ 99,001**	**$ 100,781**	**$ 100,781**	**$ 100,781**	**$ 100,781**

Employee Headcount by Department

Department	August 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Audit Services	14	14	14	14	14	14
CFO	2	2	2	2	2	2
Controller	69	71	68	68	68	68
Information Technology	298	310	310	310	310	310
State Reg & Rates	16	16	16	16	16	16
Supply Chain	57	58	58	58	58	58
Treasurer	53	52	52	51	50	50
Interns	44	47	46	44	44	44
Total	553	570	566	563	562	562
2021BP	553	570	566	563	562	
Prior Plan	559	559	559	559	559	
Change from Prior Plan	6	-11	-7	-4	-3	

** Average headcount not end of year

Supplemental Contractor Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Information Technology	72	73	73	73	73	73
Supply Chain	31	33	24	21	21	21
Total	103	106	97	94	94	94

Total Contractor Workforce

2021BP	103	106	97	94	94
Prior Plan	98	97	92	92	92
Change from Prior Plan	-5	-9	-5	-2	-2

** Average headcount not end of year

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024
2021 Business Plan (pg 9)	$ 99,001	$ 100,781	$ 100,781	$ 100,781
2020 Business Plan	$ 100,555	$ 104,219	$ 107,327	$ 108,987
Change	$ 1,554	$ 3,438	$ 6,546	$ 8,206
Drivers:				
Labor	$ 1,055	$ 1,507	$ 2,575	$ 3,640
Bank Fees & Rating Agency Fees	$ 249	$ 74	$ 29	$ (145)
Supplemental Contractors	$ (140)	$ (42)	$ 181	$ 181
IT HW/SW Maintenance	$ (164)	$ 386	$ (96)	$ (652)
Departmental Efficiencies*	$ -	$ 1,080	$ 3,553	$ 4,832
Other Non-Labor	$ 554	$ 432	$ 304	$ 350
Total Drivers	$ 1,554	$ 3,438	$ 6,546	$ 8,206

*Management Challenge

Appendix

- Information Technology 2021 Operating Plan Presentation
- Treasurer 2021 Operating Plan Presentation
- Controller 2021 Operating Plan Presentation
- States Regulation and Rates 2021 Operating Plan Presentation
- All Other CFO 2021 Operating Plan Presentation
  - CFO
  - Audit Services
  - Supply Chain

Information Technology
LG&E and KU Utilities
2021 Operating Plan

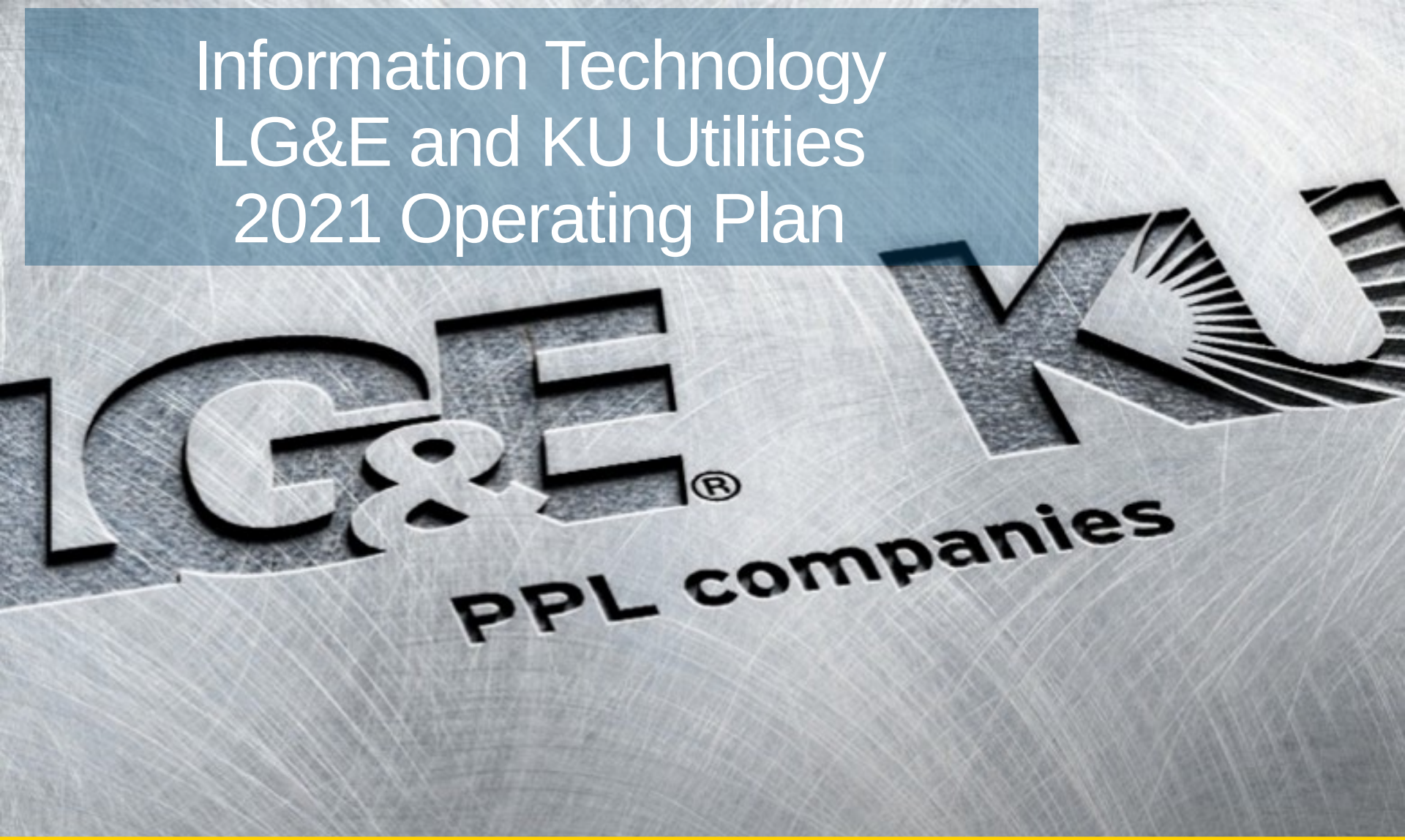


Table of Contents

- Plan Justification / Highlights
- Major Assumptions
- Financial Performance
  - 2020 - 2025 Capital Expenditures
  - 2020 - 2025 Annual O&M Expenses
    - Labor
    - Supplemental Contractors
    - Non-labor

Plan Justification / Highlights

- The sum of the O&M 2021 Business Plan amounts submitted are lower than the same period submitted in the 2020 BP
- Headcount excluding interns, increased by two compared to prior plan for additional ongoing enterprise security requirements.
- Hardware/software maintenance accounts for approximately 40% of the IT budget over the five-year plan period. Increases are driven by vendor escalation as well as new additions based on capital projects.
- Cybersecurity initiatives to achieve National Institute of Standards Technology maturity and compliance with the Enterprise Security Standards continue to drive increases in both capital and O&M

Major Assumptions

- The 2021 Information Technology Capital budget submitted for the 2021 Business Plan is $219.4M and is $30.1M less than the 2020 Business Plan.
- Approximately 48% of the five-year capital plan ($106.4M) represents 20 major projects (including $18.5M for Enterprise GIS, $15M for technology refresh of desktops and laptops, $13M for SAP upgrade).
- Business demand for technology continues to drive an increase in IT Capital and O&M.
- Existing applications will be evaluated for cloud placement at the time of major upgrades, and all new applications will go through our cloud assessment model and the RFP process will include cloud solutions if the application is a candidate

Major Assumptions

- Safety & Regulatory
  - Increased regulatory scrutiny at FERC, NERC and SERC as it relates to Critical Infrastructure Protection (CIP) and Corporate cybersecurity standards will drive the need for increased spending for both labor and information technology solutions to meet compliance and information protection requirements.
  - Increased emphasis on SOX regulations continues to cause incremental work.

Major Assumptions

- Business Reliance on Technology
  - Business reliance on information technology services to conduct day to day operations continues to expand. Due to increased regulatory requirements, more business processes are moving towards automation.
  - This trend means the reliability and availability of information technology services is critically important to the business. There is little tolerance for almost any kind of system outage. This leads to an increased focus on planned and automated testing activities for all major system changes.
  - Increased reliance on technology is leading to increased storage, maintenance and support costs which are reflected in the plan. We continue to look for ways to mitigate these increases through adoption of new infrastructure technologies that offer lower support costs.

Major Assumptions

- Cybersecurity
  - Cybersecurity initiatives to achieve NIST maturity and compliance with the Enterprise Security Standards continue to drive increases in both capital and O&M
    - Managed Security Service Provider (MSSP) for 24x7 Monitoring - $500K annual
    - Third Party Risk Assessment Services - $300k annual
    - Privileged Access Management Accounts Expansion – $150K
    - Additional Staffing due to increasing workload for application and network patching
- Customer Experience
  - Focus on the customer experience is driving the development of the Customer App and the rewrite of MyAccount
  - Call Center Technologies are in the middle of a massive technology shift to introduce additional customer channels. This might involve a move to the cloud.

Major Assumptions

- Advances in New Technologies and Processes
  - Continuing to leverage mobile technologies will be a major differentiator for productivity and customer satisfaction. This will necessitate changes to IT's support model.
  - Robotic Process Automation provides business benefit. Modest amounts of funding have been included in the Capital business plan.
  - Substantial retooling is in progress with the introduction of Software-defined everything in IT Infrastructure and Operations.
  - The use of advanced data analytics has the potential to optimize operations; No funding is included in the IT plan.
  - A minimum viable product approach is being taken in order to contain scope and cost and ensure that business value is quickly derived from the product delivery.

2020-2025 Capital Expenditures ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Enterprise GIS	$ 9,615	$ 4,930	$ 9,200	$ 4,461	$ -	$ -
Technology Refresh of desktop and laptops	$ 1,807	$ 2,995	$ 2,997	$ 3,099	$ 3,096	$ 2,753
SAP S4 Upgrade	$ -	$ -	$ -	$ -	$ -	$ 12,837
Meter Data Management (MDM)	$ 1,773	$ 5,800	$ -	$ -	$ -	$ -
Oracle Financials Upgrade	$ 13,415	$ 5,687	$ -	$ -	$ -	$ -
EMC TLA Renewal	$ -	$ -	$ -	$ 4,500	$ -	$ -
iPasoLink MW Radio Upgrade	$ -	$ -	$ 200	$ 1,430	$ 1,430	$ 1,380
Computing Infrastructure Upgrade	$ 210	$ 851	$ 813	$ 673	$ 747	$ 870
Northeast Kentucky Buildout	$ -	$ -	$ -	$ 50	$ 2,000	$ 1,900
iPad Refresh Project	$ 152	$ 570	$ 1,214	$ 211	$ 570	$ 1,107
PowerPlan Upgrade	$ 942	$ -	$ -	$ -	$ 3,508	$ -
NextGen LMR	$ 3,888	$ 3,472	$ -	$ -	$ -	$ -
Oracle NMS/OMA Upgrade	$ -	$ 750	$ 500	$ 750	$ 250	$ 750
Trouble Order Entry (TOE)	$ -	$ -	$ -	$ 1,000	$ 1,900	$ -
My Account Replacement	$ -	$ 1,000	$ 1,850	$ -	$ -	$ -
OTN Extension	$ 598	$ 2,500	$ 300	$ -	$ -	$ -
Robotic Process Automation - FP	$ -	$ 506	$ 513	$ 507	$ 506	$ 500
Access Switch Rotation	$ 440	$ 500	$ 500	$ 500	$ 500	$ 500
SAP HANA DB Server Refresh	$ -	$ -	$ -	$ 2,500	$ -	$ -
WMS Work Management System Upgrade	$ -	$ -	$ -	$ 500	$ 1,514	$ -
All Other Projects	$ 36,903	$ 27,980	$ 20,523	$ 24,872	$ 22,427	$ 17,244
Total Capital	**$ 69,742**	**$ 57,542**	**$ 38,609**	**$ 45,054**	**$ 38,447**	**$ 39,841**
2020 Plan	**$ 67,953**	**$ 52,497**	**$ 36,012**	**$ 47,094**	**$ 46,103**	
Change	**$ (1,789)**	**$ (5,045)**	**$ (2,597)**	**$ 2,041**	**$ 7,656**	**$ (39,841)**

*This list details the top 20 capital projects in the 2021 Business Plan

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 29,219	$ 31,103	$ 31,604	$ 32,081	$ 33,347	$ 34,009
Supplemental Contractors	$ 3,643	$ 4,990	$ 4,933	$ 4,099	$ 4,099	$ 4,159
HW/SW Maintenance	$ 24,209	$ 27,408	$ 29,097	$ 31,378	$ 33,693	$ 36,107
O/S Services	$ 3,136	$ 4,009	$ 4,099	$ 4,568	$ 1,931	$ 2,026
Telecom	$ 2,279	$ 2,240	$ 2,208	$ 2,111	$ 2,111	$ 2,111
Training, Travel, & Meals	$ 448	$ 1,240	$ 1,264	$ 1,270	$ 1,270	$ 1,270
Vehicles/Equipment	$ 277	$ 288	$ 296	$ 304	$ 312	$ 321
All Other Non-Labor	$ 535	$ 696	$ 714	$ 721	$ 723	$ 723
Total O&M	**$ 63,747**	**$ 71,974**	**$ 74,215**	**$ 76,532**	**$ 77,488**	**$ 80,726**

Employee Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
CIO	3	3	3	3	3	3
IT Infrastructure & Ops	159	166	166	166	166	166
IT Dev & Support	71	75	75	75	75	75
IT Business Services	42	42	42	42	42	42
IT Security	23	24	24	24	24	24
Interns	28	35	35	35	35	35
Total	326	345	345	345	345	345

Total Employee Workforce

2021BP	326	345	345	345	345
Prior Plan	334	334	334	334	334
Change from Prior Plan	8	(11)	(11)	(11)	(11)

** Average headcount not end of year

Supplemental Contractor Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
IT Infrastructure & Ops	14	15	15	15	15	15
IT Dev & Support	19	17	17	17	17	17
IT Business Services*	39	41	41	41	41	41
Total	72	73	73	73	73	73

Total Contractor Workforce

2021BP	72	73	73	73	73
Prior Plan	67	67	66	66	66
Change from Prior Plan	(5)	(6)	(7)	(7)	(7)

** Average headcount not end of year

2020-2025 Annual O&M Expenses
Supplemental Contractors
($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
SUPPLEMENTAL CONTRACTORS						
Dev & Support	$ 2,310	$ 3,305	$ 3,308	$ 2,825	$ 2,825	$ 2,885
Infra & Ops	$ 1,009	$ 1,461	$ 1,401	$ 1,051	$ 1,051	$ 1,051
Testing Resources	$ 280	$ 200	$ 200	$ 200	$ 200	$ 200
Telecom	$ 14	$ 24	$ 24	$ 24	$ 24	$ 24
IT Security	$ 31	$ -	$ -	$ -	$ -	$ -
	$ 3,643	$ 4,990	$ 4,933	$ 4,099	$ 4,099	$ 4,159

2020-2025 Annual O&M Expenses Outside Services ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
PROFESSIONAL SERVICES						
HW/SW Maintenance	$ 356	$ 436	$ 453	$ 471	$ 490	$ 510
IT Security	$ 87	$ 199	$ 203	$ 205	$ 205	$ 205
Telecom	$ -	$ 50	$ 50	$ -	$ -	$ 50
Infra & Ops	$ 77	$ 109	$ 160	$ 160	$ 110	$ 160
Dev & Support	$ 82	$ 150	$ 300	$ 800	$ 550	$ 500
	$ 603	$ 944	$ 1,167	$ 1,637	$ 1,356	$ 1,425
OTHER CONTRACTOR						
Testing Resources	$ 250	$ 280	$ 280	$ 280	$ 280	$ 280
Telecom	$ 245	$ 220	$ 229	$ 227	$ 263	$ 288
Dev & Support*	$ 1,704	$ 2,533	$ 2,392	$ 2,392	$ -	$ -
IT Security	$ 66	$ 3	$ 3	$ 3	$ 3	$ 3
Infra & Ops	$ 268	$ 29	$ 29	$ 30	$ 30	$ 30
	$ 2,533	$ 3,065	$ 2,933	$ 2,931	$ 576	$ 601
Total Outside Services	$ 3,136	$ 4,009	$ 4,099	$ 4,568	$ 1,931	$ 2,026

*Increase in 2020-2023 primarily related to GIS (Geographical Information Systems)

2021 O&M Expenses
Telecom – Wireless Expenses*
($000)

Expense Type Description	Network	Extended Description	Total
SNAT-LSELINE I	Data Network	Leased lines for SCADA, Business Offices, Storerooms, SIP, Wireless AVPNs	$ 875,989
DPS SIP I	Voice Network	SIP Provider Changes from Intellipeer (replaced most Long Distance)	$ 277,020
DPS-TRUNKS I	Voice Network	Voice Trunks into major campus locations	$ 218,750
DPS-1FB I	Voice Network	Business Phone lines to subs, small offices, storerooms, etc	$ 112,620
SNAT-INTERNET I	Data Network	Main internet connections and burstable charges not prepaid	$ 73,740
LMR-LSELINE I	Radio Network	Leased lines to radio repeater locations for backhaul to consoles	$ 62,486
SNAT-ISDN I	Data Network	21st Century Connection for Call Center	$ 36,000
DPS-LD	Voice Network	Long distance charges for faxes, modems, etc	$ 36,000
SNAT 1FBDATA I	Data Network	SCADA, alarm, modem, meter backup lines	$ 32,653
SNAT-DSL I	Data Network	For backup/test/secured access to Internet	$ 3,240
			$ 1,728,498

*These costs are included in Telecom on Page 10 but only include Telecommunication costs and do not include Cellular/Paging services for mobile devices.

2020-2025 Annual O&M Expenses Hardware/Software Maintenance ($000)

Item		2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Line of Business	**Primary Systems/Vendors**						
Customer Services	SAP	$ 2,876	$ 3,175	$ 3,272	$ 3,645	$ 3,809	$ 4,117
Distribution	GE, SPL/NMS/DMS, ABB, ARM, ESRI	$ 3,452	$ 3,816	$ 4,280	$ 4,593	$ 5,076	$ 5,435
Energy Supply & Analysis	nMarket, Aligne Fuels	$ 613	$ 628	$ 654	$ 686	$ 712	$ 740
Finance	Oracle, Powerplan	$ 1,679	$ 1,876	$ 2,019	$ 2,119	$ 2,206	$ 2,293
General Counsel	Acquia Enterprise Services	$ 70	$ 70	$ 70	$ 70	$ 70	$ 70
Generation Services	LOTO, CIM	$ 423	$ 454	$ 415	$ 392	$ 400	$ 415
Human Resources	PeopleSoft	$ 351	$ 443	$ 493	$ 513	$ 533	$ 554
IT Company	Microsoft, Oracle Databases	$ 4,888	$ 5,527	$ 5,642	$ 6,270	$ 6,684	$ 6,976
IT Infrastructure	Trace3, Prosys Info Systems, WWTech	$ 5,711	$ 6,411	$ 6,971	$ 7,276	$ 8,148	$ 8,972
IT Security	NERC(Crisp), IBM, Enhanced Threat	$ 1,661	$ 2,384	$ 2,649	$ 2,858	$ 3,012	$ 3,179
MAM	MAM	$ 175	$ 149	$ 148	$ 149	$ 149	$ 140
Power Production	Maximo	$ 635	$ 698	$ 766	$ 839	$ 921	$ 1,041
Transmission	Cascade,PI Systems	$ 933	$ 1,021	$ 1,061	$ 1,097	$ 1,140	$ 1,188
Sales Tax		$ 428	$ 514	$ 562	$ 846	$ 801	$ 865
Grand Total		**$ 23,895**	**$27,166**	**$29,003**	**$31,354**	**$33,662**	**$35,985**

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024
2021 Business Plan (pg 6)	$71,974	$74,215	$76,532	$77,488
2020 Business Plan	$72,363	$75,255	$77,701	$78,585
Change	$ 389	$ 1,040	$ 1,169	$ 1,097
Drivers:				
Labor	$ (142)	$ 217	$ 835	$ 1,282
IT HW/SW Maintenance	$ 103	$ 513	$ (65)	$ (620)
Supplemental Contractors*	$ (140)	$ (42)	$ 181	$ 181
Telecom**	$ 79	$ 46	$ 148	$ 148
Outside Services	$ 380	$ 221	$ (15)	$ 24
Training & Travel	$ 46	$ 33	$ 35	$ 35
All Other	$ 63	$ 51	$ 50	$ 47
Total Drivers	$ 389	$ 1,040	$ 1,169	$ 1,097

*Favorability in supplemental contractors is offset in 2021-2022 due to increased spend in these years from IT Dev & Support due to contractor O&M support for Meter Data Management, Automated Metering Systems, and C4 (which is a cloud customer relationship management solution from SAP).

**Favorability in telecom increases in 2023 with the transition from Toughbooks to iPads and the support for these devices is transferred to the lines of business.

CFO - Treasurer
LG&E and KU Utilities
2021 Operating Plan

August 2020

Table of Contents

- Major Assumptions
- Financial Performance
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Non-labor

Major Assumptions

- Bank and Rating Agency Fees
  - Bank service fees projected to remain flat through February 2022 based on contract,
    - then increase at 5% annually to return to market levels by 2023,
    - increase at 2% thereafter based on recent experience.
  - Rating agency fees projected to increase at 7% annually based on recent experience.

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 5,933	$ 6,015	$ 6,128	$ 6,158	$ 6,210	$ 6,319
Bank and Rating Agency Fees	$ 1,123	$ 1,550	$ 1,832	$ 1,926	$ 2,024	$ 2,174
All Other Non-labor	$ 161	$ 250	$ 251	$ 241	$ 248	$ 241
Total O&M	**$ 7,218**	**$ 7,816**	**$ 8,212**	**$ 8,325**	**$ 8,481**	**$ 8,735**

2020 bank fee forecast includes a $300K reversal of prior year accruals that were not billed.

Rating agency fees increase at Utilities in 2022 following planned deregistration of LKE in 2021.

Employee Headcount by Department

Department	August 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Treasurer	2	2	2	2	2	2
Risk Management	3	3	3	3	3	3
Corporate Finance	5	5	5	4	4	4
Credit & Contract Admin	4	4	4	4	4	4
Financial Planning & Budgeting	39	38	38	38	37	37
Interns	5	4	3	1	1	1
Total	58	56	55	52	51	51
2021BP	58	56	55	52	51	
Prior Plan	55	55	55	55	55	
Change from Prior Plan	-3	-1	0	3	4	

** Average headcount not end of year

Treasurer includes one position that will not be backfilled after a retirement in 2023 and one retirement not backfilled in 2024, plus a reduction of three intern positions over the BP (one in 2022, two in 2023).

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024
2021 Business Plan (pg 4)	$ 7,816	$ 8,212	$ 8,325	$ 8,481
2020 Business Plan	$ 7,936	$ 8,198	$ 8,425	$ 8,582
Change	$ 120	$ (14)	$ 100	$ 101
Drivers:				
Bank & Rating Agency Fees	$ 249	$ 74	$ 29	$ (145)
Labor	$ (53)	$ (22)	$ 128	$ 313
Other Non-Labor	$ (76)	$ (66)	$ (57)	$ (67)
Total Drivers	$ 120	$ (14)	$ 100	$ 101

CFO - Controller
LG&E and KU Utilities
2021 Operating Plan

August 2020

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Section 16(7)(c) I.
Page 207 of 253
Bellar/Blake

Table of Contents

- Major Assumptions
- Financial Performance
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Non-Labor

Major Assumptions

- Audit fees through 2021 are based on negotiated fees with firms and prior costs of predecessor consents. Audit fees for financial statements beyond 2021 are based on increases experienced in the most recent contract re-opener.
- Increase in cloud subscription costs for new FERC XBRL Form 1/3 requirements.
- Oracle upgrade go-live scheduled for April 2021.
- Next PowerPlan upgrade scheduled for 2024.

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 6,642	$ 6,961	$ 7,182	$ 7,373	$ 7,490	$ 7,829
Audit Fees	$ 1,576	$ 1,786	$ 1,885	$ 1,884	$ 1,885	$ 2,071
All Other Non-Labor	$ 634	$ 589	$ 455	$ 364	$ 356	$ 364
Total O&M	**$ 8,852**	**$ 9,335**	**$ 9,523**	**$ 9,620**	**$ 9,731**	**$ 10,264**

Employee Headcount by Department

Department	August 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Controller Dept	2	2	2	2	2	2
Financial Reporting	6	6	6	6	6	6
Corporate Accounting	8	8	8	8	8	8
Regulatory Accounting	2	2	2	2	2	2
Property Accounting	12	12	11	11	11	11
Revenue Accounting	11	11	11	11	11	11
Financial Systems & Processes	6	7	5	5	5	5
Regulatory Acctg & Reporting	7	8	8	8	8	8
Corporate Tax	9	9	9	9	9	9
Payroll	6	6	6	6	6	6
Interns	7	5	5	5	5	5
Total	76	76	73	73	73	73
2021BP	76	76	73	73	73	
Prior Plan	78	78	78	78	78	
Change from Prior Plan	2	2	5	5	5	

** Average headcount not end of year

Controller includes two positions in 2020-2021 for the Oracle upgrade that will not be backfilled plus one position that will not be backfilled after a retirement during 2021.

2020 includes an open manager position in Regulatory Accounting & Reporting that has since been filled.

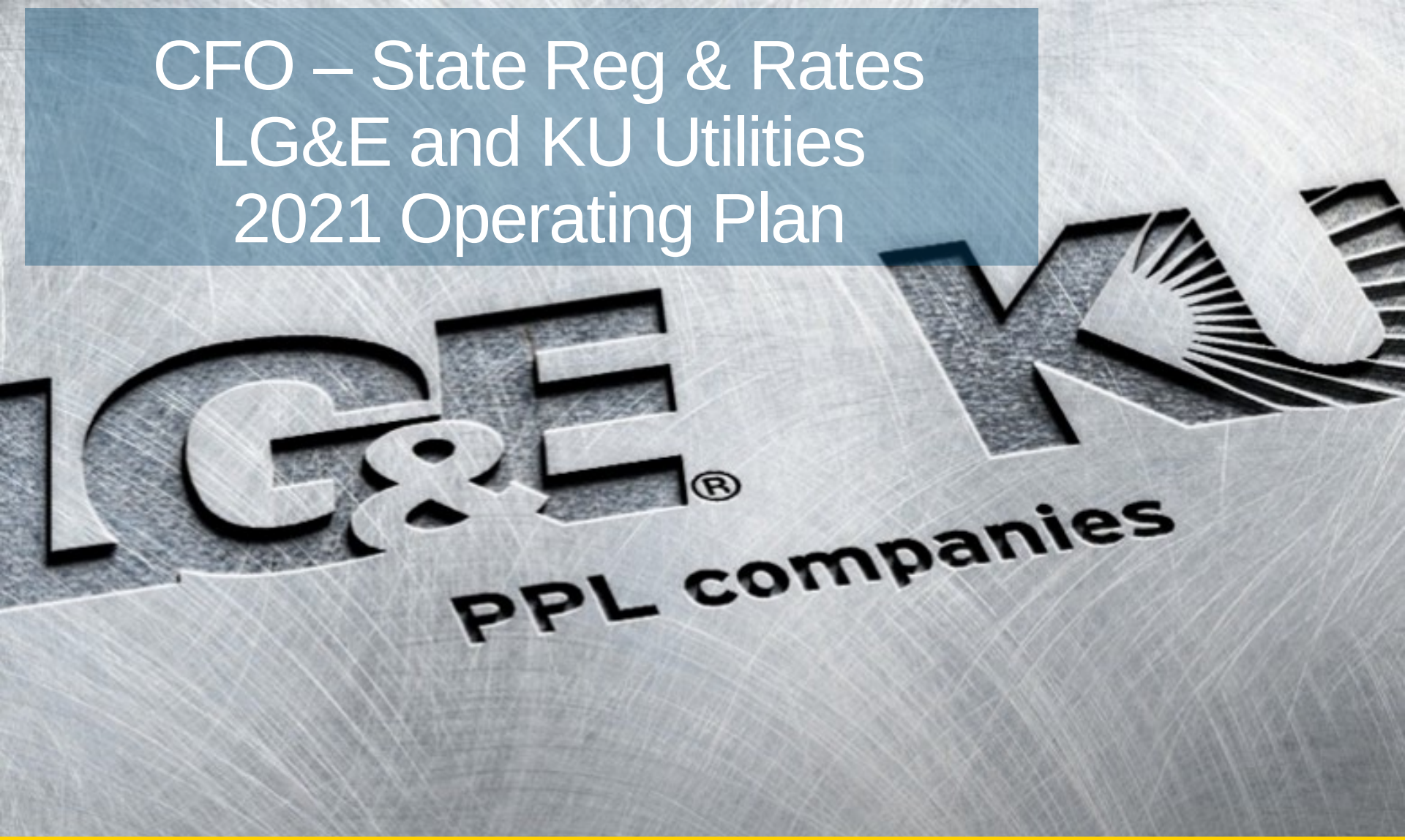
2020 BP included 8 interns; the 2021 BP includes 5 interns.

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024
2021 Business Plan (pg 4)	$ 9,335	$ 9,523	$ 9,620	$ 9,731
2020 Business Plan	$ 9,716	$ 10,028	$ 10,230	$ 10,511
Change	$ 381	$ 505	$ 610	$ 780
Drivers:				
Labor	$ 584	$ 528	$ 532	$ 702
Audit Fees	$ (15)	$ 40	$ 42	$ 43
Other Non-Labor	$ (188)	$ (63)	$ 36	$ 35
Total Drivers	$ 381	$ 505	$ 610	$ 780

The Other Non-Labor variance is due to the PowerPlan database upgrade, increasing the 2021 BP by $200k in 2021 and $100k in 2022

CFO – State Reg & Rates
LG&E and KU Utilities
2021 Operating Plan



August 2020

Table of Contents

- Major Assumptions
- Financial Performance
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Non-Labor

Major Assumptions

- Annual revision of the formula rates for FERC wholesale municipal and OATT customers.
- Filing of Integrated Resource Plan.
  - KY – 2021 & 2024
  - VA – Informational only following KY filing of an IRP
- Headcount remains flat to the 2020 BP.

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 1,879	$ 1,858	$ 1,900	$ 1,952	$ 2,026	$ 2,075
Outside Services	$ 51	$ 120	$ 118	$ 113	$ 119	$ 118
All Other Non-Labor	$ 273	$ 141	$ 128	$ 133	$ 136	$ 128
Total O&M	**$ 2,203**	**$ 2,119**	**$ 2,145**	**$ 2,198**	**$ 2,281**	**$ 2,320**

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024
2021 Business Plan (pg 4)	$ 2,119	$ 2,145	$ 2,198	$ 2,281
2020 Business Plan	$ 2,362	$ 2,393	$ 2,452	$ 2,545
Change	$ 243	$ 248	$ 254	$ 264
Drivers:				
Labor	$ 242	$ 248	$ 254	$ 263
Other Non-Labor	$ 1	$ -	$ -	$ 1
Total Drivers	$ 243	$ 248	$ 254	$ 264

CFO – All Other
LG&E and KU Utilities
2021 Operating Plan

August 2020

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Section 16(7)(c) I.
Page 218 of 253
Bellar/Blake

Table of Contents

- Major Assumptions
- Financial Performance
  - 2020-2025 Capital Expenditures
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Supplemental Contractors
    - Non-Labor

Major Assumptions

- All Other comprised of CFO, Audit Services including SOX Compliance, and Supply Chain
- Supply Chain
  - The level of supplemental contractors utilized for line of business material and logistics support drops from 2021 to 2023 going forward due to changes in support for Capital projects being completed and through efficiency initiatives and technology deployment.
  - Capital expenditures in the plan include some equipment, material storage infrastructure and pole yard management capability projects based on current assumptions for facility requirements to address line of business support needs.
  - Continued labor support to Capital in first four months of 2021 for Oracle project.

2020-2025 Capital Expenditures ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Maysville Pole Racks	$ 107	$ -	$ -	$ -	$ -	$ -
Shelby Card Reader/Swing	$ 100	$ -	$ -	$ -	$ -	$ -
Lexington Stone Rd Racks	$ 96	$ -	$ -	$ -	$ -	$ -
Winchester Pole Racks	$ -	$ 250	$ -	$ -	$ -	$ -
Stone Rd Containment Pad	$ -	$ 250	$ -	$ -	$ -	$ -
Paris Pole Yard Construction	$ -	$ 150	$ -	$ -	$ -	$ -
Winchester Pole Yard Construction	$ -	$ 150	$ -	$ -	$ -	$ -
Paris Pole Racks	$ -	$ 100	$ -	$ -	$ -	$ -
All Other	$ 859	$ 597	$ 500	$ 500	$ 500	$ 500
Total Capital	$ 1,162	$ 1,497	$ 500	$ 500	$ 500	$ 500
2020 Plan	$ 1,559	$ 1,727	$ 1,012	$ 500	$ 500	
Change	$ 397	$ 230	$ 512	$ -	$ -	

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 5,565	$ 5,720	$ 5,750	$ 5,638	$ 5,606	$ 5,500
CFO Department Efficiencies*	$ -	$ -	$ (1,080)	$ (3,553)	$ (4,832)	$ (8,840)
All Other Non-Labor	$ 2,041	$ 2,038	$ 2,016	$ 2,021	$ 2,027	$ 2,077
Total O&M	**$ 7,607**	**$ 7,757**	**$ 6,687**	**$ 4,106**	**$ 2,800**	**$ (1,264)**

* Management Challenge

Employee Headcount by Department

Department	August 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Audit Services	14	14	14	14	14	14
CFO	2	2	2	2	2	2
Supply Chain	57	58	58	58	58	58
Interns	3	3	3	3	3	3
Total	76	77	77	77	77	77
2021BP	76	77	77	77	77	
Prior Plan	77	77	77	77	77	
Change from Prior Plan	1	0	0	0	0	

** Average headcount not end of year

Supplemental Contractor Headcount by Department

Department	July 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Supply Chain	31	33	24	21	21	21
Total	31	33	24	21	21	21

Total Contractor Workforce

2021BP	31	33	24	21	21
Prior Plan	31	30	26	26	26
Change from Prior Plan	0	-3	2	5	5

** Average headcount not end of year

Supplemental contractors will be higher than the 2020 BP by three in 2021 and then decreases going forward and will be lower than prior plan for 2022-2025

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024
2021 Business Plan (pg 5)	$ 7,757	$ 6,687	$ 4,106	$ 2,800
2020 Business Plan	$ 8,178	$ 8,346	$ 8,518	$ 8,765
Change	$ 421	$ 1,659	$ 4,412	$ 5,965
Drivers:				
Labor	$ 423	$ 536	$ 826	$ 1,081
Department Efficiencies*	$ -	$ 1,080	$ 3,553	$ 4,832
Other Non-Labor	$ (2)	$ 43	$ 33	$ 52
Total Drivers	$ 421	$ 1,659	$ 4,412	$ 5,965

*Management Challenge

Corporate Communications
LG&E and KU Utilities
2021 Operating Plan

August 2020

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Section 16(7)(c) I.
Page 226 of 253
Bellar/Blake

Table of Contents

- Plan Highlights
- Major Assumptions
- Financial Performance
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Supplemental Contractors
    - Non-Labor

Plan Highlights

- The five-year plan for Communications and Corporate Responsibility is designed to sufficiently educate customers on energy choices and ways to save energy and money through tips, tools and initiatives.

Major Assumptions

- Corporate Communications
  - Educating customers on their energy choices and ways to reduce their usage through energy efficiency tips, tools and initiatives will require us to continue to utilize surround sound approach for communications tactics.
  - LG&E and KU communications preferences will require segmented communications and advertising strategies.
- Corporate Responsibility and Community Affairs
  - Criticism and scrutiny of the DSM programs has not necessitated extraordinary community investment.
  - Criticism and scrutiny from environmental groups does not escalate dramatically.
  - No significant deterioration in customer satisfaction ratings from low-income customers.
  - Our corporate-wide sustainability program responsibilities do not increase.

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 3,054	$ 3,082	$ 3,123	$ 3,184	$ 3,279	$ 3,324
Supplemental Contractors	$ 220	$ 286	$ 286	$ 286	$ 286	$ 286
Advertising						
Customer Education	$ 2,749	$ 2,877	$ 2,877	$ 2,827	$ 2,827	$ 2,818
Brand	$ 1,944	$ 2,293	$ 2,276	$ 2,265	$ 2,170	$ 2,134
Outside Services	$ 1,464	$ 1,516	$ 1,516	$ 1,516	$ 1,516	$ 1,516
All Other Non-labor	$ 212	$ 367	$ 367	$ 367	$ 367	$ 366
Total O&M	**$ 9,643**	**$ 10,421**	**$ 10,445**	**$ 10,444**	**$ 10,444**	**$ 10,444**

Employee Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Corp. Communications	20	20	20	20	20	20
Corp. Responsibility	6	6	6	6	6	6
Interns	2	2	2	2	2	2
Total	28	28	28	28	28	28
2021BP	28	28	28	28	28	28
Prior Plan	27	27	27	27	27	27
Change from Prior Plan	-1	-1	-1	-1	-1	-1

Plan includes two interns; prior plan included one intern.

Supplemental Contractor Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Corporate Communications	1	1	1	1	1	1
Total	1	1	1	1	1	1
Total Contractor Workforce						
2021BP	1	1	1	1	1	1
Prior Plan	1	1	1	1	1	1
Change from Prior Plan	0	0	0	0	0	0

2020-2025 Advertising ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Customer Newsletter, Mailings	$ 579	$ 579	$ 579	$ 579	$ 579	$ 579
Customer Education Advertising	$ 2,170	$ 2,250	$ 2,250	$ 2,200	$ 2,200	$ 2,191
Image Advertising	$ 545	$ 870	$ 870	$ 870	$ 870	$ 870
Sports Advertising Contracts	$ 741	$ 759	$ 777	$ 795	$ 795	$ 795
Sponsorship	$ 260	$ 260	$ 260	$ 260	$ 260	$ 260
Print Ads and Native Content	$ 255	$ 255	$ 220	$ 190	$ 109	$ 109
Miscellaneous	$ 143	$ 198	$ 198	$ 198	$ 184	$ 148
Total Advertising	$ 4,693	$ 5,170	$ 5,153	$ 5,091	$ 4,996	$ 4,951

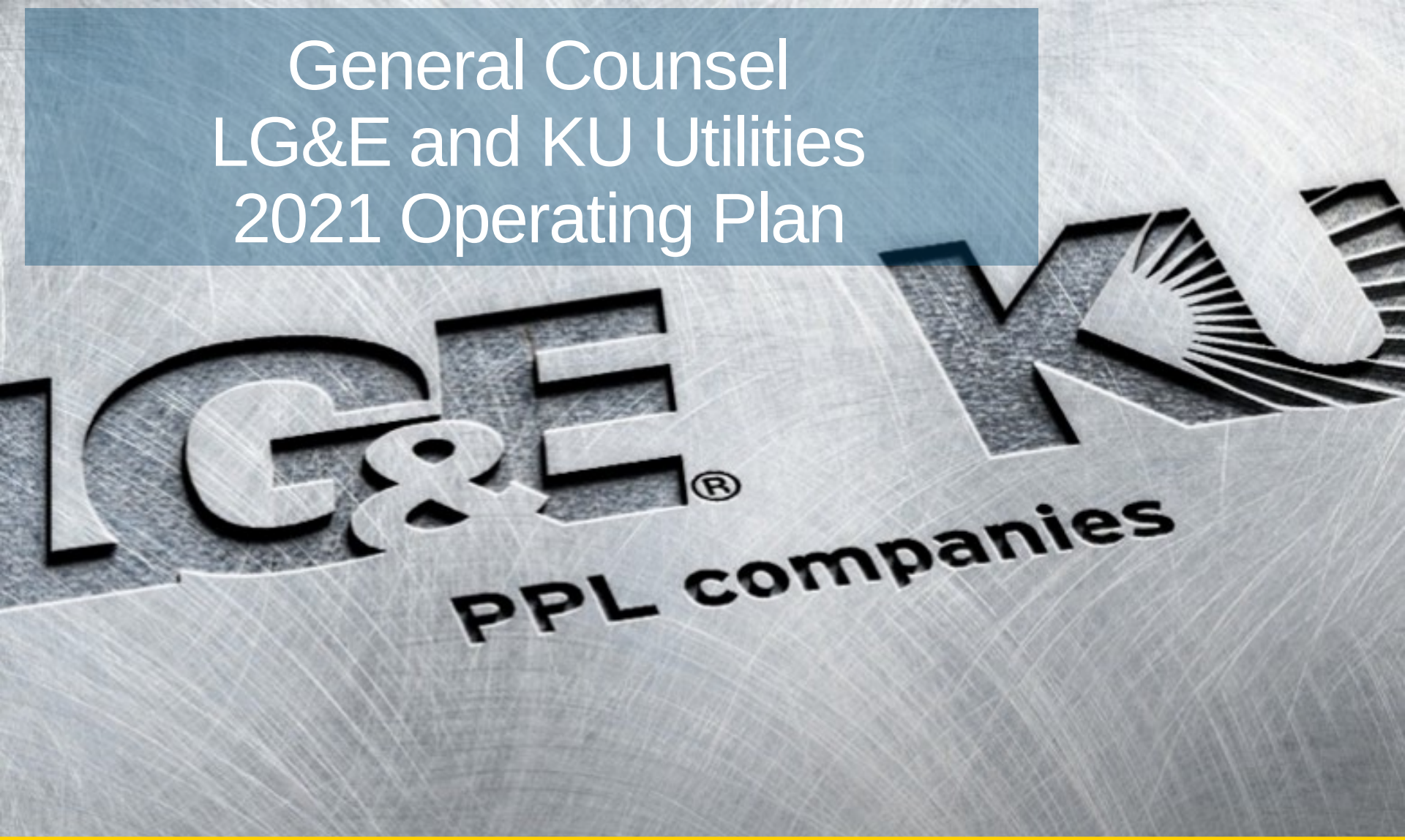
2020-2025 Outside Services ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Agency of Record	$ 911	$ 911	$ 911	$ 911	$ 911	$ 911
Photography, Video	$ 183	$ 183	$ 183	$ 183	$ 183	$ 183
Media Monitoring	$ 149	$ 149	$ 149	$ 149	$ 149	$ 149
The Cubero Group	$ 134	$ 134	$ 134	$ 134	$ 134	$ 134
Safety Engagement	$ 58	$ 58	$ 58	$ 58	$ 58	$ 58
Other-Communications	$ 30	$ 81	$ 81	$ 81	$ 81	$ 81
Total Outside Services	$ 1,464	$ 1,516	$ 1,516	$ 1,516	$ 1,516	$ 1,516

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024
2021 Business Plan (pg 5)	$ 10,421	$ 10,445	$ 10,444	$ 10,444
2020 Business Plan	$ 10,419	$ 10,446	$ 10,445	$ 10,445
Change	$ (2)	$ 1	$ 1	$ 1
Drivers:				
Advertising	$ -	$ (25)	$ (54)	$ (82)
Labor	$ 2	$ 30	$ 58	$ 86
Other Non-Labor	$ (4)	$ (4)	$ (3)	$ (3)
Total Drivers	$ (2)	$ 1	$ 1	$ 1

General Counsel
LG&E and KU Utilities
2021 Operating Plan



August 2020

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Section 16(7)(c) I.
Page 236 of 253
Bellar/Blake

Table of Contents

- Plan Highlights
- Major Assumptions
- Financial Performance
  - 2020-2025 Capital Expenditures
  - 2020-2025 Annual O&M Expenses
    - Labor
    - Non-Labor

Plan Highlights

- General Counsel provides support to the entire company through Legal, Compliance, Federal Regulation & Policy, and External Affairs.
- The 2021 General Counsel budget is $87k unfavorable to the 2020 BP.
- Outside Counsel is 45% of the overall General Counsel budget.
- Headcount will decrease by three compared to the prior plan.
  - Labor represents 26% of the General Counsel 2021BP O&M expenses.
- Company Dues represent 7% of the General Counsel 2021BP O&M expenses.
- Capital spend is anticipated during the plan years for Legal document storage and an electronic discovery product.

Major Assumptions

- Legal
  - Pending and anticipated legal matters proceed within a band of predictability.
  - There are no material, unanticipated legal issues which arise.
  - Hourly rates of outside providers remain stable.
- Compliance
  - No significant changes in the role played by Compliance Department.
  - Limited revisions to NERC standards that substantially alter compliance obligations.
  - Limited revisions to PHMSA standards that require additional compliance efforts.

Major Assumptions

- Federal Regulation & Policy
  - Generally routine pace of rulemaking or policy initiatives continues.
  - Continued moderate engagement by the Company in EEI and other industry group activities.
  - No targeted initiatives by Company to influence particular policy matters.
  - No other major developments at FERC or other forums (e.g., Congress, PHMSA) that will dictate fundamentally different resource needs.
- External Affairs
  - Expectation that at least one legislative issue will require modest outside communications agency spend.
  - Convergence of legislative, regulatory and legal issues expected to continue.

2020-2025 Capital Expenditures ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Document Mangement Solution	$ -	$ 125	$ -	$ -	$ -	$ -
e-Discovery	$ -	$ -	$ 150	$ -	$ -	$ -
Total Capital	$ -	$ 125	$ 150	$ -	$ -	$ -
2020 Plan	$ -	$ -	$ -	$ -	$ -	
Change	$ -	$ (125)	$ (150)	$ -	$ -	$ -

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 4,740	$ 4,695	$ 4,733	$ 4,800	$ 4,947	$ 5,031
Outside Counsel	$ 7,117	$ 8,061	$ 8,105	$ 7,936	$ 7,947	$ 7,788
Outside Services	$ 1,429	$ 1,217	$ 1,217	$ 1,317	$ 1,217	$ 1,217
EEI Dues	$ 778	$ 809	$ 834	$ 859	$ 885	$ 911
Environmental Company Dues	$ 329	$ 500	$ 500	$ 500	$ 500	$ 500
All Other Non-labor	$ 2,377	$ 2,689	$ 2,558	$ 2,534	$ 2,450	$ 2,500
Total O&M	**$ 16,768**	**$ 17,972**	**$ 17,946**	**$ 17,946**	**$ 17,946**	**$ 17,946**

Employee Headcount by Department

Department	August 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Legal	16	17	17	17	17	17
General Counsel	2	2	2	2	2	2
Compliance	8	8	8	8	8	8
Federal Reg & Policy	3	3	3	3	3	3
External Affairs	4	4	4	4	4	4
Law Clerk (Intern)	1	1	1	1	1	1
Total	34	35	35	35	35	35
2021BP	34	35	35	35	35	35
Prior Plan	37	38	38	38	38	38
Change from Prior Plan	3	3	3	3	3	3

August 2020 includes an open paralegal position.
The prior plan included an additional law clerk that has been removed starting in 2020, a Legal records associate that has been removed starting in 2020, and a corporate attorney budgeted to start in 2021 that will not be filled.

2020-2025 Outside Counsel ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Litigation	$ 3,060	$ 3,466	$ 3,485	$ 3,413	$ 3,417	$ 3,349
Regulatory	$ 1,922	$ 2,176	$ 2,188	$ 2,143	$ 2,146	$ 2,103
Environmental	$ 925	$ 1,048	$ 1,054	$ 1,032	$ 1,033	$ 1,012
All Other	$ 1,210	$ 1,370	$ 1,378	$ 1,349	$ 1,351	$ 1,324
Total Outside Counsel	$ 7,117	$ 8,061	$ 8,105	$ 7,936	$ 7,947	$ 7,788

2020-2025 Outside Services ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Legal Consulting	$ 978	$ 832	$ 832	$ 832	$ 832	$ 832
Legal e-Discovery Vendor	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300
Legal Other	$ 50	$ 74	$ 74	$ 74	$ 74	$ 74
Compliance - Mock Audit	$ 100	$ -	$ -	$ 100	$ -	$ -
All Other	$ 1	$ 11	$ 11	$ 11	$ 11	$ 11
Total Outside Services	$ 1,429	$ 1,217	$ 1,217	$ 1,317	$ 1,217	$ 1,217

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024
2021 Business Plan (pg 7)	$ 17,972	$ 17,946	$ 17,946	$ 17,946
2020 Business Plan	$ 17,885	$ 17,915	$ 18,136	$ 18,260
Change	$ (87)	$ (31)	$ 190	$ 314
Drivers:				
Labor	$ 232	$ 300	$ 363	$ 411
Outside Counsel	$ 117	$ 74	$ 242	$ 231
Outside Services	$ (264)	$ (264)	$ (264)	$ (264)
Other Non-Labor	$ (172)	$ (141)	$ (151)	$ (64)
Total Drivers	$ (87)	$ (31)	$ 190	$ 314

Human Resources
LG&E and KU Utilities
2021 Operating Plan

August 2020

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 16 - 807 KAR 5:001 Section 16(7)(c) I.
Page 247 of 253
Bellar/Blake

Table of Contents

- Major Assumptions
- Financial Performance
  - 2020-2025 Capital Expenditures
  - 2020-2025 Annual O&M Expenses
- Key Performance Indicators

Major Assumptions

- There are no significant changes from the prior plan.
- Headcount reduction of two FTEs in 2024.

2020-2025 Capital Expenditures ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Equip Improvements [1]	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20
Total Capital	$ 20	$ 20	$ 20	$ 20	$ 20	$ 20
2020 Plan	$ 20	$ 20	$ 20	$ 20	$ 20	
Change	$ -	$ -	$ -	$ -	$ -	

[1] Expenditure reflected here relate to HR labor hours forecasted on capital projects. Examples of those projects include PeopleSoft Upgrade and App, HR Interview Builder and HR Dashboard

2020-2025 Annual O&M Expenses ($000)

Item	2020 Forecast	2021 Plan	2022 Plan	2023 Plan	2024 Plan	2025 Plan
Labor	$ 5,858	$ 6,261	$ 6,341	$ 6,460	$ 6,489	$ 6,535
Training Travel & Meals	$ 320	$ 710	$ 681	$ 689	$ 678	$ 678
Outside Services	$ 418	$ 579	$ 659	$ 527	$ 527	$ 477
Other Non Labor	$ 260	$ 360	$ 348	$ 353	$ 334	$ 337
Dues & Subscriptions	$ 78	$ 88	$ 88	$ 88	$ 88	$ 88
Software Maintenance	$ 18	$ 18	$ 18	$ 18	$ 18	$ 18
Advertising	$ 1	$ 5	$ 5	$ 5	$ 5	$ 5
Total O&M	**$ 6,954**	**$ 8,021**	**$ 8,139**	**$ 8,139**	**$ 8,139**	**$ 8,137**

Employee Headcount by Department

Department	Forecast 2020	Plan 2021	Plan 2022	Plan 2023	Plan 2024	Plan 2025
Staffing & TM	18	20	20	20	18	18
Wilson	4	5	5	5	4	4
Staffing	11	12	12	12	11	11
Talent Management	3	3	3	3	3	3
Corporate	18	19	19	19	19	19
Hincker	4	4	4	4	4	4
Benefits	7	7	7	7	7	7
HRIS	5	5	5	5	5	5
Compensation	2	3	3	3	3	3
Operations - Duncan	11	11	11	11	11	11
Health & Wellness	7	7	7	7	7	7
VP HR	2	2	2	2	2	2
Interns	3	4	4	4	4	2
Total	59	63	63	63	61	59

Total Employee Workforce

2021BP	59	63	63	63	61	
Prior Plan	60	62	62	62	62	
Change from Prior Plan	1	(1)	(1)	(1)	1	

** Average headcount not end of year

O&M Annual Expense Reconciliation ($000)

	2021	2022	2023	2024
2021 Business Plan (pg 6)	$ 8,021	$ 8,139	$ 8,139	$ 8,139
2020 Business Plan	$ 8,178	$ 8,344	$ 8,639	$ 8,816
Change	$ 158	$ 204	$ 499	$ 677
Drivers:				
Labor	$ 164	$ 268	$ 342	$ 591
Training, Travel & Meals	$ (0)	$ 19	$ 22	$ 22
Outside Services	$ (2)	$ (82)	$ 130	$ 50
Other Non Labor	$ (1)	$ 3	$ 10	$ 18
Dues & Subscriptions	$ (4)	$ (4)	$ (4)	$ (4)
Total Drivers	$ 158	$ 204	$ 499	$ 677

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 17 - 807 KAR 5:001 Section 16(7)(d)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

The utility's annual and monthly budget for the twelve (12) months preceding the filing date, the base period, and forecasted period.

Response:

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

Kentucky Utilities Company
Case No. 2020-00349
Annual and Monthly Budget for years 2019-2022
Base Period: Twelve Months Ended February 28, 2021
Forecasted Test Period: Twelve Months Ended June 30, 2022

2019 Budget - Kentucky Utilities Company

Total Company

	January	February	March	April	May	June	July	August	September	October	November	December	Year Total
INCOME STATEMENT													
Operating Revenues													
Electric Operating Revenues	169,063,589	146,927,879	139,514,165	126,247,059	141,470,183	145,592,744	158,795,413	162,044,600	142,533,293	132,790,354	142,720,798	159,432,401	1,767,132,479
Total Operating Revenues	169,063,589	146,927,879	139,514,165	126,247,059	141,470,183	145,592,744	158,795,413	162,044,600	142,533,293	132,790,354	142,720,798	159,432,401	1,767,132,479
Operating Expenses													
Fuel for Electric Generation	44,680,960	36,392,683	34,392,915	31,978,901	36,037,970	36,801,352	40,615,883	42,433,793	34,052,082	31,219,494	32,369,458	36,777,632	437,753,124
Power Purchased	8,216,887	6,491,146	5,966,148	4,265,908	3,661,651	2,824,756	2,792,377	3,070,717	3,122,186	3,471,700	6,447,651	6,943,534	57,274,660
Other Operation Expenses	25,439,028	23,061,817	23,839,564	23,800,238	24,870,379	24,462,369	26,604,534	26,503,204	25,714,217	26,086,377	23,315,659	24,361,394	298,058,780
Maintenance	8,949,540	12,093,555	14,559,179	15,440,282	11,772,852	10,439,333	11,252,441	10,157,321	11,895,067	16,770,542	13,698,086	10,067,252	147,095,450
Depreciation & Amoritization Expense	23,923,917	23,789,324	23,672,251	23,604,097	27,162,907	27,526,801	27,666,160	27,708,630	27,749,950	27,807,355	27,896,486	28,184,085	316,691,962
Regulatory Debits	810,694	867,757	923,859	1,009,877	701,916	729,083	748,800	768,221	783,058	795,031	805,949	842,699	9,786,943
Current Income Taxes	10,997,406	7,814,127	1,241,197	2,042,452	5,778,467	5,655,194	8,818,695	9,392,961	1,694,377	3,167,375	6,027,189	6,155,348	68,784,786
Property and Other Taxes	3,976,760	3,971,925	3,977,393	3,974,066	3,970,793	3,966,557	3,977,008	3,980,680	3,975,306	3,976,899	3,969,934	3,972,780	47,690,099
Total Operating Expenses	126,995,192	114,482,333	108,572,507	106,115,821	113,956,934	112,405,445	122,475,898	124,015,526	108,986,242	113,294,772	114,530,412	117,304,723	1,383,135,805
Net Operating Income	42,068,398	32,445,546	30,941,658	20,131,238	27,513,249	33,187,299	36,319,515	38,029,074	33,547,050	19,495,582	28,190,386	42,127,678	383,996,673
AFUDC - Equity	4,619	1,654	2,414	2,782	433	464	617	737	540	460	304	145	15,169
Other Income less deductions	(192,789)	72,032	137,281	132,776	149,173	121,114	142,067	166,406	137,545	149,475	160,305	40,623	1,216,009
Income before Interest Charges	41,880,227	32,519,232	31,081,352	20,266,797	27,662,855	33,308,877	36,462,200	38,196,217	33,685,136	19,645,517	28,350,996	42,168,446	385,227,851
Interest Charges	8,766,595	8,719,098	8,821,859	8,923,034	9,880,741	9,534,183	9,541,950	9,524,110	9,628,720	9,717,280	9,809,719	9,889,267	112,756,559
Net Income	33,113,632	23,800,134	22,259,493	11,343,763	17,782,113	23,774,694	26,920,250	28,672,107	24,056,415	9,928,237	18,541,276	32,279,179	272,471,292

Kentucky Utilities Company
Case No. 2020-00349
Annual and Monthly Budget for years 2019-2022
Base Period: Twelve Months Ended February 28, 2021
Forecasted Test Period: Twelve Months Ended June 30, 2022

2020 Budget - Kentucky Utilities Company

Total Company	January	February	March	April	May	June	July	August	September	October	November	December	Year Total	Total 12 Months Preceding Filing Date[1]
INCOME STATEMENT														
Operating Revenues														
Electric Operating Revenues	174,511,718	157,412,559	149,210,053	131,498,138	138,417,067	147,432,187	159,011,741	158,788,105	140,547,666	134,821,702	141,162,390	157,514,167	1,790,327,493	1,793,804,135
Total Operating Revenues	174,511,718	157,412,559	149,210,053	131,498,138	138,417,067	147,432,187	159,011,741	158,788,105	140,547,666	134,821,702	141,162,390	157,514,167	1,790,327,493	1,793,804,135
Operating Expenses														
Fuel for Electric Generation	41,289,106	35,696,342	30,414,887	29,878,068	32,879,364	35,735,543	40,634,461	40,765,431	33,131,685	31,297,885	32,436,329	36,183,778	420,342,879	420,869,862
Power Purchased	6,167,927	6,011,737	9,666,825	3,584,251	3,258,912	2,981,017	2,188,321	2,302,993	2,951,985	3,270,222	3,485,534	4,867,651	50,737,373	55,775,374
Other Operation Expenses	25,486,973	23,676,247	24,562,019	24,441,100	24,053,879	25,113,700	26,054,461	25,858,007	26,120,582	25,568,852	23,419,039	24,884,567	299,239,426	298,612,873
Maintenance	9,238,820	9,245,672	13,374,737	15,736,268	11,295,482	11,224,166	11,008,260	10,261,753	11,319,159	13,033,673	12,646,263	9,717,665	138,101,918	139,503,328
Depreciation & Amoritization Expense	27,760,832	27,796,185	27,924,802	28,087,644	28,236,007	28,435,558	28,563,912	28,592,862	28,620,485	28,651,143	28,712,681	28,799,653	340,181,764	338,750,001
Regulatory Debits	902,272	912,127	923,704	896,781	925,183	950,891	973,897	991,753	1,004,170	1,006,663	1,008,072	1,015,709	11,511,223	11,136,089
Current Income Taxes	12,504,830	10,128,489	2,100,590	3,840,739	6,043,669	4,683,259	8,992,810	8,991,222	2,029,754	4,637,099	6,510,634	6,288,465	76,751,560	76,134,997
Property and Other Taxes	4,062,562	4,060,014	4,070,419	4,064,258	4,061,626	4,063,844	4,067,643	4,068,133	4,067,832	4,067,536	4,065,136	4,064,980	48,783,986	48,596,583
Total Operating Expenses	127,413,323	117,526,814	113,037,983	110,529,109	110,754,121	113,187,978	122,483,765	121,832,154	109,245,651	111,533,073	112,283,688	115,822,468	1,385,650,128	1,389,379,106
Net Operating Income	47,098,395	39,885,746	36,172,070	20,969,028	27,662,946	34,244,209	36,527,976	36,955,951	31,302,015	23,288,629	28,878,701	41,691,698	404,677,364	404,425,030
AFUDC - Equity	1,151	1,153	638	119	126	126	126	121	119	119	119	119	4,034	4,246
Other Income less deductions	233,722	203,445	201,690	205,096	214,462	153,888	234,009	381,158	348,652	212,175	223,901	75,218	2,687,416	2,589,225
Income before Interest Charges	47,333,268	40,090,343	36,374,398	21,174,242	27,877,534	34,398,223	36,762,111	37,337,231	31,650,785	23,500,922	29,102,720	41,767,035	407,368,815	407,018,501
Interest Charges	9,374,579	9,310,001	9,294,887	9,306,937	9,374,406	9,384,204	9,368,373	9,801,125	9,075,056	9,231,073	9,185,523	9,221,459	111,927,623	113,219,628
Net Income	37,958,689	30,780,343	27,079,511	11,867,306	18,503,128	25,014,020	27,393,738	27,536,105	22,575,730	14,269,849	19,917,197	32,545,576	295,441,191	293,798,873

Total 12 Months Preceding Filing Date[1] - Sum of November through December of the 2019 Budget plus January through October of the 2020 Budget.

Kentucky Utilities Company
Case No. 2020-00349
Annual and Monthly Budget for years 2019-2022
Base Period: Twelve Months Ended February 28, 2021
Forecasted Test Period: Twelve Months Ended June 30, 2022

2021 Budget - Kentucky Utilities Company

Total Company	January	February	March	April	May	June	July	August	September	October	November	December	Year Total	Budgeted Base Period 02/28/21[1]
INCOME STATEMENT														
Operating Revenues														
Electric Operating Revenues	167,852,071	153,104,832	145,469,372	126,498,234	133,181,411	143,037,023	154,069,900	154,528,451	138,989,967	135,823,570	136,528,379	155,738,965	1,744,822,174	1,779,360,118
Total Operating Revenues	167,852,071	153,104,832	145,469,372	126,498,234	133,181,411	143,037,023	154,069,900	154,528,451	138,989,967	135,823,570	136,528,379	155,738,965	1,744,822,174	1,779,360,118
Operating Expenses														
Fuel for Electric Generation	38,174,679	34,056,753	34,212,547	23,668,782	30,431,556	35,544,798	39,896,409	39,919,181	35,038,163	36,059,879	27,565,256	34,948,443	409,516,447	415,588,862
Power Purchased	6,158,734	4,935,650	2,793,272	7,216,177	2,996,609	1,608,450	1,540,078	1,813,615	1,778,697	1,228,229	6,599,398	5,868,387	44,537,296	49,652,094
Other Operation Expenses	26,109,032	25,071,401	27,195,219	25,664,843	25,439,615	27,196,038	26,581,687	27,083,279	27,081,404	26,690,162	25,444,072	26,178,567	315,735,319	301,256,639
Maintenance	9,313,763	10,035,598	14,276,556	16,012,489	11,981,336	11,847,185	11,623,549	12,000,198	13,363,040	17,265,146	14,480,084	11,043,846	153,242,790	138,966,787
Depreciation & Amoritization Expense	28,921,051	28,937,221	28,968,278	29,096,743	29,297,861	29,449,023	34,067,462	34,084,459	34,154,073	34,262,980	34,355,054	34,691,768	380,285,974	342,483,019
Regulatory Debits	1,097,886	1,108,419	1,122,806	1,144,124	1,168,683	1,195,341	1,211,923	1,230,282	1,242,778	1,245,446	1,239,123	1,240,555	14,247,367	11,903,129
Current Income Taxes	11,112,896	8,860,812	1,847,631	2,530,232	4,570,741	1,649,757	6,208,718	6,024,487	(4,001,643)	1,207,465	3,141,024	(166,848)	42,985,272	74,091,948
Property and Other Taxes	4,283,607	4,245,718	4,371,134	4,316,302	4,285,500	4,329,882	4,328,677	4,321,292	4,318,991	4,289,781	4,318,147	4,354,411	51,763,446	49,190,735
Total Operating Expenses	125,171,649	117,251,573	114,787,444	109,649,693	110,171,903	112,820,474	125,458,502	126,476,794	112,975,503	122,249,088	117,142,158	118,159,130	1,412,313,910	1,383,133,213
Net Operating Income	42,680,422	35,853,259	30,681,928	16,848,541	23,009,508	30,216,548	28,611,398	28,051,657	26,014,464	13,574,482	19,386,221	37,579,835	332,508,264	396,226,905
AFUDC - Equity	4,365	4,384	4,418	4,468	4,543	4,666	12,718	22,201	25,402	28,785	33,246	38,891	188,086	10,479
Other Income less deductions	172,873	146,871	144,567	156,709	142,406	212,691	167,435	178,183	163,294	162,752	165,672	23,898	1,837,350	2,569,993
Income before Interest Charges	42,857,660	36,004,514	30,830,913	17,009,718	23,156,457	30,433,905	28,791,550	28,252,041	26,203,160	13,766,019	19,585,139	37,642,624	334,533,701	398,807,377
Interest Charges	9,112,819	9,059,965	9,094,642	9,097,730	9,120,813	9,224,472	9,802,049	9,796,479	9,788,400	9,808,983	9,804,546	9,818,647	113,529,546	111,415,828
Net Income	33,744,841	26,944,549	21,736,271	7,911,988	14,035,644	21,209,433	18,989,502	18,455,562	16,414,761	3,957,036	9,780,593	27,823,977	221,004,154	287,391,549

Budgeted Base Period 02/28/21[1] - Sum of March through December of the 2020 Budget and January through February of the 2021 Budget.

Kentucky Utilities Company
Case No. 2020-00349
Annual and Monthly Budget for years 2019-2022
Base Period: Twelve Months Ended February 28, 2021
Forecasted Test Period: Twelve Months Ended June 30, 2022

2022 Budget - Kentucky Utilities Company

Total Company	January	February	March	April	May	June	July	August	September	October	November	December	Year Total	Test Year 6/30/2022
INCOME STATEMENT														
Operating Revenues														
Electric Operating Revenues	168,454,660	154,027,098	146,636,293	127,082,767	133,028,743	142,124,377	155,999,590	156,210,890	139,600,972	134,177,921	137,564,704	156,471,809	1,751,379,825	1,747,033,170
Total Operating Revenues	168,454,660	154,027,098	146,636,293	127,082,767	133,028,743	142,124,377	155,999,590	156,210,890	139,600,972	134,177,921	137,564,704	156,471,809	1,751,379,825	1,747,033,170
Operating Expenses														
Fuel for Electric Generation	38,201,099	32,477,872	31,310,659	24,821,917	29,962,873	34,862,697	39,944,870	40,163,357	34,163,555	31,492,177	30,651,910	33,682,915	401,735,901	405,064,448
Power Purchased	6,946,475	7,546,699	6,938,762	6,317,307	3,389,268	1,789,786	1,590,691	1,696,593	1,884,322	2,709,504	3,331,857	7,040,455	51,181,718	51,756,701
Other Operation Expenses	26,538,308	25,338,512	27,533,389	25,529,226	25,842,052	27,273,841	26,342,963	27,639,486	27,162,605	26,303,738	25,714,148	25,321,427	316,539,695	317,114,499
Maintenance	9,814,282	10,815,690	18,206,809	16,975,257	13,506,144	12,812,075	11,738,347	11,708,475	12,522,869	17,869,299	14,488,460	11,123,279	161,580,986	161,906,120
Depreciation & Amoritization Expense	34,983,855	34,965,903	34,981,953	35,044,739	35,101,984	35,175,434	35,230,077	35,218,193	35,218,447	35,229,997	35,254,904	35,402,395	421,807,882	415,869,665
Regulatory Debits	1,258,195	1,265,513	1,274,519	1,288,971	1,303,700	1,296,729	1,308,690	1,321,926	1,336,448	1,335,095	1,329,209	1,341,038	15,660,033	15,097,734
Current Income Taxes	9,040,779	6,790,738	(4,503,172)	653,791	2,345,988	(3,862,855)	6,324,912	5,966,485	(2,264,560)	1,190,268	3,070,599	1,540,211	26,293,184	22,878,471
Property and Other Taxes	4,529,419	4,498,749	4,625,661	4,549,247	4,570,347	4,579,493	4,550,585	4,621,129	4,583,174	4,541,425	4,577,452	4,577,360	54,804,042	53,284,218
Total Operating Expenses	131,312,412	123,699,678	120,368,580	115,180,456	116,022,355	113,927,199	127,031,135	128,335,644	114,606,859	120,671,503	118,418,540	120,029,079	1,449,603,441	1,442,971,856
Net Operating Income	37,142,248	30,327,420	26,267,713	11,902,311	17,006,388	28,197,178	28,968,455	27,875,247	24,994,113	13,506,418	19,146,165	36,442,729	301,776,384	304,061,314
AFUDC - Equity	43,970	51,050	58,598	66,799	74,990	84,826	91,230	99,550	110,766	125,385	139,977	158,532	1,105,672	541,476
Other Income less deductions	179,841	154,175	151,457	165,510	152,765	121,410	169,654	179,374	163,279	163,311	166,339	28,901	1,796,017	1,786,393
Income before Interest Charges	37,366,059	30,532,646	26,477,768	12,134,620	17,234,144	28,403,414	29,229,339	28,154,171	25,268,157	13,795,114	19,452,480	36,630,162	304,678,072	306,389,183
Interest Charges	9,814,014	9,767,346	9,799,248	9,802,272	9,816,194	9,802,623	9,809,595	9,794,540	9,778,920	9,792,647	9,776,329	9,782,723	117,536,451	117,620,801
Net Income	27,552,045	20,765,300	16,678,520	2,332,348	7,417,950	18,600,790	19,419,744	18,359,631	15,489,237	4,002,467	9,676,151	26,847,439	187,141,621	188,768,381

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 18 - 807 KAR 5:001 Section 16(7)(e)
Sponsoring Witness: Paul W. Thompson

Description of Filing Requirement:

A statement of attestation signed by the utility's chief officer in charge of Kentucky operations, which shall provide:

1. *That the forecast is reasonable, reliable, made in good faith, and that all basic assumptions used in the forecast have been identified and justified;*
2. *That the forecast contains the same assumptions and methodologies as used in the forecast prepared for use by management, or an identification and explanation for differences that exist, if applicable; and*
3. *That productivity and efficiency gains are included in the forecast.*

Response:

See attached.

STATEMENT OF ATTESTATION SIGNED BY THE UTILITY'S CHIEF OFFICER IN CHARGE OF KENTUCKY OPERATIONS

1. The forecast presented in this rate application is reasonable, reliable, made in good faith, and all basic assumptions used in the forecast have been identified and justified;

2. The forecast contains the same assumptions and methodologies as used in the forecast prepared for use by management, except for the differences that have been identified and explained in the filing requirements and schedules thereto; and

3. Productivity and efficiency gains are included in the forecast.

Paul W. Thompson
President and Chief Executive Officer of
Louisville Gas and Electric Company and
Kentucky Utilities Company

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 20th day of November 2020.

Notary Public

Notary Public, ID No. 595712

My Commission Expires:

March 28, 2022

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 19 - 807 KAR 5:001 Section 16(7)(f)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

For each major construction project that constitutes five (5) percent or more of the annual construction budget within the three (3) year forecast, the following information shall be filed:

1. *The date the project was started or estimated starting date;*
2. *The estimated completion date;*
3. *The total estimated cost of construction by year exclusive and inclusive of allowance for funds used during construction ("AFUDC") or interest during construction credit; and*
4. *The most recent available total costs incurred exclusive and inclusive of AFUDC or interest during construction credit.*

Response:

See attached.

Kentucky Utilities Company
Case No. 2020-00349
Fully Forecasted Test Period
Summary of Capital Construction Forecast which Constitute More than five (5%) of the Total and all other Projects

Year 2020

Plant	Project Description	Unit	Project Amount Without AFUDC	AFUDC	Project Amount With AFUDC	Inception-to-Date 8/31/20 Without AFUDC	AFUDC	Inception-to-Date 8/31/20 With AFUDC	Inception-to-Date 12/31/19 With AFUDC	Actual Start Date	Expected Start Date	Expected Completion Date
	All Other Projects < 5%		$ 578,121,545	$ 167,206	$ 578,288,750	$ 1,800,245,282	$ 1,390,627	$ 1,801,635,909	$ 1,425,484,642			

Year 2021

Plant	Project Description	Unit	Project Amount Without AFUDC	AFUDC	Project Amount With AFUDC	Inception-to-Date 8/31/20 Without AFUDC	AFUDC	Inception-to-Date 8/31/20 With AFUDC	Inception-to-Date 12/31/19 With AFUDC	Actual Start Date	Expected Start Date	Expected Completion Date
	All Other Projects < 5%		$ 661,817,316	$ 190,723	$ 662,008,039	$ 494,458,709	$ 511,820	$ 494,970,529	$ 371,263,577			

Year 2022

Plant	Project Description	Unit	Project Amount Without AFUDC	AFUDC	Project Amount With AFUDC	Inception-to-Date 8/31/20 Without AFUDC	AFUDC	Inception-to-Date 8/31/20 With AFUDC	Inception-to-Date 12/31/19 With AFUDC	Actual Start Date	Expected Start Date	Expected Completion Date
Ghent	ELG GH ECR	NA	$ 41,531,592	$ -	$ 41,531,592	$ -	$ -	$ -	$ -		Sep-20	Jun-25
Ghent	GH BOT ASH H2O RECIRC ECR	NA	$ 32,186,264	$ -	$ 32,186,264	$ -	$ -	$ -	$ -		Oct-20	Mar-24
	All Other Projects < 5%		$ 379,914,237	$ 1,047,932	$ 380,962,169	$ 48,524,155	$ (3)	$ 48,524,152	$ 31,904,739			

Year 2023

Plant	Project Description	Unit	Project Amount Without AFUDC	AFUDC	Project Amount With AFUDC	Inception-to-Date 8/31/20 Without AFUDC	AFUDC	Inception-to-Date 8/31/20 With AFUDC	Inception-to-Date 12/31/19 With AFUDC	Actual Start Date	Expected Start Date	Expected Completion Date
Ghent	ELG GH ECR	NA	$ 36,062,543	$ -	$ 36,062,543	$ -	$ -	$ -	$ -		Sep-20	Jun-25
	CS AMI Meters 21 BP KU	NA	$ 27,800,056	$ 1,496,876	$ 29,296,932	$ -	$ -	$ -	$ -		Jul-21	Mar-26
	All Other Projects < 5%		$ 376,142,873	$ 1,563,610	$ 377,706,483	$ 44,196,006	$ (3)	$ 44,196,003	$ 29,997,761			

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 20 - 807 KAR 5:001 Section 16(7)(g)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

For all construction projects that constitute less than five (5) percent of the annual construction budget within the three (3) year forecast, the utility shall file an aggregate of the information requested in paragraph (f)3 and 4 of this subsection.

Response:

See KU's response to Filing Requirement 807 KAR 5:001 Section 16(7)(f) [Tab No. 19].

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 21 - 807 KAR 5:001 Section 16(7)(h)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

Response:

See KU's responses to Tab Nos. 22-38.

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 22 - 807 KAR 5:001 Section 16(7)(h)(1)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

1. *Operating income statement (exclusive of dividends per share or earnings per share);*

Response:

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

Kentucky Utilities Company
Case No. 2020-00349
Forecasted Income Statements 2020 - 2023
Base Period: Twelve Months Ended February 28, 2021
Forecasted Test Period: Twelve Months Ended June 30, 2022

Kentucky Utilities Company - Total Company

	2020	2021	2022	2023
	$	$	$	$
INCOME STATEMENT				
Operating Revenues				
Electric Operating Revenues	1,687,974,688	1,744,822,174	1,751,379,825	1,762,871,449
Total Operating Revenues	1,687,974,688	1,744,822,174	1,751,379,825	1,762,871,449
Operating Expenses				
Fuel for Electric Generation	381,581,074	409,516,447	401,735,901	409,495,131
Power Purchased	37,638,203	44,537,296	51,181,718	46,929,761
Other Operation Expenses	291,230,327	315,735,319	316,539,695	322,341,018
Maintenance	135,168,351	153,242,790	161,580,986	163,624,429
Depreciation & Amortization Expense	335,175,726	380,285,974	421,807,882	427,737,186
Regulatory Debits	11,965,690	14,247,367	15,660,033	16,910,131
Current Income Taxes	68,031,072	42,985,272	26,293,184	26,361,421
Property and Other Taxes	46,286,887	51,763,446	54,804,042	57,255,575
Amortization of Investment Tax Credit	-	-	-	-
Loss (Gain) from Disposition of Allowances	(30)	-	-	-
Total Operating Expenses	1,307,077,300	1,412,313,910	1,449,603,441	1,470,654,652
Net Operating Income	380,897,389	332,508,264	301,776,384	292,216,797
AFUDC - Equity	114,816	188,086	1,105,672	3,033,893
Other Income less deductions	2,160,696	1,837,350	1,796,017	1,827,601
Income before Interest Charges	383,172,900	334,533,701	304,678,072	297,078,291
Interest Charges	112,721,372	113,529,546	117,536,451	116,846,055
Net Income	270,451,528	221,004,154	187,141,621	180,232,236

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 23 - 807 KAR 5:001 Section 16(7)(h)(2)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

2. Balance sheet;

Response:

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

Kentucky Utilities Company
Case No. 2020-00349
Balance Sheet - Total Company
Calendar Years 2020-2023

Kentucky Utilities Company - Total	**2020** $	**2021** $	**2022** $	**2023** $
ASSETS AND OTHER DEBITS				
UTILITY PLANT				
Gross Utility Plant	10,736,010,283	11,249,221,463	11,568,536,719	11,904,434,763
Accumulated Provision for Depreciation and Amortization	(3,634,886,771)	(3,932,627,179)	(4,260,789,645)	(4,613,616,452)
Total Utility Net Plant	**7,101,123,512**	**7,316,594,284**	**7,307,747,075**	**7,290,818,311**
INVESTMENTS				
Investment in Subsidiary Companies	250,000	250,000	250,000	250,000
Net Nonutility property	681,648	681,648	681,648	681,648
Other Investments	31,472,463	42,181,789	52,641,348	62,747,458
Total other Property and Investments	**32,404,111**	**43,113,437**	**53,572,996**	**63,679,106**
CURRENT AND ACCRUED ASSETS				
Cash	5,057,530	5,057,530	5,057,530	5,057,530
Accounts Receivable - Less Reserves	256,423,718	256,170,778	256,996,532	256,895,976
Notes Receivable	1,426,763	1,455,342	1,481,225	1,499,210
Accounts Receivable from Associated Companies	(1,481,719)	204,540	2,244,474	3,160,329
Inventories	120,300,206	133,468,564	136,195,952	136,531,454
Prepayments	19,591,092	17,829,153	16,208,046	16,791,770
Total Current and Accrued Assets	**401,317,591**	**414,185,907**	**418,183,759**	**419,936,269**
DEFERRED DEBITS AND OTHER				
Unamortized Debt Expenses	30,008,022	31,514,394	29,521,979	27,583,105
Accumulated Deferred Income Tax Asset	309,119,943	309,119,943	309,119,943	309,119,943
Regulatory Assets	452,190,725	450,873,264	436,177,460	413,973,226
Miscellaneous Deferred Debits	56,139,235	53,847,382	40,047,555	47,939,852
Total Deferred Debits & Other	**847,457,926**	**845,354,983**	**814,866,937**	**798,616,126**
TOTAL ASSETS	**8,382,303,140**	**8,619,248,610**	**8,594,370,767**	**8,573,049,812**
LIABILITIES AND OTHER CREDITS				
PROPRIETARY CAPITAL				
Common and Preferred Stock Issued	308,139,978	308,139,978	308,139,978	308,139,978
Common Stock Expense	(321,289)	(321,289)	(321,289)	(321,289)
Paid-in-capital	836,006,856	961,891,183	1,023,942,595	1,084,494,333
Retained Earnings	2,035,549,093	2,060,319,869	2,016,426,270	1,975,369,984
Total Proprietary Capital	**3,179,374,638**	**3,330,029,741**	**3,348,187,553**	**3,367,683,005**
Total Long-Term Debt	**2,637,632,370**	**2,837,854,482**	**2,838,076,593**	**2,825,398,705**
TOTAL CAPITALIZATION	**5,817,007,008**	**6,167,884,222**	**6,186,264,147**	**6,193,081,710**
CURRENT AND ACCRUED LIABILITIES				
Notes Payable	184,473,269	127,429,126	147,453,126	170,741,991
Accounts Payable	116,225,229	117,695,624	108,684,132	107,953,071
Accounts Payable to Associated Companies	45,648,582	43,523,976	44,879,694	45,231,866
Customer Deposits	31,620,707	31,620,707	31,620,707	31,620,707
Taxes Accrued	22,891,668	23,316,381	22,936,772	23,890,607
Interest Accrued	16,977,989	16,978,185	16,978,417	16,966,977
Miscellaneous Current Liabilities	32,647,168	30,180,081	29,273,444	28,406,103
Total Current and Accrued Liabilities	**450,484,613**	**390,744,082**	**401,826,292**	**424,811,322**
DEFERRED CREDITS				
Accumulated Deferred Income Tax Liability	1,148,147,633	1,172,569,349	1,181,175,296	1,180,798,202
Investment Tax Credits	88,219,717	86,323,268	84,388,744	82,454,220
Regulatory Liabilities	714,100,249	677,410,171	639,509,379	605,338,954
Customer Advances for Construction	1,719,772	1,719,772	1,719,772	1,719,772
Asset Retirement Obligations	117,750,062	83,926,275	66,452,365	46,839,728
Other Deferred Credits	2,123,965	2,123,965	2,123,965	2,123,965
Miscellaneous Long Term Liabilities	22,169,862	16,193,606	10,818,556	16,077,155
Accumulated Provision for Post Retirement Benefits	20,580,260	20,353,900	20,092,252	19,804,784
Total Deferred Credits	**2,114,811,520**	**2,060,620,306**	**2,006,280,329**	**1,955,156,780**
TOTAL LIABILITIES AND STOCKHOLDER EQUITY	**8,382,303,140**	**8,619,248,610**	**8,594,370,767**	**8,573,049,812**

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 24 - 807 KAR 5:001 Section 16(7)(h)(3)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

3. Statement of cash flows;

Response:

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

Kentucky Utilities Company
Case No. 2020-00349
Forecasted Cash Flow Statements 2020 - 2023
Base Period: Twelve Months Ended February 28, 2021
Forecasted Test Period: Twelve Months Ended June 30, 2022

Kentucky Utilities Company Cash Flow Statement	**2020**	**2021**	**2022**	**2023**
	$	$	$	$
Cash Flows from Operating Activities				
Net Income	270,451,528	221,004,154	187,141,621	180,232,236
Adjustments to reconcile net income to net cash provided by (used in) operating activities				
Depreciation	347,077,366	394,154,675	437,073,663	444,025,533
Amortization	3,076,002	3,876,546	9,937,956	10,111,946
Defined benefit plans - Expense	134,860	1,319,622	867,882	244,618
Deferred income taxes and investment tax credits	24,666,289	(7,132,592)	(28,447,487)	(35,054,801)
Change in current assets and current liabilities				
Accounts receivable	1,721,791	(1,599,328)	(2,699,679)	(815,299)
Inventories	7,870,054	(14,096,560)	(3,240,217)	432,180
Other current assets	773,464	779,277	905,426	(2,443,662)
Regulatory assets and liabilities	(20,998,877)	(7,075,668)	(3,811,324)	3,130,686
Accounts payable	(7,609,599)	(6,588,883)	(2,180,701)	(2,636,991)
Taxes accrued	(7,410,708)	(450,142)	(1,606,393)	(69,790)
Interest accrued	(3,004,299)	197	232	(11,440)
Other current liabilities	(5,408,065)	(954,073)	(1,060,617)	(1,123,355)
Other operating activities				
ARO expenditures	(63,914,672)	(41,819,046)	(22,350,445)	(22,902,698)
Defined benefit plans - funding	(1,660,569)	(2,538,844)	(1,555,868)	(561,672)
Other	(1,172,736)	(320,917)	(1,105,672)	(3,033,893)
Net cash provided by operating activities	544,591,828	538,558,417	567,868,377	569,523,599
Cash Flows from Investing Activities				
Expenditures for property, plant and equipment	(523,965,357)	(607,265,486)	(418,568,569)	(418,835,680)
Other investing activities	3,027,924	-	-	-
Net cash used in investing activities	(520,937,433)	(607,265,486)	(418,568,569)	(418,835,680)
Cash Flows from Financing Activities				
Issuance of long-term debt	497,545,000	200,000,000	-	-
Net increase (decrease) in short-term debt	34,538,382	(57,044,143)	20,024,001	23,288,865
Contributions from PPL	139,148,773	125,884,327	62,051,412	60,551,738
Payment of common stock dividends to parent	(197,387,836)	(196,233,378)	(231,035,221)	(221,288,521)
Retirement of long-term debt	(500,000,000)	-	-	(12,900,000)
Other financing activities	(4,619,534)	(3,899,737)	(340,000)	(340,000)
Net Cash provided by financing activities	(30,775,215)	68,707,068	(149,299,808)	(150,687,919)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,120,820)	0	0	0
Cash and Cash Equivalents at Beginning of Period	12,178,350	5,057,530	5,057,530	5,057,530
Cash and Cash Equivalents at End of Period	5,057,530	5,057,530	5,057,530	5,057,530

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 25 - 807 KAR 5:001 Section 16(7)(h)(4)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

4. Revenue requirements necessary to support the forecasted rate of return;

Response:

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

KENTUCKY UTILITIES COMPANY
CASE NO. 2020-00349
OVERALL FINANCIAL SUMMARY
FORECAST PERIOD FOR THE 12 MONTHS ENDED DECEMBER 31,

LINE NO.	DESCRIPTION	FORECASTED 2020 JURISDICTIONAL REVENUE REQUIREMENT $	2021 JURISDICTIONAL REVENUE REQUIREMENT $	2022 JURISDICTIONAL REVENUE REQUIREMENT $	2023 JURISDICTIONAL REVENUE REQUIREMENT $
1	CAPITALIZATION ALLOCATED TO KENTUCKY JURISDICTION (a)	4,254,945,724	4,732,813,030	5,235,856,703	5,167,700,221
2	ADJUSTED OPERATING INCOME	275,415,928	252,549,481	245,867,730	234,268,641
3	EARNED RATE OF RETURN (2 / 1)	6.47%	5.34%	4.70%	4.53%
4	REQUIRED RATE OF RETURN	7.12%	7.18%	7.20%	7.19%
5	REQUIRED OPERATING INCOME (1 x 4)	303,030,149	339,659,961	376,857,514	371,774,491
6	OPERATING INCOME DEFICIENCY (5 - 2)	27,614,221	87,110,481	130,989,784	137,505,850
7	GROSS REVENUE CONVERSION FACTOR	1.339047	1.339047	1.339047	1.339047
8	REVENUE DEFICIENCY (6 x 7)	36,976,727	116,644,987	175,401,417	184,126,732
9	ADJUSTED OPERATING REVENUES	1,424,318,817	1,512,567,602	1,577,343,775	1,579,822,139
10	REVENUE REQUIREMENTS (8 + 9)	1,461,295,544	1,629,212,589	1,752,745,192	1,763,948,871

(a) 2020-2023 - 13 months average

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 26 - 807 KAR 5:001 Section 16(7)(h)(5)
Sponsoring Witness: David S. Sinclair

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

5. Load forecast including energy and demand (electric);

Response:

Table 1: KU Energy (GWh)

Rate	2020 *	2021	2022	2023
AES	119	129	128	128
FLS	555	600	606	606
GS	1,608	1,666	1,684	1,684
PS-Pri	94	79	79	78
PS-Sec	1,633	1,687	1,704	1,700
RS	5,927	5,962	5,917	5,882
RTS	1,315	1,377	1,421	1,428
TOD-Pri	3,653	3,928	3,972	3,973
TOD-Sec	1,634	1,755	1,799	1,807
Lighting	127	127	127	126
Total	16,666	17,310	17,437	17,412
*2020 includes 8 months of actual data and 4 months of forecast				

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 26 - 807 KAR 5:001 Section 16(7)(h)(5)
Sponsoring Witness: David S. Sinclair

Table 2: KU Demand

Rate	SubRate	Unit	2020 *	2021	2022	2023
FLS	Base	MVA	2,534	2,452	2,438	2,438
	Intermediate	MVA	2,452	2,402	2,402	2,402
	Peak	MVA	1,645	1,647	1,647	1,647
PS-Pri	Base	MW	329	303	301	298
PS-Sec	Base	MW	5,198	5,253	5,284	5,238
RTS	Base	MVA	3,145	3,143	3,260	3,285
	Intermediate	MVA	2,737	2,874	2,997	3,019
	Peak	MVA	2,703	2,840	2,962	2,983
TOD-Pri	Base	MVA	10,705	10,624	10,620	10,620
	Intermediate	MVA	8,353	8,623	8,670	8,671
	Peak	MVA	8,224	8,498	8,544	8,545
TOD-Sec	Base	MW	6,072	6,138	6,287	6,381
	Intermediate	MW	4,525	4,787	4,913	4,962
	Peak	MW	4,415	4,669	4,792	4,839
*2020 includes 8 months of actual data and 4 months of forecast						

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 27 - 807 KAR 5:001 Section 16(7)(h)(6)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

6. Access line forecast (telephone);

Response:

Not applicable to KU's Application.

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 28 - 807 KAR 5:001 Section 16(7)(h)(7)
Sponsoring Witness: David S. Sinclair

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

7. Mix of generation (electric);

Response:

See attached.

GWh[1]	**2020**[2]	**2021**	**2022**	**2023**
Coal				
Brown 3	1,011	852	793	932
Ghent 1	2,541	2,506	2,477	2,793
Ghent 2	2,628	2,770	2,677	2,811
Ghent 3	2,497	2,539	2,464	2,335
Ghent 4	2,120	2,386	2,165	2,246
Mill Creek 1	N/A	N/A	N/A	N/A
Mill Creek 2	N/A	N/A	N/A	N/A
Mill Creek 3	N/A	N/A	N/A	N/A
Mill Creek 4	N/A	N/A	N/A	N/A
OVEC	200	164	162	155
Trimble County 1	N/A	N/A	N/A	N/A
Trimble County 2	3,056	2,473	2,359	2,164
SCCT				
Brown 5	20	52	29	77
Brown 6	39	57	62	57
Brown 7	27	30	40	39
Brown 8	7	11	6	12
Brown 9	13	21	10	21
Brown 10	21	17	10	34
Brown 11	7	5	5	6
Haefling	0	0	0	0
Paddy's Run 11	N/A	N/A	N/A	N/A
Paddy's Run 12	N/A	N/A	N/A	N/A
Paddy's Run 13	18	41	29	19
Trimble Co 05	165	191	286	216
Trimble Co 06	64	219	221	150
Trimble Co 07	73	145	157	117
Trimble Co 08	41	27	29	21
Trimble Co 09	93	108	118	82
Trimble Co 10	11	12	15	9
Zorn 1	N/A	N/A	N/A	N/A
NGCC				
Cane Run 7	3,746	4,010	4,117	4,195
Hydro				
Dix Dam	126	90	90	90
Ohio Falls	N/A	N/A	N/A	N/A
Solar				
Brown Solar	10	11	11	11
Total Coal	14,053	13,690	13,098	13,436
Total SCCT	598	937	1,017	860
Total NGCC	3,746	4,010	4,117	4,195
Total Hydro	126	90	90	90
Total Solar	10	11	11	11
Grand Total	18,533	18,737	18,333	18,591

[1] Generation volumes reflect KU's ownership share of the unit. "N/A" is shown for units with no KU ownership share.
[2] 2020 generation volumes reflect actual generation for January-August and forecast generation for September-December.

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 29 - 807 KAR 5:001 Section 16(7)(h)(8)
Sponsoring Witness: Lonnie E. Bellar

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

8. Mix of gas supply (gas);

Response:

Not applicable to KU's Application.

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 30 - 807 KAR 5:001 Section 16(7)(h)(9)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

9. Employee level;

Response:

See attached.

Kentucky Utilities Company
Case No. 2020-00349
Employee Level
Years 2020-2023

	Estimated Number of Full-Time KU Employees average
2020	883
2021	906
2022	901
2023	899

	Estimated Number of Total KU Employees average^
2020	893
2021	923
2022	918
2023	912

	Estimated Number of Full-Time LG&E and KU Services Company (LKS) Employees average*
2020	1567
2021	1623
2022	1628
2023	1632

	Estimated Number of Total LG&E and KU Services Company (LKS) Employees average*^
2020	1667
2021	1732
2022	1737
2023	1738

*LGE and KU Services employees serve LGE, KU, and LGE & KU Energy LLC. Number of LGE and KU Services employees is not allocated; however, labor dollars are allocated via the Cost Allocation Manual (CAM).

^ Totals include part-time employees, cooperatives and interns.

2020 amounts are August Actuals

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 31 - 807 KAR 5:001 Section 16(7)(h)(10)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

10. Labor cost changes;

Response:

See attached.

Kentucky Utilities
Case No. 2020-00349
Labor Cost
Years 2020-2023

Forecast Year	Total Wages	Amount Over Previous Year	Percentage Over Previous Year
2020	$ 202,520,180		
2021	$ 209,368,243	$ 6,848,063	3.38%
2022	$ 213,815,110	$ 4,446,867	2.12%
2023	$ 216,934,157	$ 3,119,047	1.46%

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 32 - 807 KAR 5:001 Section 16(7)(h)(11)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

11. Capital structure requirements;

Response:

See attached.

KENTUCKY UTILITIES COMPANY
CASE NO. 2020-00349
CAPITAL STRUCTURE REQUIREMENT
AS OF DECEMBER 31

		FORECASTED							
		2020		2021		2022		2023	
LINE NO.	CLASS OF CAPITAL	JURISDICTIONAL ADJUSTED CAPITAL	PERCENT OF TOTAL	JURISDICTIONAL ADJUSTED CAPITAL	PERCENT OF TOTAL	JURISDICTIONAL ADJUSTED CAPITAL	PERCENT OF TOTAL	JURISDICTIONAL ADJUSTED CAPITAL	PERCENT OF TOTAL
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
		$		$		$		$	
1	SHORT-TERM DEBT	133,133,292	3.09%	107,009,712	2.03%	121,897,119	2.34%	139,050,344	2.69%
2	LONG-TERM DEBT	1,881,907,427	43.67%	2,356,648,398	44.80%	2,321,786,764	44.55%	2,278,509,345	44.16%
3	COMMON EQUITY	2,294,302,946	53.24%	2,796,149,773	53.16%	2,767,625,177	53.11%	2,742,339,326	53.15%
4	TOTAL CAPITAL	4,309,343,665	100.00%	5,259,807,884	100.00%	5,211,309,060	100.00%	5,159,899,015	100.00%

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 33 - 807 KAR 5:001 Section 16(7)(h)(12)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

12. Rate base;

Response:

See attached.

KENTUCKY UTILITIES COMPANY

Net Original Cost Kentucky Jurisdictional Rate Base as of December 31,

		FORECASTED			
		2020	2021	2022	2023
	Title of Account	Kentucky Jurisdictional Pro Forma Base Rate Base	Kentucky Jurisdictional Pro Forma Base Rate Base	Kentucky Jurisdictional Pro Forma Base Rate Base	Kentucky Jurisdictional Pro Forma Base Rate Base
	(1)	(2)	(3)	(4)	(5)
1.	Utility Plant at Original Cost	$ 8,158,663,241	$ 9,815,453,191	$ 10,032,774,474	$ 10,241,714,612
2.	Deduct:				
3.	Reserve for Depreciation	$ 3,056,919,652	$ 3,509,592,478	$ 3,803,598,954	$ 4,098,407,171
4.	Net Utility Plant	5,101,743,589	6,305,860,713	6,229,175,520	6,143,307,440
5.	Deduct:				
6.	Customer Advances for Construction	$ 1,712,216	$ 1,712,216	$ 1,712,216	$ 1,712,216
7.	Accumulated Deferred Income Taxes	$ 1,013,245,809	$ 1,288,734,253	$ 1,257,935,980	$ 1,222,291,960
8.	Investment Tax Credit	$ 82,578,416	$ 80,803,238	$ 78,992,419	$ 77,181,600
9.	Total Deductions	1,097,536,440	1,371,249,707	1,338,640,615	1,301,185,775
10.	Net Plant Deductions	4,004,207,149	4,934,611,006	4,890,534,905	4,842,121,665
11.	Add:				
12.	Materials and Supplies	$ 115,757,027	$ 115,926,764	$ 125,341,127	$ 125,729,834
13.	Prepayments	$ 19,389,414	$ 20,178,598	$ 18,832,295	$ 18,387,113
14.	Emission Allowances	$ -	$ -	$ -	$ -
15.	Cash Working Capital	$ 127,602,673	$ 128,935,251	$ 130,082,149	$ 129,838,955
16.	Total Additions	262,749,114	265,040,614	274,255,571	273,955,902
17.	Total Net Original Cost Rate Base	$ 4,266,956,263	$ 5,199,651,620	$ 5,164,790,477	$ 5,116,077,567

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 34 - 807 KAR 5:001 Section 16(7)(h)(13)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

13. Gallons of water projected to be sold (water);

Response:

Not applicable to KU's Application.

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 35 - 807 KAR 5:001 Section 16(7)(h)(14)
Sponsoring Witness: David S. Sinclair

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

14. Customer forecast (gas, water);

Response:

Not applicable to KU's Application.

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 36 - 807 KAR 5:001 Section 16(7)(h)(15)
Sponsoring Witness: David S. Sinclair

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

15. Sales volume forecasts – cubic feet (gas);

Response:

Not applicable to KU's Application.

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 37 - 807 KAR 5:001 Section 16(7)(h)(16)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

16. Toll and access forecast of number of calls and number of minutes (telephone); and

Response:

Not applicable to KU's Application.

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 38 - 807 KAR 5:001 Section 16(7)(h)(17)
Sponsoring Witness: Robert M. Conroy

Description of Filing Requirement:

A financial forecast corresponding to each of the three (3) forecasted years included in the capital construction budget. The financial forecast shall be supported by the underlying assumptions made in projecting the results of operations and shall include the following information:

17. A detailed explanation of other information provided, if applicable.

Response:

Not applicable to KU's Application.

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 39 - 807 KAR 5:001 Section 16(7)(i)
Sponsoring Witness: Christopher M. Garrett

Description of Filing Requirement:

The most recent Federal Energy Regulatory Commission or Federal Communications Commission audit reports.

Response:

The most recent Federal Energy Regulatory Commission ("FERC") audit report relating to KU is attached. The Commission granted the request of KU in lieu of producing one copy of these documents in paper medium to file an electronic copy of the same on a physical electronic storage media when filing the remaining portions of their applications in paper medium.[3]

The Federal Communications Commission has not conducted an audit of KU, and, therefore, no such audit reports exist.

[3] *In the Matter of: Electronic Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and the Establishment of a One-Year Surcredit,* Case No. 2020-00349, Order Granting Authority, dated November 10, 2020, Ordering Paragraph No. 2.

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

In Reply Refer To:
Office of Enforcement
Docket No. PA19-4-000
February 21, 2020

Louisville Gas and Electric Company
and Kentucky Utilities Company
Attention: Beth McFarland
Vice President-Transmission
220 West Main Street
Louisville, KY 40202

Dear Ms. McFarland:

1. The Division of Audits and Accounting (DAA) within the Office of Enforcement (OE) of the Federal Energy Regulatory Commission (Commission) has completed an audit of Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E/KU). The audit covered the period from January 1, 2016, through October 31, 2019.

2. The audit evaluated whether LG&E/KU complied with: (1) the approved terms, conditions, and rates of their Open Access Transmission Tariff (OATT); and (2) the regulations regarding Open Access Same-Time Information Systems (OASIS) prescribed in 18 C.F.R. Part 37.[1] The enclosed audit report did not identify any findings of noncompliance that require LG&E/KU to take corrective action at this time.

3. On February 3, 2020, you notified DAA that LG&E/KU accepts the draft audit report. A copy of your verbatim response is included as an appendix to this report. I hereby approve the audit report.

[1] Audit staff did not evaluate LG&E/KU's compliance with the accounting requirements of the Uniform System of Accounts Prescribed for Public Utilities and Licensees under 18 C.F.R. Part 101, or the reporting requirements of the FERC Form No. 1, Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report, under 18 C.F.R. section 141.1, and hence does not express any opinion on LG&E/KU's financial reports.

4. The Commission delegated the authority to act on this matter to the Director of OE under 18 C.F.R. § 375.311. This letter order constitutes final agency action. LG&E/KU may file a request for rehearing with the Commission within 30 days of the date of this order under 18 C.F.R. § 385.713.

5. This letter order is without prejudice to the Commission's right to require hereafter any adjustments it may consider proper from additional information that may come to its attention. In addition, any instance of non-compliance not addressed herein or that may occur in the future may also be subject to investigation and appropriate remedies.

6. I appreciate the courtesies extended to the auditors. If you have any questions, please contact Mr. Steven D. Hunt, Director and Chief Accountant, Division of Audits and Accounting at (202) 502-6084.

Sincerely,

Larry R. Parkinson
Director
Office of Enforcement

Enclosure

Federal Energy Regulatory Commission
Office of Enforcement
Division of Audits and Accounting

AUDIT REPORT

Audit of Louisville Gas and Electric Company's and Kentucky Utilities Company's Compliance with:

- The approved terms, conditions, and rates of their Open Access Transmission Tariff; and
- The regulations regarding Open Access Same-Time Information Systems prescribed in 18 C.F.R. Part 37.

Docket No. PA19-4-000
February 21, 2020

TABLE OF CONTENTS

I. Executive Summary 1

A. Overview 1
B. Louisville Gas and Electric Company and Kentucky Utilities Company 1
C. Conclusion 1

II. Background 2

A. Open Access Transmission Tariff 2
B. TranServ International, Inc. 3
C. Available Transfer Capability (ATC) 4
D. OASIS 5
E. Transmission Planning Process 6
F. Generator Interconnection Procedures 7
G. Network Resource Designation/Undesignation Process 8

III. Introduction 10

A. Objectives 10
B. Scope and Methodology 10

IV. Findings and Recommendations 17

Conclusion 17

V. LG&E/KU's Response to Draft Audit Report 18

I. Executive Summary

A. Overview

The Division of Audits and Accounting (DAA) within the Office of Enforcement of the Federal Energy Regulatory Commission (Commission) has completed an audit of Louisville Gas and Electric Company and Kentucky Utilities Company (LG&E/KU or the Companies). The audit evaluated whether LG&E/KU complied with: (1) the approved terms, conditions, and rates of their Open Access Transmission Tariff (OATT); and (2) the regulations regarding Open Access Same-Time Information Systems (OASIS) prescribed in 18 C.F.R. Part 37.[1] The audit covered the period from January 1, 2016, through October 31, 2019.

B. Louisville Gas and Electric Company and Kentucky Utilities Company

LG&E/KU are public utility companies and wholly owned subsidiaries of LG&E and KU Energy LLC, a public utility holding company. LG&E and KU Energy LLC is a wholly owned subsidiary of PPL Corporation (PPL). PPL, through its regulated utility subsidiaries, delivers electricity to customers in the United Kingdom, Pennsylvania, Kentucky, and Virginia; delivers natural gas to customers in Kentucky; and generates electricity from power plants in Kentucky. PPL is headquartered in Allentown, Pennsylvania. LG&E is an electric and natural gas utility company based in Louisville, Kentucky. LG&E serves customers in Louisville and 16 surrounding counties in Kentucky. KU is an electric utility company, based in Lexington, Kentucky, serving 77 Kentucky counties and five counties in Virginia.

C. Conclusion

The audit did not result in any findings or recommendations that require LG&E/KU to take corrective actions at this time. Audit staff reached this conclusion based on performance of audit steps outlined in the scope and methodology section of the audit report, an examination of material provided by LG&E/KU in response to data requests, and conducting audit site visits, interviews with LG&E/KU employees, and review of publicly available documents.

[1] Audit staff did not evaluate LG&E/KU's compliance with the accounting requirements of the Uniform System of Accounts Prescribed for Public Utilities and Licensees under 18 C.F.R. Part 101, or the reporting requirements of the FERC Form No. 1, Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report, under 18 C.F.R. section 141.1, and hence does not express any opinion on LG&E/KU's financial reports.

II. Background

A. Open Access Transmission Tariff

LG&E/KU maintain a Commission-approved joint OATT that provides terms, conditions, and rates under which LG&E/KU provide transmission services for their combined transmission system. Under the OATT, LG&E/KU offer Point-To-Point (PTP) transmission service and Network Integration Transmission Service (NITS) to wholesale transmission customers. PTP transmission service allows LG&E/KU transmission customers to deliver capacity and energy at designated point(s) of receipt and transfer such capacity and energy to designated point(s) of delivery on either a firm or non-firm basis. NITS allows LG&E/KU network customers to deliver capacity and energy, either from designated network resources to serve designated network load on a firm basis or from nondesignated resources to serve designated network load on a non-firm basis. NITS deliveries from nondesignated resources is termed secondary network transmission service and has a higher curtailment priority than any non-firm PTP transmission service.

In 2010, LG&E/KU's OATT was accepted by the Commission via delegated order.[2] In 2015, LG&E/KU's re-collation of the documents organized under their Transmission eTariff Title was accepted by the Commission via delegated order.[3] Between 2016 and 2019, LG&E/KU filed various changes to certain attachments, appendices, and schedules of the OATT, which the Commission also accepted.[4]

[2] *See Louisville Gas & Elec. Co.*, Docket Nos. ER10-1509-000 & ER19-1509-001, at 1 (Nov. 17, 2010) (delegated order) (accepting LG&E/KU's baseline eTariff filing of their OATT).

[3] *See Louisville Gas & Elec. Co.*, Docket Nos. ER15-897-000 & ER15-898-000, at 2 (Mar. 24, 2015) (delegated order) (accepting LG&E/KU's re-collation of the baseline OATT). LG&E/KU's currently effective OATT is available on the Commission's eTariff website here: https://etariff.ferc.gov/TariffBrowser.aspx?tid=794.

[4] LG&E/KU made changes to Attachments C, G, I, L, M, N, O, Q, and R, and to Schedules 1, 4, 5, 6, and 9, during the audit period. For example, in 2018, LG&E/KU made revisions to Attachment C, Methodology To Assess Available Transfer Capability, to clarify timing requirements and the division of responsibility between LG&E/KU, their Independent Transmission Operator (ITO), and Reliability Coordinator; enhance alignment with revisions to NERC TPL-001 & MOD-030 Reliability Standards; reflect changes in how load served by others is included in the calculation; and change the treatment of counterflows in a way that closely aligns with the methods used by adjacent transmission providers, more accurately reflects expected system conditions, and may

LG&E/KU operate their transmission systems as a single, integrated, and coordinated transmission system and provide transmission service under the terms of their joint OATT. LG&E/KU contract with the Tennessee Valley Authority (TVA) to act as their transmission Reliability Coordinator and with TranServ International, Inc. (TranServ) to act as their Independent Transmission Organization (ITO).

B. TranServ International, Inc.

TranServ is an independent corporation that provides transmission and energy market administrator functions to its transmission-owning customers. These functions include: populating and administering the transmission owner's OASIS; granting or denying requests for transmission services pursuant to the filed transmission service protocol of the transmission provider; and granting or denying requests for generation interconnection service pursuant to the filed generation interconnection procedures of the transmission provider.

On September 1, 2012, TranServ began to perform its obligations as the ITO for LG&E/KU pursuant to the terms of the ITO Agreement between LG&E/KU and TranServ (ITO Agreement), which is included in Attachment Q of the LG&E/KU OATT approved by the Commission.[5] Under the ITO Agreement, TranServ is responsible for operating and maintaining LG&E/KU's OASIS website and keeping it up-to-date with the Commission and North American Energy Standards Board posting requirements,

potentially have a positive impact on Available Transfer Capability (ATC). *See Louisville Gas & Elec. Co.*, Docket No. ER18-610-000, at 1 (Mar. 6, 2018) (delegated order) (accepting revisions to LG&E/KU's OATT). A few months later, LG&E/KU submitted revised Attachment M (Large Generator Interconnection Procedures) and Attachment N (Small Generator Interconnection Procedures) to comply with the Commission's Order No. 842. *See Louisville Gas & Elec. Co.*, Docket No. ER18-1623-000, at 1 (Aug. 30, 2018) (delegated order) (accepting LG&E/K's compliance filing to Order No. 842, effective May 15, 2018); *Essential Reliability Servs. & the Evolving Bulk-Power Sys. —Primary Frequency Response*, Order No. 842, 162 FERC ¶ 61,128, *order on clarification & reh'g*, 164 FERC ¶ 61,135 (2018). In Docket No. ER17-850-000, LG&E/KU submitted a revised ITO Agreement, with a five-year term of September 1, 2017, through August 30, 2022, between LG&E/KU and TranServ International, Inc., which replaced the prior, expiring ITO Agreement.

[5] *See* Louisville Gas & Elec. Co., Transmission, pt. V, Attachment Q (13.0.0). Attachment Q also houses the Amended and Restated Reliability Coordinator Agreement Between LG&E/KU and TVA, which was most recently amended on September 1, 2019, in Docket No. ER19-2701-000.

including all Order No. 890 posting requirements (such as study performance metrics, ATC calculations, etc.). TranServ receives and processes all applications for PTP transmission service, NITS, and Generator Interconnection service. TranServ also calculates ATC as provided for in Attachment C to LG&E/KU's OATT.[6]

C. Available Transfer Capability (ATC)

Under the OATT, the ITO calculates ATC using the flowgate methodology and considers the Available Flowgate Capability (AFC) for the computation. The flowgate methodology assumes that certain elements on the transmission system will begin to reach their limits before other elements. Therefore, by monitoring the more sensitive areas on the transmission system, transfer capability calculations can be simplified regarding the number of contingencies and monitored elements examined during each study.[7] TVA, acting as the Reliability Coordinator, and TranServ, acting as the ITO, perform LG&E/KU's flowgate methodology of computing ATC/AFC values. TVA builds models each day to calculate base flows and Transfer Distribution Factors (TDF) for various periods over an 18-month horizon.

The base flows capture the impacts of existing transmission commitments such as network resources serving network loads and long term PTP transactions on each flowgate. The TDF represents the percentage of flow impacted due to a specific Point of Receipt to a Point of Delivery transaction on a given flowgate. Using the TDF, new flow impacts are calculated for transmission service requests that were not included in the base flow calculation. TVA's computed base flow and TDF values are made available to the ITO for the computation of the ATC/AFC values to be posted on OASIS. The ITO calculates the final AFC and ultimately ATC values by incorporating the values computed by TVA (TVA-calculated base flows and TDF values) into the algorithms included in Attachment C of LG&E/KU's OATT. The ITO computes the final AFC values using the algorithms and converts those values to ATC using Open Access Technology International, Inc. (OATI) software. The ATC values computed by the OATI software are posted on LG&E/KU's OASIS by the ITO.

[6] *See* Louisville Gas & Elec. Co., Transmission, pt. V, Attachment C (12.0.0); *Louisville Gas & Elec Co.*, Docket No. ER18-610-000, at 1 (Mar. 6, 2018) (delegated order).

[7] *See* Louisville Gas & Elec. Co., Transmission, pt. V, Attachment C (12.0.0)*;* *Louisville Gas & Elec Co.*, Docket No. ER18-610-000, at 1 (Mar. 6, 2018) (delegated order).

D. OASIS

LG&E/KU's OASIS is a web-based system providing information to transmission customers regarding the Companies' electric transmission system. Timely access to the information is necessary for transmission customers to procure and reserve transmission and ancillary services, as well as make prudent business decisions. TranServ administers LG&E/KU's OASIS and is responsible for making various OASIS postings, including ATC calculations. LG&E/KU require all customers, including LG&E/KU's own marketing functions, to make all transmission service requests, and the designation and undesignation of network resources, through LG&E/KU's OASIS system. In addition, TranServ uses predetermined validation criteria that allow the OASIS system to approve or deny certain transmission service requests, thereby reducing the potential for human error and for preferential treatment of LG&E/KU affiliated companies.

The Commission adopted rules governing OASIS in 1996 in Order No. 889 and its progeny.[8] The Commission then codified its OASIS regulations in 18 C.F.R. Part 37. Since its issuance of Order No. 889, the Commission has amended its OASIS regulations with new posting requirements adopted in subsequent orders including, but not limited to: Order Nos. 605, 2004, 690, 890, and 890-A.[9] Order No. 889 also established Standards of Conduct, which require a Transmission Service Provider to separate its affiliated

[8] *Open Access Same-Time Info. Sys. & Standards of Conduct*, Order No. 889, FERC Stats. & Regs. ¶ 31,035 (1996) (cross-referenced at 75 FERC ¶ 61,078), *order on reh'g*, Order No. 889-A, FERC Stats. & Regs. ¶ 31,049 (cross-referenced at 78 FERC ¶ 61,221), *reh'g denied*, Order No. 889-B, 81 FERC ¶ 61,253 (1997).

[9] *See Open Access Same-Time Info. Sys.*, Order No. 605, FERC Stats. & Regs. ¶ 31,075 (1999) (cross-referenced at 87 FERC ¶ 61,224) (mandating public access to curtailment information); *Standards of Conduct for Transmission Providers*, Order No. 2004, 105 FERC ¶ 61,248 (2003), *order on reh'g*, Order No. 2004-A, 107 FERC ¶ 61,032, *order on reh'g*, Order No. 2004-B, 108 FERC ¶ 61,118, *order on reh'g*, Order No. 2004-C, 109 FERC ¶ 61,325 (2004), *order on reh'g*, Order No. 2004-D, 110 FERC ¶ 61,320 (2005), *vacated & remanded as it applies to natural gas pipelines sub nom. Nat'l Fuel Gas Supply Corp. v. FERC*, 468 F.3d 831 (D.C. Cir. 2006); *see Standards of Conduct for Transmission Providers*, Order No. 690, 118 FERC ¶ 61,012, *order on reh'g*, Order No. 690-A, 118 FERC ¶ 61,229 (2007); *Preventing Undue Discrimination & Preference in Transmission Serv.*, Order No. 890, 118 FERC ¶ 61,119, *order on reh'g*, Order No. 890-A, 121 FERC ¶ 61,297 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228, *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009).

marketing function and its transmission function. The Commission codified the Standards of Conduct in 18 C.F.R. Part 358. Most recently, in Order No. 1000, the Commission required Transmission Service Providers to include regional transmission planning as part of their current transmission planning OASIS postings.[10]

LG&E/KU's OASIS is the mechanism by which the Companies offer, and their customers can reserve, transmission and procure any necessary ancillary services in compliance with LG&E/KU's OATT. The OASIS is the Commission-mandated control by which LG&E/KU ensure that all transmission customers have equal access to information about LG&E/KU's transmission system and available transmission services at the same time and in a nondiscriminatory manner.

E. Transmission Planning Process

LG&E/KU are required to perform transmission planning for the existing and future requirements of all transmission customers in a coordinated, open, comparable, nondiscriminatory, and transparent manner, both at the local and regional level. At the local level, LG&E/KU's transmission planning involves coordination between LG&E/KU's ITO, LG&E/KU's Stakeholder Planning Committee, LG&E/KU's Reliability Coordinator, which is TVA, and other interested stakeholders. LG&E/KU's coordination plan includes a combination of Stakeholder Planning Committee meetings and twice-yearly stakeholder meetings to discuss various topics. During the stakeholder meetings, LG&E/KU and the ITO provide the Transmission Expansion Plan for stakeholder review and comments. Stakeholders are encouraged to provide written comments to the ITO after the stakeholder meetings. The ITO reviews and comments on the Transmission Expansion Plan and provides such information to LG&E/KU. Based on the information received from the ITO and stakeholders, LG&E/KU finalize the Transmission Expansion Plan and provide it to the ITO for additional review. The ITO provides the final Transmission Expansion Plan and the draft ITO assessment of that Transmission Expansion Plan to stakeholders for their review during a thirty-day review period after the second stakeholder meeting. The ITO also provides the final Transmission Expansion Plan and the draft ITO assessment to the Reliability Coordinator for review.

[10] *Transmission Planning & Cost Allocation by Transmission Owning & Operating Pub. Utils.*, Order No. 1000, 136 FERC ¶ 61,051 (2011), *order on reh'g*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh'g & clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012), *aff'd sub nom. S.C. Pub. Serv. Auth. v. FERC*, 762 F.3d 41 (D.C. Cir. 2014).

At the regional level, LG&E/KU actively participate in the Southeastern Regional Transmission Planning (SERTP) process. LG&E/KU's planning staff participates in the SERTP process by providing LG&E/KU's planning data based on their local transmission planning process to support the development of a regional planning study case. LG&E/KU also review regional study scopes and proposed projects to be considered in the regional study. SERTP holds stakeholder meetings open to interested parties as part of the regional transmission expansion planning process each year. LG&E/KU participate in these meetings and during these meetings discuss their portion of the SERTP regional plan with stakeholders.

F. Generator Interconnection Procedures

LG&E/KU's OATT, in Attachments M and N thereof, provides guidance and procedures for the management of the generator interconnection process.[11] Attachment M provides generator interconnection request procedures for facilities that are larger than 20 megawatts. Attachment N provides generator interconnection request procedures for facilities not larger than 20 megawatts. Per the ITO Agreement, TranServ manages the generator interconnection requests on behalf of LG&E/KU. Under the OATT, LG&E/KU are required to use reasonable efforts to complete each of the three study phases of the generator interconnection process, to the extent each is applicable, within specific timeframes. The three study phases are a feasibility study, which is to be completed within 45 days; a system impact study, which is to be completed within 90 days after execution of a contract; and a facility study, which is to be completed within 90 or 180 days, depending on cost estimates requested by the customer.

The LG&E/KU generator interconnection request process begins with a customer submitting an application and making a deposit for the processing of the interconnection request. The deposit is applied toward any interconnection studies performed by the ITO. Per the OATT, the ITO is required to acknowledge receipt of the generator interconnection request within five business days of the submission of the application by the customer. After the ITO's acknowledgement of the generator interconnection application, the ITO schedules and holds a scoping meeting with the interconnection customer and the transmission owner (LG&E/KU). The purpose of the scoping meeting is for the ITO, interconnection customer, and LG&E/KU to discuss alternative interconnection options, exchange information, including any transmission data that

[11] Louisville Gas & Elec. Co., Transmission, pt. V, Attachments M (14.0.0) & N (13.0.0); *see Louisville Gas & Elec. Co.*,Docket Nos. ER15-897-000 & ER15-898-000, at 2 (Mar. 24, 2005) (delegated order) (accepting LG&E/KU's re-collation of the baseline OATT).

would reasonably be expected to impact the interconnection options, analyze information, and determine the potential feasible points for the generator interconnection.

The ITO, on behalf of LG&E/KU, posts and maintains the status of all generator interconnection requests, and the associated studies, on LG&E/KU's OASIS. In addition to making the postings on OASIS, the ITO sends status updates regarding generator interconnection studies to customers, and updates OASIS with such information, so that all customers in the generator interconnection queue are aware of any delays in the processing of interconnection requests. During the audit period, LG&E/KU had approximately 44 generator interconnection requests in the queue. The ITO analyzes and acts on generator interconnection requests in queue order. This means that the ITO processes one interconnection request at a time and gives priority to the first generator interconnection request in the queue. Audit staff's review of the generator interconnection queue identified delays in the processing of customers' requests. Further review identified signs that a large portion of the delays was caused by customer actions or inactions that were beyond the control of the ITO. Specifically, most customers submitted multiple generator interconnection requests for the same project, apparently in order to hold their position in the generator interconnection queue. Most of these duplicate requests were withdrawn by customers when the most optimal interconnection point became apparent and was selected. In addition, the data provided by most customers for use in the various generator interconnection studies exhibited deficiencies, which required the ITO to follow-up with the customers to make corrections. Since the ITO performs its generator interconnection studies in queue order, the delays relating to correcting the deficiencies in data provided by customers automatically delayed the processing of the generator interconnection requests of customers further down in the queue. However, although there were delays in the processing of generator interconnection requests during the audit period, there were no complaints made by customers during the audit period.

G. Network Resource Designation/Undesignation Process

Under LG&E/KU's business practices, Network Resources may be designated to serve Network Load for a term of one day or greater. Network Customers are required to use the LG&E/KU OASIS to request designation of a new Network Resource, or to temporarily or permanently terminate (undesignate) the designation of an existing Network Resource. The processing of requests to designate Network Resources is managed by the ITO.

Network customers are also required to attest that the Network Resources qualify for designation. In order to make this attestation, a Network Customer must include a statement with each application that attests to the qualification of each Network Resource being designated. The attestation includes a statement that: (1) the Network Customer

owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under the OATT; and (2) the resources being designated do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or that otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. During the audit period, LG&E/KU Network Customers submitted and confirmed 170 designations and 19 undesignations of Network Resources.

III. Introduction

A. Objectives

The audit evaluated whether LG&E/KU complied with: (1) the approved terms, conditions, and rates of their OATT; and (2) the regulations regarding OASIS prescribed in 18 C.F.R. Part 37.[12] The audit covered the period from January 1, 2016, through October 31, 2019.

B. Scope and Methodology

Audit staff performed the following to facilitate testing and evaluation of LG&E/KU's compliance with Commission requirements relevant to the audit objectives:

- *Reviewed Public Information* – Conducted an extensive review of public information before commencing the audit. This review provided a high-level understanding of LG&E/KU's corporate structure, the services they provide, major events affecting operations and finances, significant contracts, prior audit issues, and other key regulatory and business activities. Examples of materials reviewed include LG&E/KU's annual reports and SEC Form 10-Ks, FERC Form No. 1s, prior FERC audit reports, Company-related web sites, and other relevant regulatory and media sources.

- *Identified Standards and Audit Criteria* – Identified the regulatory requirements and criteria for evaluating LG&E/KU's compliance with each audit objective. These include the Commission's Order Nos. 888 and 890, LG&E/KU's OATT, FERC Form No. 1 reporting requirements, and other Commission orders relevant to the audit.

- *Issued Data Requests* – Issued data requests to collect information not commonly available to the public. This information included internal policies, procedures and controls, business practices, risk management, corporate structure, contractual agreements, corporate compliance, regulatory filings, and

[12] Audit staff did not evaluate LG&E/KU's compliance with the accounting requirements of the Uniform System of Accounts Prescribed for Public Utilities and Licensees under 18 C.F.R. Part 101, or the reporting requirements of the FERC Form No. 1, Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report, under 18 C.F.R. section 141.1; hence, audit staff does not express any opinion on LG&E/KU's financial reports.

other pertinent information. These data were used to test and evaluate compliance with Commission requirements relevant to audit objectives.

- *Conducted Teleconference Interviews* – Conducted multiple teleconferences with LG&E/KU employees to discuss audit objectives, testing, data request responses, technical and administrative matters, and compliance concerns.

- *Conducted Site Visits* – Made two site visits to LG&E/KU's offices to discuss and observe controls and procedures related to audit objectives. The site visits enabled audit staff to understand LG&E/KU's structure, activities, functions, systems, and the processes used in their operations. While on-site, audit staff interviewed LG&E/KU personnel directly involved with activities in the audit scope areas and with direct knowledge about processes, procedures, and operations.

- *Conferred with Subject-Matter Experts* – Conferred with other Commission staff on compliance issues to ensure that audit findings were consistent with Commission precedent and policy.

- *Internal Controls* – Audit staff evaluated LG&E/KU's Internal Audit function to understand the audit function's place in LG&E/KU's corporate structure and LG&E/KU's Board of Directors' access and ability to assess Internal Audits' effectiveness and independence. Audit staff also reviewed Internal Audit reports to identify compliance issues relevant to the Commission's regulatory oversight authority, and the corrective measures taken to resolve such compliance issues.

Audit staff evaluated LG&E/KU's compliance with relevant requirements relating to the audit objectives through the following:

Compliance with OATT

Audit staff performed these actions to evaluate LG&E/KU's compliance with the requirements of their OATT:

- *Transmission Service Requests* – Audit staff examined LG&E/KU's transmission function activities to determine whether LG&E/KU provided transmission and ancillary services on a non-discriminatory basis. Audit staff accomplished this by reviewing LG&E/KU's policies and procedures for the NITS and PTP transmission service application process, procedures for NITS and PTP transmission service reservations on OASIS, and the procedures for

assigning service priorities to NITS and PTP transmission service customers under LG&E/KU's OATT.

- *Network Integrated Transmission Service* – Audit staff reviewed LG&E/KU's marketing function activities to determine whether the marketing function properly used network service only to serve native load customers and not to support off-system sales.

- *Network Resource Designation/Undesignation Process* – Audit staff reviewed LG&E/KU's network resource designation/undesignation practices to determine whether LG&E/KU properly undesignated network resources when using those resources to make firm off-system sales. Audit staff also reviewed the transmission services related to these off-system sales.

- *ATC Calculation* – Audit staff reviewed inputs to LG&E/KU's ATC calculation, including, but not limited to, transmission capacity set-aside, release of transmission reliability margin, and release of capacity benefit margin data to determine whether LG&E/KU timely and accurately updated ATC values posted on their OASIS.

- *Generator Interconnection Requests* – Audit staff reviewed generator interconnection requests and the associated queue to determine whether LG&E/KU met their obligations to establish each queue position and timely communicated updates to customers relating to their interconnection requests, consistent with the generator interconnection procedures contained in Attachments M and N of LG&E/KU's OATT.

- *Transmission Planning Process* – Audit staff reviewed LG&E/KU's transmission planning process and cost allocation study cases to determine whether LG&E/KU followed the principles adopted in Order No. 1000 for new projects. Audit staff also reviewed LG&E/KU's compliance with requirements in Attachment K of their OATT.

- *Dynamic Schedules and Unreserved Transmission Service* – Audit staff reviewed LG&E/KU's transmission operations to determine whether after-the-fact tags were used at LG&E/KU and, if so, to determine whether there were any related compliance concerns around the possible misuse of transmission services.

- *Ancillary Services* – Audit staff reviewed LG&E/KU's compliance with the rates, terms, and conditions under their different Ancillary Service OATT Schedules. As part of this review, audit staff reviewed LG&E/KU's processes

and procedures for ancillary services to determine whether LG&E/KU allowed their customers to make comparable arrangements for themselves (self-supply) for certain ancillary services as provided for in the OATT.

- *Creditworthiness Procedures* – Audit staff obtained a sample of new transmission service requests to determine whether LG&E/KU followed the creditworthiness procedures in their OATT.

- *Curtailments of Firm Transmission Service* – Audit staff obtained and reviewed LG&E/KU's Transmission Loading Relief (TLR) procedure used by the Companies during the audit period to determine whether LG&E/KU followed Commission requirements. In addition, audit staff evaluated the role LG&E/KU play in determining when to issue a TLR notice and LG&E/KU's procedures for selecting transactions to curtail during a TLR.

- *Redirect of Transmission Service* – Audit staff evaluated redirected transmission service requests to ensure LG&E/KU appropriately approved customers' redirect transmission requests when ATC was available. Audit staff also evaluated instances where redirected transmission service requests displaced any firm or non-firm service reserved or scheduled by third-parties, or by LG&E/KU on behalf of their native load customers.

Compliance with OASIS Postings

Audit staff reviewed information posted on LG&E/KU's OASIS to determine compliance with Part 37 of the Commission's regulations. Specifically, audit staff reviewed select items, including, but not limited to: transmission capacity information; designation/re-designation/termination of network resources; curtailments; transmission schedules; discretionary logs; and information on transmission planning and interconnections.

- *Posted Paths* – Audit staff verified whether LG&E/KU posted on OASIS every path that they should post on OASIS.

- *Practices for Capacity Benefit Margin Reevaluation* – Audit staff verified whether LG&E/KU posted on OASIS their practices for reevaluating their capacity benefit margin needs.

- *Daily Load Postings* – Audit staff verified whether LG&E/KU posted on OASIS, on a daily basis, their load forecast, including underlying assumptions, and actual daily peak load for the prior day.

- *Transmission Service Products and Prices* – Audit staff verified whether LG&E/KU posted on OASIS prices and the terms and conditions associated with all transmission products offered to transmission customers.

- *Ancillary Service Offerings and Prices* – Audit staff verified whether LG&E/KU posted on OASIS ancillary services provided or offered under the OATT with the price of that service.

- *Posting and Retention of Requests for the Designation/Termination of Network Resources* – Audit staff verified whether LG&E/KU posted on OASIS any request to designate or terminate a network resource, kept such information on their OASIS for at least 30 days, and retained such information for five years.

- *Justification for Denied Service Requests* – Audit staff verified whether LG&E/KU posted on OASIS the reason for any denied service request.

- *Notices of Transaction Curtailment* – Audit staff verified whether LG&E/KU posted on OASIS a notice of each transaction curtailment and stated on OASIS the reason why the transaction could not be continued or completed.

- *Transmission Service Schedules* – Audit staff verified whether LG&E/KU posted on OASIS transmission service schedules and did so no later than seven calendar days from the start of the service.

- *Notice of Transfers of Personnel between Transmission and Marketing Functions* – Audit staff verified whether LG&E/KU posted on OASIS notices of transfers of personnel between their transmission and marketing functions, as required by the Commission's regulations.

- *Discretionary Action Log* – Audit staff verified whether LG&E/KU posted on OASIS a log detailing any circumstances in which LG&E/KU or their agents exercised discretion under any terms of the LG&E/KU OATT.

- *Transmission Study Performance Metric Reports* – Audit staff verified whether LG&E/KU provided accurate and complete information in their quarterly transmission study performance metrics reports.

- *Transmission Service Request Metric Reports* – Audit staff verified whether LG&E/KU provided accurate and complete information in their monthly transmission service request metrics reports.

- *Transmission Planning Information* – Audit staff verified whether LG&E/KU posted on OASIS their transmission planning practices, consistent with OATT requirements.

- *Transmission Planning Study List* — Audit staff verified whether LG&E/KU posted on OASIS a list of transmission system-planning studies, facilities studies, and specific network impact studies performed for customers or for LG&E/KU's own network resources.

- *Generator Interconnection Queue* – Audit staff verified whether LG&E/KU posted on OASIS a list of all interconnection requests, consistent with OATT requirements, and kept the list up-to-date.

ITO Responsibility and Independence

Audit staff performed these actions to evaluate the ITO's responsibilities and independence in performing its functions under the requirements of LG&E/KU's OATT:

- *Conducted Interviews* – Interviewed employees of the ITO to understand their responsibilities and independence from LG&E/KU in the administration of LG&E/KU's OASIS and OATT requirements.

- *Standards of Conduct* – Interviewed ITO employees and evaluated their independence from LG&E/KU's transmission function and marketing function employees by understanding the separation of duties and communications between the parties. Audit staff examined the physical and non-physical barriers between the ITO and the marketing function of LG&E/KU. For physical barriers, audit staff reviewed access control procedures for entering and exiting restricted areas. For non-physical controls, audit staff examined system controls and procedures implemented to identify communications between LG&E/KU's transmission function, LG&E/KU's marketing function, and the ITO.

- *Transmission Planning Study* – Interviewed ITO employees and evaluated the ITO's role and responsibilities in the transmission planning process. Specifically, audit staff examined the ITO's responsibility for providing the draft or proposed Transmission Expansion Plan to stakeholders for their review and comments during stakeholder meetings. Audit staff also evaluated how stakeholder comments and questions relating to the Transmission Expansion Plan were addressed and incorporated into the final Transmission Expansion Plan.

- *Generator Interconnection* – Examined the ITO's management of its responsibilities relating to the following actions under the generator interconnection procedures: (1) processing and managing the generator interconnection queue; (2) performing generator interconnection studies (feasibility, system impact, and overseeing the facility studies performed by LG&E/KU); (3) coordination with LG&E/KU in performing the generator interconnection procedures; and (4) updating stakeholders on the status of generator interconnection requests.

- *OASIS Administration* – Interviewed ITO employees and evaluated the ITO's performance of its responsibilities for managing LG&E/KU's OASIS website. Specifically, audit staff examined the ITO's processes for managing LG&E/KU's OASIS, including the personnel involved, employee training, and controls, to ensure compliance with the Commission's OASIS requirements. In addition, audit staff evaluated OASIS settings, and the completeness and timeliness of OASIS postings, and performed walkthroughs with the ITO on OASIS processes including: public and non-public displays of OASIS website materials, manual and automatic functionalities, and posting procedures.

IV. Findings and Recommendations

Conclusion

The audit did not result in any findings or recommendations that require LG&E/KU to take corrective actions. Audit staff reached this conclusion based on performance of audit steps outlined in the scope and methodology section of the audit report, an examination of material provided by LG&E/KU in response to data requests and on-site visits, interviews with LG&E/KU employees, and review of publicly available documents.

V. LG&E/KU's Response to the Draft Audit Report

PPL companies

February 3, 2020

Beth McFarland
Vice President, Transmission

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P.O. Box 32010
Louisville, KY 40232
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beth.mcfarland@lge-ku.com

Steven D. Hunt
Director and Chief Accountant
Division of Audits and Accounting
Office of Enforcement
Federal Energy Regulatory Commission
888 First Street NE, Room 5K-13
Washington, DC 20426

Re: Louisville Gas and Electric Company and Kentucky Utilities Company
Docket No. PA19-4-000
Response to Draft Audit Report

Dear Mr. Hunt:

This letter sets forth the response of Louisville Gas and Electric Company and Kentucky Utilities Company ("LG&E/KU") to the draft audit report ("Draft Audit Report") issued by the Federal Energy Regulatory Commission's Office of Enforcement, Division of Audits and Accounting on January 21, 2020, in the above-referenced docket.

As you noted, the Draft Audit Report evaluated LG&E/KU's compliance, during the period of January 1, 2016, through October 31, 2019, with: (1) the approved terms, conditions, and rates of their Open Access Transmission Tariff (OATT); and (2) the regulations regarding Open Access Same-Time Information Systems (OASIS) prescribed in 18 C.F.R. Part 37. This letter is to confirm that LG&E/KU has reviewed the Draft Audit Report and agrees with the content and conclusions set forth therein.

On behalf of LG&E/KU, I would like to thank the FERC audit team for their professionalism and courtesy, and for the constructive and collaborative manner in which they conducted the audit. Please do not hesitate to contact me should you have any questions.

Beth McFarland, VP Transmission

cc: Nkosi Brooks
Justice Dagadu
Chris Balmer
Jennifer Keisling
Jay Warren

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 40 - 807 KAR 5:001 Section 16(7)(j)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

The prospectuses of the most recent stock or bond offerings.

Response:

See attached.

The Commission granted the request of KU in lieu of producing one copy of these documents in paper medium to file an electronic copy of the same on a physical electronic storage media when filing the remaining portions of their applications in paper medium.[4]

[4] Ibid.

PROSPECTUS SUPPLEMENT
(To Prospectus dated February 22, 2018)

$300,000,000

a PPL company

Kentucky Utilities Company

4.375% First Mortgage Bonds due 2045

Kentucky Utilities Company is offering $300,000,000 in aggregate principal amount of its First Mortgage Bonds, 4.375% Series due 2045 (the "Bonds"). On September 28, 2015, Kentucky Utilities Company issued $250 million in aggregate principal amount of its 4.375% First Mortgage Bonds due 2045 (the "Original Bonds"). The Bonds will be a further issuance of, will be issued with the same CUSIP number as, and will be consolidated and form a single series with, the Original Bonds. Upon the issuance of the Bonds, the aggregate principal amount of Kentucky Utilities Company 4.375% First Mortgage Bonds due 2045 will be $550,000,000. Interest on the Bonds will accrue from April 1, 2019 and will be payable on April 1 and October 1 of each year, commencing October 1, 2019, and at maturity, as further described in this prospectus supplement. The Bonds will mature on October 1, 2045, unless redeemed on an earlier date. We may, at our option, redeem the Bonds, in whole at any time or in part from time to time, as described herein. See "Description of the Bonds—Redemption."

The Bonds will be our senior secured indebtedness and will rank equally with all of our other outstanding senior secured indebtedness from time to time outstanding under our 2010 mortgage indenture. See "Description of the Bonds—Security; Lien of the Mortgage" herein.

Investing in the Bonds involves certain risks. See "Risk Factors" on page S-5 of this prospectus supplement, on page 2 of the accompanying prospectus and beginning on page 23 of our Annual Report on Form 10-K for the year ended December 31, 2018.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	Price to Public(1)	Underwriting Discount	Proceeds, Before Expenses, to Us(1)
Per Bond	101.845%	0.875%	100.970%
Total	$305,535,000	$2,625,000	$302,910,000

(1) Plus accrued interest, if any, from April 1, 2019 to the date of issuance of the Bonds offered hereby.

The underwriters expect to deliver the Bonds to the purchasers in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants including Clearstream Banking, S.A., and Euroclear Bank S.A./N.V. on or about April 1, 2019.

Joint Book-Running Managers

BofA Merrill Lynch **Mizuho Securities** **MUFG**

RBC Capital Markets **Scotiabank**

Co-Managers

BMO Capital Markets **BNP PARIBAS** **BNY Mellon Capital Markets, LLC** **US Bancorp**

The date of this prospectus supplement is March 18, 2019.

This prospectus supplement, the accompanying prospectus and any free writing prospectus that we prepare or authorize contain and incorporate by reference information that you should consider when making your investment decision. Neither we nor the underwriters have authorized anyone to provide you with different information. Neither we nor the underwriters are making an offer of these securities in any jurisdiction where the offer is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of its respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

TABLE OF CONTENTS

Prospectus Supplement

	Page
ABOUT THIS PROSPECTUS SUPPLEMENT	S-1
WHERE YOU CAN FIND MORE INFORMATION	S-1
SUMMARY	S-3
RISK FACTORS	S-5
USE OF PROCEEDS	S-6
CAPITALIZATION	S-6
DESCRIPTION OF THE BONDS	S-7
CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES	S-23
UNDERWRITING (CONFLICTS OF INTEREST)	S-29
VALIDITY OF THE BONDS	S-32

Prospectus

ABOUT THIS PROSPECTUS	1
RISK FACTORS	2
FORWARD-LOOKING INFORMATION	2
PPL CORPORATION	5
PPL CAPITAL FUNDING, INC.	6
PPL ELECTRIC UTILITIES CORPORATION	6
LG&E AND KU ENERGY LLC	6
LOUISVILLE GAS AND ELECTRIC COMPANY	7
KENTUCKY UTILITIES COMPANY	7
USE OF PROCEEDS	8
RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	9
WHERE YOU CAN FIND MORE INFORMATION	11
EXPERTS	13
VALIDITY OF THE SECURITIES AND THE PPL GUARANTEES	13

As used in this prospectus supplement and the accompanying prospectus, the terms “we,” “our” and “us” refer to Kentucky Utilities Company.

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is part of a registration statement that Kentucky Utilities Company ("KU" or the "Company") has filed with the Securities and Exchange Commission (the "SEC") utilizing a "shelf" registration process. Under this shelf process, we are offering to sell the Bonds using this prospectus supplement and the accompanying prospectus. This prospectus supplement describes the specific terms of this offering. The accompanying prospectus and the information incorporated by reference therein and herein describe our business and give more general information, some of which may not apply to this offering. Generally, when we refer only to the "prospectus," we are referring to both parts combined. You should read this prospectus supplement together with the accompanying prospectus before making a decision to invest in the Bonds. If the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement is inconsistent with the accompanying prospectus, the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement will apply and supersede that information in the accompanying prospectus.

Certain affiliates of KU, including PPL Corporation, Louisville Gas and Electric Company and LG&E and KU Energy LLC, and other subsidiaries of PPL Corporation, have also registered their securities on the "shelf" registration statement referred to above. However, the Bonds are solely obligations of KU, and not of PPL Corporation or any of PPL Corporation's other subsidiaries or of any other affiliate of KU. None of PPL Corporation or any of KU's other affiliates will guarantee or provide any credit support for the Bonds.

WHERE YOU CAN FIND MORE INFORMATION

Available Information

KU files reports and other information with the SEC. You may obtain copies of this information from the SEC at its website, http://www.sec.gov, which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

KU's Internet Web site is http://www.lge-ku.com/ku/. Our ultimate parent, PPL Corporation, maintains an Internet Web site at www.pplweb.com. On the Investor page of that Web site, PPL Corporation provides access to SEC filings of KU free of charge, as soon as reasonably practicable after filing with the SEC. Neither the information at KU's Web site nor the information at PPL Corporation's Web site is incorporated in this prospectus supplement by reference, and you should not consider it a part of this prospectus supplement.

In addition, reports and other information concerning KU can be inspected at its offices at One Quality Street, Lexington, Kentucky 40507.

Incorporation by Reference

KU will "incorporate by reference" information into this prospectus supplement by disclosing important information to you by referring you to other documents that it files separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement, and later information that we file with the SEC will automatically update and supersede that information. This prospectus supplement incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about KU.

SEC Filings	Period/Date
Annual Report on Form 10-K	Year ended December 31, 2018
Current Reports on Form 8-K	Filed on March 1, 2019 and March 8, 2019

Additional documents that KU files with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), between the date of this prospectus supplement and the termination of the offering of the Bonds are also incorporated herein by reference.

KU will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus supplement has been delivered, a copy of any and all of its filings with the SEC. You may request a copy of these filings by writing or telephoning KU at:

Kentucky Utilities Company
One Quality Street
Lexington, Kentucky 40507
Attention: Treasurer
Telephone: (502) 627-2000

SUMMARY

The following summary contains information about the offering by KU of its Bonds described below. It does not contain all of the information that may be important to you in making a decision to purchase the Bonds. For a more complete understanding of KU and the offering of the Bonds, we urge you to read carefully this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein including the "Risk Factors" sections and our financial statements and the notes to those statements.

The Issuer	Kentucky Utilities Company
Securities Offered	$300,000,000 aggregate principal amount of KU's First Mortgage Bonds, 4.375% Series due 2045 (the "Bonds"). The Bonds will be part of the same series of bonds as the $250,000,000 aggregate principal amount of KU's 4.375% First Mortgage Bonds due 2045 issued on September 28, 2015.
Stated Maturity Date	The Bonds will mature on October 1, 2045.
Interest Payment Dates	Interest on the Bonds will accrue from April 1, 2019 and be payable on April 1 and October 1 of each year, commencing October 1, 2019, and at maturity, or upon earlier redemption.
Interest Rate	The Bonds will bear interest at the rate of 4.375% per annum.
Redemption	The Bonds may be redeemed at our option, in whole at any time or in part from time to time, at the redemption prices set forth in this prospectus supplement. The Bonds will not be entitled to the benefit of any sinking fund or other mandatory redemption and will not be repayable at the option of the Holder of a Bond prior to the Stated Maturity Date. See "Description of the Bonds—Redemption."
Ranking	The Bonds will be our senior secured indebtedness and will rank equally in right of payment with our existing and future first mortgage bonds issued under our Mortgage. See "Description of the Bonds—General" and "Description of the Bonds—Security; Lien of the Mortgage."
Security	The Bonds will be secured, equally and ratably, by the lien of the Mortgage, which constitutes a first mortgage lien on substantially all of our real and tangible personal property located in Kentucky and used in the generation, transmission and distribution of electricity, other than property duly released from the lien of the Mortgage in accordance with the provisions thereof and certain other excepted property, and subject to certain Permitted Liens, as described under "Description of the Bonds—Security; Lien of the Mortgage."
Listing	We do not intend to list the Bonds on any securities exchange.

Form and Denomination	The Bonds will be initially issued in the form of one or more global securities, without coupons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof, and deposited with the Trustee (as hereinafter defined) on behalf of The Depository Trust Company ("DTC"), as depositary, and registered in the name of DTC or its nominee. See "Description of the Bonds—General" and "Description of the Bonds—Book-Entry Only Issuance—The Depository Trust Company."
Use of Proceeds	We intend to use the net proceeds of this offering to repay short-term debt and for other general corporate purposes. See "Use of Proceeds."
Conflicts of Interest	Certain of the underwriters or their affiliates may hold a portion of the short-term debt that we intend to repay using the net proceeds of this offering. In such event, it is possible that one or more of the underwriters or their affiliates could receive more than 5% of the net proceeds of the offering, and in that case, such underwriter would be deemed to have a conflict of interest under FINRA Rule 5121 (Public Offering of Securities with Conflicts of Interest). In the event of any such conflict of interest, such underwriter would be required to conduct the distribution of the Bonds in accordance with FINRA Rule 5121. If the distribution is conducted in accordance with FINRA Rule 5121, such underwriter would not be permitted to confirm a sale to an account over which it exercises discretionary authority without first receiving specific written approval from the account holder.
Reopening of the Series	We may, without the consent of the Holders of the Bonds or the Original Bonds, further increase the principal amount of the series and issue additional bonds of such series having the same ranking, interest rate, maturity and other terms as the Bonds and the Original Bonds, other than the date of initial issuance, the price to public, the initial interest accrual date and the initial interest payment date. Any such additional bonds may, together with the Bonds and the Original Bonds, constitute a single series of securities under the Mortgage. See "Description of the Bonds—General."
Qualified Reopening	For U.S. federal income tax purposes, we intend to treat the Bonds offered hereby as being issued in a "qualified reopening" of the Original Bonds. See "Certain U.S. Federal Income Tax Consequences."
Governing Law	The Bonds and the Mortgage are governed by the laws of the State of New York, except to the extent the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), is applicable and except where otherwise required by law. The effectiveness of the lien of the Mortgage, and the perfection and priority thereof, will be governed by Kentucky law.

RISK FACTORS

Before making a decision to invest in the Bonds, you should carefully consider the risk factors described below, the risk factors described on page 2 of the accompanying prospectus, and the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2018, beginning on page 23, as well as the other information included in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

Risks Relating to the Bonds

Our credit ratings and ratings on the Bonds may not reflect all risks of your investment in the Bonds

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the Bonds. These credit ratings may not reflect the potential impact of risks relating to the terms or market for the Bonds. Agency ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating.

An active trading market for the Bonds may not develop.

We do not intend to apply for listing of the Bonds on any securities exchange. We cannot assure that an active trading market for the Bonds will develop. There can be no assurances as to the liquidity of any market that may develop for the Bonds, the ability of Holders to sell their Bonds or the price at which the Holders will be able to sell their Bonds. Future trading prices of the Bonds will depend on many factors including, among other things, prevailing interest rates, our operating results and the market for similar securities.

USE OF PROCEEDS

We intend to use the net proceeds of this offering to repay short-term debt and for other general corporate purposes. At December 31, 2018, we had $235 million of outstanding short-term debt, including commercial paper borrowings, bearing interest at a weighted average interest rate of 2.94%.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of December 31, 2018 on an actual basis, and on an as adjusted basis to give effect to the issuance of the Bonds in this offering and the intended use of proceeds of this offering as described in "Use of Proceeds." This table should be read in conjunction with our consolidated financial statements, the notes related thereto and the financial and operating data incorporated by reference into this prospectus supplement and the accompanying prospectus.

	As of December 31, 2018	
	Actual	As Adjusted
	(In millions)	
Long-term debt, including current portion	$2,321	$2,321
Bonds offered hereby	—	300
Total long-term debt	2,321	2,621
Total equity	3,442	3,442
Total capitalization	$5,763	$6,063

DESCRIPTION OF THE BONDS

The following summary description sets forth certain terms and provisions of the Bonds that we are offering by this prospectus supplement. Because this description is a summary, it does not describe every aspect of the Bonds or the Mortgage (as defined below) under which the Bonds will be issued, as described below. The Mortgage is filed as an exhibit to the registration statement of which the accompanying prospectus is a part. The Mortgage and its associated documents contain the full legal text of the matters described in this section. This summary is subject to and qualified in its entirety by reference to all of the provisions of the Bonds and the Mortgage, including definitions of certain terms used in the Mortgage. We also include references in parentheses to certain sections of the Mortgage. Whenever we refer to particular sections or defined terms of the Mortgage in this prospectus supplement, such sections or defined terms are incorporated by reference herein. The Mortgage has been qualified under the Trust Indenture Act, and you should refer to the Trust Indenture Act for provisions that apply to the Bonds.

General

We will issue the Bonds as a part of the same series of debt securities under our indenture, dated as of October 1, 2010 (as such indenture has been and may be amended and supplemented from time to time, the "Mortgage"), with The Bank of New York Mellon, as trustee (the "Trustee") as the $250 million in aggregate principal amount of our 4.375% First Mortgage Bonds due 2045 (the "Original Bonds"), which were originally issued on September 28, 2015. The Mortgage does not effectively limit the aggregate principal amount of bonds or other debt securities that may be issued thereunder, subject to meeting certain conditions to issuance, including those described below under "Issuance of Additional Mortgage Securities." The Bonds and all other debt securities issued previously or hereafter issued under the Mortgage are collectively referred to herein as "Mortgage Securities." The Mortgage constitutes a first mortgage lien, subject to Permitted Liens and exceptions and exclusions as described below, on substantially all of our real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity. See "—Security; Lien of the Mortgage." As of the date of this prospectus supplement, approximately $2.342 billion of first mortgage bonds are issued and outstanding under the Mortgage, including $342 million which have been pledged to secure pollution control revenue bonds issued by various counties in Kentucky on our behalf.

The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially represented by one or more fully registered global securities (the "Global Securities") deposited with the Trustee, as custodian for The Depository Trust Company ("DTC"), as depositary, and registered in the name of DTC or DTC's nominee. A beneficial interest in a Global Security will be shown on, and transfers or exchanges thereof will be effected only through, records maintained by DTC and its participants, as described below under "—Book-Entry Only Issuance—The Depository Trust Company." The authorized denominations of the Bonds will be $2,000 and integral multiples of $1,000 in excess thereof. Except in limited circumstances described below, the Bonds will not be exchangeable for Bonds in definitive certificated form.

The Bonds are initially being offered in the principal amount of $300,000,000. The Bonds will be a further issuance of, will have identical terms (other than the date of issuance, the price to public, the initial interest accrual date and the initial interest payment date) , will be issued with the same CUSIP number as, and will be consolidated and form a single series with, the Original Bonds, and upon the issuance of the Bonds offered hereby, the aggregate principal amount of debt securities of this series outstanding under the Mortgage will be $550,000,000. We may, without the consent of the Holders of the Bonds or the Original Bonds, further increase the principal amount of the series and issue additional bonds of such series having the same ranking, interest rate, maturity and other terms (other than the date of initial issuance, the price to public, the initial interest accrual date and the initial interest payment date) as the Bonds and the Original Bonds, but we will not reopen a series unless the additional bonds are fungible with the previously issued bonds for U.S. federal income tax purposes or such additional bonds are issued with a separate CUSIP number. Any such additional bonds would, together with the

Bonds and the Original Bonds, constitute a single series of securities under the Mortgage and may be treated as a single class for all purposes under the Mortgage, including, without limitation, voting, waivers and amendments.

Maturity; Interest

The Bonds will mature on October 1, 2045 (the "Stated Maturity Date") and will bear interest from April 1, 2019 at a rate of 4.375% per annum. Interest on the Bonds will be payable semi-annually in arrears on April 1 and October 1 of each year (each, an "Interest Payment Date"), commencing on October 1, 2019, and at maturity (whether at the Stated Maturity Date, upon redemption or acceleration, or otherwise, "Maturity"). Subject to certain exceptions, the Mortgage provides for the payment of interest on an Interest Payment Date only to persons in whose names the Bonds are registered at the close of business on the Regular Record Date, which will be the March 15 and September 15 (whether or not a Business Day), as the case may be, immediately preceding the applicable Interest Payment Date; except that interest payable at Maturity will be paid to the person to whom principal is paid.

Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months, and with respect to any period less than a full calendar month, on the basis of the actual number of days elapsed during the period.

Payment

So long as the Bonds are registered in the name of DTC, as depository for the Bonds as described herein under "—Book-Entry Only Issuance—The Depository Trust Company" or DTC's nominee, payments on the Bonds will be made as described therein.

If we default in paying interest on a Bond, we will pay such defaulted interest either:

- to Holders as of a special record date between 10 and 15 days before the proposed payment; or
- in any other lawful manner of payment that is consistent with the requirements of any securities exchange on which the Bonds may be listed for trading. (See Section 307.)

We will pay principal of and interest and premium, if any, on the Bonds at Maturity upon presentation of the Bonds at the corporate trust office of The Bank of New York Mellon in New York, New York, as our Paying Agent. In our discretion, we may change the place of payment on the Bonds, and we may remove any Paying Agent and may appoint one or more additional Paying Agents (including us or any of our affiliates). (See Section 702.)

If any Interest Payment Date, Redemption Date or Maturity of a Bond falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be made on the next succeeding Business Day as if made on the date such payment was due, and no interest will accrue on such payment for the period from and after such Interest Payment Date, Redemption Date or Maturity, as the case may be, to the date of such payment on the next succeeding Business Day.

"Business Day" means any day, other than a Saturday or Sunday, that is not a day on which banking institutions or trust companies in The City of New York, New York, or other city in which a paying agent for such Bond is located, are generally authorized or required by law, regulation or executive order to remain closed. (See Section 116.)

Form; Transfers; Exchanges

So long as the Bonds are registered in the name of DTC, as depository for the Bonds as described herein under "—Book-Entry Only Issuance—The Depository Trust Company," or DTC's nominee, transfers and

exchanges of beneficial interest in the Bonds will be made as described therein. In the event that the book-entry only system is discontinued and the Bonds are issued in certificated form, you may exchange or transfer Bonds at the corporate trust office of the Trustee.

You may have your Bonds divided into Bonds of the same series of smaller denominations (of at least $2,000 and any larger amount that is an integral multiple of $1,000) or combined into Bonds of the same series of larger denominations, as long as the total principal amount is not changed. (See Section 305.)

There will be no service charge for any transfer or exchange of the Bonds, but you may be required to pay a sum sufficient to cover any tax or other governmental charge payable in connection therewith. We may block the transfer or exchange of (1) Bonds during a period of 15 days prior to giving any notice of redemption or (2) any Bond selected for redemption in whole or in part, except the unredeemed portion of any Bond being redeemed in part. (See Section 305.)

The Trustee acts as our agent for registering Bonds in the names of Holders and transferring the Bonds. We may appoint another agent (including one of our affiliates) or act as our own agent for this purpose. The entity performing the role of maintaining the list of registered Holders is called the "Security Registrar." It will also perform transfers. In our discretion, we may change the place for registration of transfer of the Bonds and may designate a different entity as the Security Registrar, including us or one of our affiliates. (See Sections 305 and 702.)

Redemption

We may, at our option, redeem the Bonds, in whole at any time or in part from time to time. If we redeem the Bonds before the Par Call Date (defined below), the Bonds will be redeemed by us at a redemption price equal to the greater of:

- 100% of the principal amount of the Bonds to be so redeemed; and
- as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds to be so redeemed that would be due if the Stated Maturity Date of such Bonds were the Par Call Date (not including any portion of such payments of interest accrued to the date of redemption) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, plus 25 basis points;

plus, in either case, accrued and unpaid interest on the principal amount of Bonds to be so redeemed to the Redemption Date.

If we redeem the Bonds on or after the Par Call Date, the Bonds will be redeemed by us at a redemption price equal to 100% of the principal amount of the Bonds to be so redeemed, plus accrued and unpaid interest on the principal amount of the Bonds to be so redeemed to the Redemption Date.

"Par Call Date" means April 1, 2045 (the date that is six months prior to the Stated Maturity Date).

"Adjusted Treasury Rate" means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that Redemption Date.

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the Bonds to be redeemed (assuming for this purpose that the Stated Maturity Date of the Bonds were the Par Call Date) that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of Bonds.

"Comparable Treasury Price" means, with respect to any Redemption Date:

- the average of five Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations; or
- if the Quotation Agent obtains fewer than five Reference Treasury Dealer Quotations, the average of all of those quotations received.

"Quotation Agent" means one of the Reference Treasury Dealers appointed by us.

"*Reference Treasury Dealer*" means:

- each of J.P. Morgan Securities LLC, MUFG Securities Americas Inc. (formerly known as Mitsubishi UFJ Securities (USA), Inc.), Morgan Stanley & Co. LLC and UBS Securities LLC (or their respective affiliates that are Primary Treasury Dealers, as defined below), or their respective successors, unless any of them is not or ceases to be a primary U.S. Government securities dealer in the United States (a "Primary Treasury Dealer"), in which case we will substitute another Primary Treasury Dealer; and
- any other Primary Treasury Dealer selected by us (after consultation with the Quotation Agent).

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount), as provided to the Quotation Agent by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding that Redemption Date.

The Bonds will not be subject to a sinking fund or other mandatory redemption provisions and will not be repayable at the option of the Holder prior to the Stated Maturity Date.

The Bonds will be redeemable upon notice of redemption by mail between 30 days and 60 days prior to the Redemption Date.

If less than all of the Bonds are to be redeemed, the Trustee will select the Bonds or portions thereof to be redeemed. In the absence of any provision for selection, the Trustee will choose a method of random selection that it deems fair and appropriate. (See Sections 503 and 504.)

We may make any redemption at our option conditional upon the receipt by the Paying Agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the Paying Agent has not received such money by the date fixed for redemption, we will not be required to redeem such Bonds. (See Section 504.)

Bonds called for redemption will cease to bear interest on the Redemption Date. We will pay the redemption price and any accrued interest once you surrender the Bond for redemption. (See Section 505.) If only part of a Bond is redeemed, the Trustee will deliver to you a new Bond of the same series for the remaining portion without charge. (See Section 506.)

Security; Lien of the Mortgage

General

Except as described below under this heading and under "—Issuance of Additional Mortgage Securities," and subject to the exceptions described under "—Satisfaction and Discharge," all Mortgage Securities, including the Bonds, will be secured, equally and ratably, by the lien of the Mortgage, which constitutes, subject to Permitted Liens as described below, a first mortgage lien on substantially all of our real and tangible personal

property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity (other than property duly released from the lien of the Mortgage in accordance with the provisions thereof and other than Excepted Property, as described below). We sometimes refer to our property that is subject to the lien of the Mortgage as "Mortgaged Property."

We may obtain the release of property from the lien of the Mortgage from time to time, upon the bases provided for such release in the Mortgage. See "—Release of Property."

We may enter into supplemental indentures with the Trustee, without the consent of the Holders, in order to subject additional property (including property that would otherwise be excepted from such lien) to the lien of the Mortgage. (See Section 1401.) This property would constitute Property Additions and would be available as a basis for the issuance of Mortgage Securities. See "—Issuance of Additional Mortgage Securities."

The Mortgage provides that after-acquired property (other than Excepted Property) will be subject to the lien of the Mortgage. (See Granting Clause Second.) However, in the case of consolidation or merger (whether or not we are the surviving company) or transfer of the Mortgaged Property as or substantially as an entirety, the Mortgage will not be required to be a lien upon any of the properties either owned or subsequently acquired by the successor company except properties acquired from us in or as a result of such transfer, as well as improvements, extensions and additions (as defined in the Mortgage) to such properties and renewals, replacements and substitutions of or for any part or parts thereof. See Section 1303 and "—Consolidation, Merger and Conveyance of Assets as an Entirety."

Excepted Property. The lien of the Mortgage does not cover, among other things, the following types of property: property located outside of Kentucky and not specifically subjected or required to be subjected to the lien of the Mortgage; property not used by us in our electric generation, transmission and distribution business; cash and securities not paid, deposited or held under the Mortgage or required so to be; contracts, leases and other agreements of all kinds, contract rights, bills, notes and other instruments, revenues, accounts receivable, claims, demands and judgments; governmental and other licenses, permits, franchises, consents and allowances; intellectual property rights and other general intangibles; vehicles, movable equipment, aircraft and vessels; all goods, stock in trade, wares, merchandise and inventory held for the purpose of sale or lease in the ordinary course of business; materials, supplies, inventory and other personal property consumable in the operation of our business; fuel; tools and equipment; furniture and furnishings; computers and data processing, telecommunications and other facilities used primarily for administrative or clerical purposes or otherwise not used in connection with the operation or maintenance of electric generation, transmission and distribution facilities; coal, ore, gas, oil and other minerals and timber rights; electric energy and capacity, gas, steam, water and other products generated, produced, manufactured, purchased or otherwise acquired; real property and facilities used primarily for the production or gathering of natural gas; property which has been released from the lien of the Mortgage; and leasehold interests. We sometimes refer to our property not covered by the lien of the Mortgage as "Excepted Property." (See Granting Clauses.) Properties held by any of our subsidiaries, as well as properties leased from others, would not be subject to the lien of the Mortgage.

Permitted Liens. The lien of the Mortgage is subject to Permitted Liens described in the Mortgage. Such Permitted Liens include liens existing at the execution date of the Mortgage, purchase money liens and other liens placed or otherwise existing on property acquired by us after the execution date of the Mortgage at the time we acquire it, tax liens and other governmental charges which are not delinquent or which are being contested in good faith, mechanics', construction and materialmen's liens, certain judgment liens, easements, reservations and rights of others (including governmental entities) in, and defects of title to, our property, certain leases and leasehold interests, liens to secure public obligations, rights of others to take minerals, timber, electric energy or capacity, gas, water, steam or other products produced by us or by others on our property, rights and interests of Persons other than us arising out of agreements relating to the common ownership or joint use of property, and liens on the interests of such Persons in such property and liens which have been bonded or for which other security arrangements have been made. (See Granting Clauses and Section 101.)

The Mortgage also provides that the Trustee will have a lien, prior to the lien on behalf of the Holders of the Mortgage Securities, upon the Mortgaged Property as security for our payment of its reasonable compensation and expenses and for indemnity against certain liabilities. (See Section 1107.) Any such lien would be a Permitted Lien under the Mortgage.

Issuance of Additional Mortgage Securities

The maximum principal amount of Mortgage Securities that may be authenticated and delivered under the Mortgage is subject to the issuance restrictions described below; provided, however, that the maximum principal amount of Mortgage Securities outstanding at any one time shall not exceed One Quintillion Dollars ($1,000,000,000,000,000,000), which amount may be changed by supplemental indenture. (See Section 301.) Mortgage Securities of any series may be issued from time to time on the basis of, and in an aggregate principal amount not exceeding:

- 66 2/3% of the Cost or Fair Value to the Company (whichever is less) of Property Additions (as described below) which do not constitute Funded Property (generally, Property Additions which have been made the basis of the authentication and delivery of Mortgage Securities, the release of Mortgaged Property or the withdrawal of cash, which have been substituted for retired Funded Property or which have been used for other specified purposes) after certain deductions and additions, primarily including adjustments to offset property retirements;
- the aggregate principal amount of Retired Securities (as described below); or
- an amount of cash deposited with the Trustee. (See Article Four.)

Property Additions generally include any property which is owned by us and is subject to the lien of the Mortgage except (with certain exceptions) goodwill, going concern value rights or intangible property, or any property the acquisition or construction of which is properly chargeable to one of our operating expense accounts in accordance with U.S. generally accepted accounting principles. (See Section 104.)

Retired Securities means, generally, Mortgage Securities which are no longer outstanding under the Mortgage, which have not been retired by the application of Funded Cash and which have not been used as the basis for the authentication and delivery of Mortgage Securities, the release of property or the withdrawal of cash.

We intend to issue the Bonds on the basis of Property Additions. At December 31, 2018, approximately $2.35 billion of Property Additions were available to us to be used as the basis for the authentication and delivery of Mortgage Securities (including the Bonds offered hereby).

Release of Property

Unless an Event of Default has occurred and is continuing, we may obtain the release from the lien of the Mortgage of any Mortgaged Property, except for cash held by the Trustee, upon delivery to the Trustee of an amount in cash equal to the amount, if any, by which sixty-six and two-thirds percent (66 2/3%) of the Cost of the property to be released (or, if less, the Fair Value to us of such property at the time it became Funded Property) exceeds the aggregate of:

- an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by Purchase Money Liens upon the property to be released and delivered to the Trustee;
- an amount equal to 66 2/3% of the Cost or Fair Value to us (whichever is less) of certified Property Additions not constituting Funded Property after certain deductions and additions, primarily including adjustments to offset property retirements (except that such adjustments need not be made if such Property Additions were acquired or made within the 90-day period preceding the release);

- the aggregate principal amount of Mortgage Securities we would be entitled to issue on the basis of Retired Securities (with such entitlement being waived by operation of such release);
- the aggregate principal amount of Mortgage Securities delivered to the Trustee (with such Mortgage Securities to be canceled by the Trustee);
- any amount of cash and/or an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by Purchase Money Liens upon the property released that is delivered to the trustee or other holder of a lien prior to the lien of the Mortgage, subject to certain limitations described in the Mortgage; and
- any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released.

(See Section 803.)

As used in the Mortgage, the term "Purchase Money Lien" means, generally, a lien on the property being released which is retained by the transferor of such property or granted to one or more other Persons in connection with the transfer or release thereof, or granted to or held by a trustee or agent for any such Persons, and may include liens which cover property in addition to the property being released and/or which secure indebtedness in addition to indebtedness to the transferor of such property. (See Section 101.)

Unless an Event of Default has occurred and is continuing, property which is not Funded Property may generally be released from the lien of the Mortgage without depositing any cash or property with the Trustee as long as (a) the aggregate amount of Cost or Fair Value to us (whichever is less) of all Property Additions which do not constitute Funded Property (excluding the property to be released) after certain deductions and additions, primarily including adjustments to offset property retirements, is not less than zero or (b) the Cost or Fair Value (whichever is less) of property to be released does not exceed the aggregate amount of the Cost or Fair Value to us (whichever is less) of Property Additions acquired or made within the 90-day period preceding the release. (See Section 804.)

The Mortgage provides simplified procedures for the release of minor properties and property taken by eminent domain, and provides for dispositions of certain obsolete property and grants or surrender of certain rights without any release or consent by the Trustee. (See Sections 805, 807 and 808.)

If we retain any interest in any property released from the lien of the Mortgage, the Mortgage will not become a lien on such property or such interest therein or any improvements, extensions or additions to such property or renewals, replacements or substitutions of or for such property or any part or parts thereof. (See Section 809.)

Withdrawal of Cash

Unless an Event of Default has occurred and is continuing, and subject to certain limitations, cash held by the Trustee may, generally, (1) be withdrawn by us (a) to the extent of sixty-six and two-thirds percent (66 2/3%) of the Cost or Fair Value to us (whichever is less) of Property Additions not constituting Funded Property, after certain deductions and additions, primarily including adjustments to offset retirements (except that such adjustments need not be made if such Property Additions were acquired or made within the 90-day period preceding the withdrawal) or (b) in an amount equal to the aggregate principal amount of Mortgage Securities that we would be entitled to issue on the basis of Retired Securities (with the entitlement to such issuance being waived by operation of such withdrawal) or (c) in an amount equal to the aggregate principal amount of any outstanding Mortgage Securities delivered to the Trustee; or (2) upon our request, be applied to (a) the purchase of Mortgage Securities in a manner and at a price approved by us or (b) the payment (or provision for payment) at stated maturity of any Mortgage Securities or the redemption (or provision for payment) of any Mortgage

Securities which are redeemable (see Section 806); provided, however, that cash deposited with the Trustee as the basis for the authentication and delivery of Mortgage Securities may, in addition, be withdrawn in an amount not exceeding the aggregate principal amount of cash delivered to the Trustee for such purpose. (See Section 404.)

Events of Default

An "Event of Default" occurs under the Mortgage if:

- we do not pay any interest on any Mortgage Securities within 30 days of the due date;
- we do not pay principal or premium, if any, on any Mortgage Securities on the due date;
- we remain in breach of any other covenant under the Mortgage (excluding covenants specifically dealt with elsewhere in this section) in respect of any Mortgage Securities for 90 days after we receive a written notice of default stating we are in breach and requiring remedy of the breach; the notice must be sent by either the Trustee or Holders of 25% of the principal amount of outstanding Mortgage Securities; the Trustee or such Holders can agree to extend the 90- day period and such an agreement to extend will be automatically deemed to occur if we initiate corrective action within such 90-day period and we are diligently pursuing such action to correct the default; or
- we file for bankruptcy or certain other events in bankruptcy, insolvency, receivership or reorganization occur.

(See Section 1001.)

Remedies

Acceleration of Maturity

If an Event of Default occurs and is continuing, then either the Trustee or the Holders of not less than 25% in principal amount of the outstanding Mortgage Securities may declare the principal amount of all of the Mortgage Securities to be due and payable immediately. (See Section 1002.)

Rescission of Acceleration

After the declaration of acceleration has been made and before the Trustee has obtained a judgment or decree for payment of the money due, such declaration and its consequences will be rescinded and annulled, if:

(i) we pay or deposit with the Trustee a sum sufficient to pay:

- all overdue interest;
- the principal of and premium, if any, which have become due otherwise than by such declaration of acceleration and interest thereon;
- interest on overdue interest to the extent lawful; and
- all amounts due to the Trustee under the Mortgage; and

(ii) all Events of Default, other than the nonpayment of the principal which has become due solely by such declaration of acceleration, have been cured or waived as provided in the Mortgage.

(See Section 1002.)

For more information as to waiver of defaults, see "—Waiver of Default and of Compliance" below.

Appointment of Receiver and Other Remedies

Subject to the Mortgage, under certain circumstances and to the extent permitted by law, if an Event of Default occurs and is continuing, the Trustee has the power to appoint a receiver of the Mortgaged Property, and is entitled to all other remedies available to mortgagees and secured parties under the Uniform Commercial Code or any other applicable law. (See Section 1016.)

Control by Holders; Limitations

Subject to the Mortgage, if an Event of Default occurs and is continuing, the Holders of a majority in principal amount of the outstanding Mortgage Securities will have the right to:

- direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or
- exercise any trust or power conferred on the Trustee.

The rights of Holders to make direction are subject to the following limitations:

- the Holders' directions may not conflict with any law or the Mortgage; and
- the Holders' directions may not involve the Trustee in personal liability where the Trustee believes indemnity is not adequate.

The Trustee may also take any other action it deems proper which is not inconsistent with the Holders' direction. (See Sections 1012 and 1103.)

In addition, the Mortgage provides that no Holder of any Mortgage Security will have any right to institute any proceeding, judicial or otherwise, with respect to the Mortgage for the appointment of a receiver or for any other remedy thereunder unless:

- that Holder has previously given the Trustee written notice of a continuing Event of Default;
- the Holders of 25% in aggregate principal amount of the outstanding Mortgage Securities have made written request to the Trustee to institute proceedings in respect of that Event of Default and have offered the Trustee reasonable indemnity against costs, expenses and liabilities incurred in complying with such request; and
- for 60 days after receipt of such notice, request and offer of indemnity, the Trustee has failed to institute any such proceeding and no direction inconsistent with such request has been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of outstanding Mortgage Securities.

Furthermore, no Holder will be entitled to institute any such action if and to the extent that such action would disturb or prejudice the rights of other Holders. (See Sections 1007 and 1103.)

However, each Holder has an absolute and unconditional right to receive payment when due and to bring a suit to enforce that right. (See Section 1008.)

Notice of Default

The Trustee is required to give the Holders of the Mortgage Securities notice of any default under the Mortgage to the extent required by the Trust Indenture Act, unless such default has been cured or waived; except that in the case of an Event of Default of the character specified in the third bullet point under "—Events of Default" (regarding a breach of certain covenants continuing for 90 days after the receipt of a written notice of default), no such notice shall be given to such Holders until at least 60 days after the occurrence thereof. (See

Section 1102.) The Trust Indenture Act currently permits the Trustee to withhold notices of default (except for certain payment defaults) if the Trustee in good faith determines the withholding of such notice to be in the interests of the Holders.

We will furnish the Trustee with an annual statement as to our compliance with the conditions and covenants in the Mortgage. (See Section 709.)

Waiver of Default and of Compliance

The Holders of a majority in aggregate principal amount of the outstanding Mortgage Securities may waive, on behalf of the Holders of all outstanding Mortgage Securities, any past default under the Mortgage, except a default in the payment of principal, premium or interest, or with respect to compliance with certain provisions of the Mortgage that cannot be amended without the consent of the Holder of each outstanding Mortgage Security affected. (See Section 1013.)

Compliance with certain covenants in the Mortgage or otherwise provided with respect to Mortgage Securities may be waived by the Holders of a majority in aggregate principal amount of the affected Mortgage Securities, considered as one class. (See Section 710.)

Consolidation, Merger and Conveyance of Assets as an Entirety

Subject to the provisions described below, we have agreed to preserve our corporate existence. (See Section 704.)

We have agreed not to consolidate with or merge with or into any other entity or convey, transfer or lease the Mortgaged Property as or substantially as an entirety to any entity unless:

- the entity formed by such consolidation or into which we merge, or the entity which acquires or which leases the Mortgaged Property substantially as an entirety, is an entity organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia; and
- expressly assumes, by supplemental indenture, the due and punctual payment of the principal of, and premium and interest on, all the outstanding Mortgage Securities and the performance of all of our covenants under the Mortgage; and
- such entity confirms the lien of the Mortgage on the Mortgaged Property; and
- in the case of a lease, such lease is made expressly subject to termination by (i) us or by the Trustee and (ii) the purchaser of the property so leased at any sale thereof, at any time during the continuance of an Event of Default; and
- immediately after giving effect to such transaction, no Event of Default, and no event which after notice or lapse of time or both would become an Event of Default, will have occurred and be continuing.

(See Section 1301.)

In the case of the conveyance or other transfer of the Mortgaged Property as or substantially as an entirety to any other person, upon the satisfaction of all the conditions described above we would be released and discharged from all obligations under the Mortgage and on the Mortgage Securities then outstanding unless we elect to waive such release and discharge. (See Section 1304.)

The Mortgage does not prevent or restrict:

- any consolidation or merger after the consummation of which we would be the surviving or resulting entity; or

- any conveyance or other transfer, or lease, of any part of the Mortgaged Property which does not constitute the entirety or substantially the entirety thereof.

If following a conveyance or other transfer, or lease, of any part of the Mortgaged Property, the Fair Value of the Mortgaged Property retained by the Company exceeds an amount equal to three-halves (3/2) of the aggregate principal amount of all outstanding Mortgage Securities, then the part of the Mortgaged Property so conveyed, transferred or leased shall be deemed not to constitute the entirety or substantially the entirety of the Mortgaged Property. This Fair Value will be determined within 90 days of the conveyance or transfer by an independent expert that we select and that is approved by the Trustee.

(See Sections 1305 and 1306.)

Modification of Mortgage

Without Holder Consent. Without the consent of any Holders of Mortgage Securities, we and the Trustee may enter into one or more supplemental indentures for any of the following purposes:

- to evidence the succession of another entity to us;
- to add one or more covenants or other provisions for the benefit of the Holders of all or any series or tranche of Mortgage Securities, or to surrender any right or power conferred upon us;
- to correct or amplify the description of any property at any time subject to the lien of the Mortgage; or to better assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of the Mortgage; or to subject to the lien of the Mortgage additional property (including property of others), to specify any additional Permitted Liens with respect to such additional property and to modify the provisions in the Mortgage for dispositions of certain types of property without release in order to specify any additional items with respect to such additional property;
- to add any additional Events of Default, which may be stated to remain in effect only so long as the Mortgage Securities of any one more particular series remains outstanding;
- to change or eliminate any provision of the Mortgage or to add any new provision to the Mortgage that does not adversely affect the interests of the Holders in any material respect;
- to establish the form or terms of any series or tranche of Mortgage Securities;
- to provide for the issuance of bearer securities;
- to evidence and provide for the acceptance of appointment of a successor Trustee or by a co-trustee or separate trustee;
- to provide for the procedures required to permit the utilization of a noncertificated system of registration for any series or tranche of Mortgage Securities;
- to change any place or places where:
  - we may pay principal, premium and interest,
  - Mortgage Securities may be surrendered for transfer or exchange, and
  - notices and demands to or upon us may be served;
- to amend and restate the Mortgage as originally executed, and as amended from time to time, with such additions, deletions and other changes that do not adversely affect the interest of the Holders in any material respect;
- to cure any ambiguity, defect or inconsistency or to make any other changes that do not adversely affect the interests of the Holders in any material respect; or

- to increase or decrease the maximum principal amount of Mortgage Securities that may be outstanding at any time.

In addition, if the Trust Indenture Act is amended after the date of the Mortgage so as to require changes to the Mortgage or so as to permit changes to, or the elimination of, provisions which, at the date of the Mortgage or at any time thereafter, were required by the Trust Indenture Act to be contained in the Mortgage, the Mortgage will be deemed to have been amended so as to conform to such amendment or to effect such changes or elimination, and we and the Trustee may, without the consent of any Holders, enter into one or more supplemental indentures to effect or evidence such amendment.

(See Section 1401.)

With Holder Consent. Except as provided above, the consent of the Holders of at least a majority in aggregate principal amount of the Mortgage Securities of all outstanding series, considered as one class, is generally required for the purpose of adding to, or changing or eliminating any of the provisions of, the Mortgage pursuant to a supplemental indenture. However, if less than all of the series of outstanding Mortgage Securities are directly affected by a proposed supplemental indenture, then such proposal requires the consent of only the Holders of a majority in aggregate principal amount of the outstanding Mortgage Securities of all directly affected series, considered as one class. Moreover, if the Mortgage Securities of any series have been issued in more than one tranche and if the proposed supplemental indenture directly affects the rights of the Holders of Mortgage Securities of one or more, but less than all, of such tranches, then such proposal requires the consent of only the Holders of a majority in aggregate principal amount of the outstanding Mortgage Securities of all directly affected tranches, considered as one class.

However, no amendment or modification may, without the consent of the Holder of each outstanding Mortgage Security directly affected thereby:

- change the stated maturity of the principal or interest on any Mortgage Security (other than pursuant to the terms thereof), or reduce the principal amount, interest or premium payable (or the method of calculating such rates) or change the currency in which any Mortgage Security is payable, or impair the right to bring suit to enforce any payment;
- create any lien (not otherwise permitted by the Mortgage) ranking prior to the lien of the Mortgage with respect to all or substantially all of the Mortgaged Property, or terminate the lien of the Mortgage on all or substantially all of the Mortgaged Property (other than in accordance with the terms of the Mortgage), or deprive any Holder of the benefits of the security of the lien of the Mortgage;
- reduce the percentages of Holders whose consent is required for any supplemental indenture or waiver of compliance with any provision of the Mortgage or of any default thereunder and its consequences, or reduce the requirements for quorum and voting under the Mortgage; or
- modify certain of the provisions of the Mortgage relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to Mortgage Securities.

A supplemental indenture which changes, modifies or eliminates any provision of the Mortgage expressly included solely for the benefit of Holders of Mortgage Securities of one or more particular series or tranches will be deemed not to affect the rights under the Mortgage of the Holders of Mortgage Securities of any other series or tranche.

(See Section 1402.)

Satisfaction and Discharge

Any Mortgage Securities or any portion thereof will be deemed to have been paid and no longer outstanding for purposes of the Mortgage and, at our election, our entire indebtedness with respect to those securities will be

satisfied and discharged, if there shall have been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust:

- money sufficient, or
- in the case of a deposit made prior to the maturity of such Mortgage Securities, non-redeemable Eligible Obligations (as defined in the Mortgage) sufficient, or
- a combination of the items listed in the preceding two bullet points, which in total are sufficient,

to pay when due the principal of, and any premium, and interest due and to become due on such Mortgage Securities or portions of such Mortgage Securities on and prior to their maturity.

(See Section 901.)

Our right to cause our entire indebtedness in respect of the Mortgage Securities of any series to be deemed to be satisfied and discharged as described above will be subject to the satisfaction of any conditions specified in the instrument creating such series.

The Mortgage will be deemed satisfied and discharged when no Mortgage Securities remain outstanding and when we have paid all other sums payable by us under the Mortgage. (See Section 902.)

All moneys we pay to the Trustee or any Paying Agent on Bonds that remain unclaimed at the end of two years after payments have become due may be paid to or upon our order. Thereafter, the Holder of such Bond may look only to us for payment. (See Section 703.)

Resignation and Removal of the Trustee; Deemed Resignation

The Trustee may resign at any time by giving written notice to us.

The Trustee may also be removed by act of the Holders of a majority in principal amount of the then outstanding Mortgage Securities of any series.

No resignation or removal of the Trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the Mortgage.

Under certain circumstances, we may appoint a successor trustee and if the successor accepts, the Trustee will be deemed to have resigned.

(See Section 1110.)

Evidence to be Furnished to the Trustee

Compliance with Mortgage provisions is evidenced by written statements of our officers or persons selected or paid by us. In certain cases, opinions of counsel and certifications of an engineer, accountant, appraiser or other expert (who in some cases must be independent) must be furnished. In addition, the Mortgage requires us to give to the Trustee, not less than annually, a brief statement as to our compliance with the conditions and covenants under the Mortgage.

Miscellaneous Provisions

The Mortgage provides that certain Mortgage Securities, including those for which payment or redemption money has been deposited or set aside in trust as described under "—Satisfaction and Discharge" above, will not

be deemed to be "outstanding" in determining whether the Holders of the requisite principal amount of the outstanding Mortgage Securities have given or taken any demand, direction, consent or other action under the Mortgage as of any date, or are present at a meeting of Holders for quorum purposes. (See Section 101.)

We will be entitled to set any day as a record date for the purpose of determining the Holders of outstanding Mortgage Securities of any series entitled to give or take any demand, direction, consent or other action under the Mortgage, in the manner and subject to the limitations provided in the Mortgage. In certain circumstances, the Trustee also will be entitled to set a record date for action by Holders. If such a record date is set for any action to be taken by Holders of particular Mortgage Securities, such action may be taken only by persons who are Holders of such Mortgage Securities on the record date. (See Section 107.)

Governing Law

The Mortgage and the Mortgage Securities provide that they are to be governed by and construed in accordance with the laws of the State of New York except where the Trust Indenture Act is applicable or where otherwise required by law. (See Section 115.) The effectiveness of the lien of the Mortgage, and the perfection and priority thereof, will be governed by Kentucky law.

Regarding the Trustee

The Trustee under the Mortgage is The Bank of New York Mellon ("BNYM"). In addition to acting as Trustee, BNYM also maintains various banking and trust relationships with us and some of our affiliates.

Book-Entry Only Issuance—The Depository Trust Company

DTC will act as the initial securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. The global bonds will be deposited with the Trustee as custodian for DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for its participants ("Direct Participants") and also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules that apply to DTC and those using its system are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser ("Beneficial Owner") is, in turn, to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases, but Beneficial Owners should receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the

Direct or Indirect Participant through which they purchased Bonds. Transfers of ownership interests on the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Notices will be sent to DTC.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns the voting or consenting rights of Cede & Co. to those Direct Participants to whose accounts the Bonds are credited on the record date. We believe that these arrangements will enable the Beneficial Owners to exercise rights equivalent in substance to the rights that can be directly exercised by a registered Holder of the Bonds.

Payments of principal and interest on the Bonds will be made to Cede & Co. (or such other nominee of DTC). DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to Beneficial Owners will be governed by standing instructions and customary practices and will be the responsibility of such participant and not of DTC, the Trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee of DTC) is the responsibility of us or the Trustee. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Secondary market trading between Clearstream Banking, société anonyme ("Clearstream") participants and/or Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, as applicable.

Cross-market transfers between participants in DTC, on the one hand, and participants in Euroclear or Clearstream, on the other hand, will be effected through DTC in accordance with the DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective U.S. depositaries; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (European time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its U.S. depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the global securities through DTC, and making or receiving payment in accordance with normal procedures for same-day fund settlement. Participants in Euroclear or Clearstream may not deliver instructions directly to their respective U.S. depositaries.

Due to time zone differences, the securities accounts of a participant in Euroclear or Clearstream purchasing an interest in a global security from a direct participant in DTC will be credited, and any such crediting will be

reported to the relevant participant in Euroclear or Clearstream, during the securities settlement processing day (which must be a business day for Euroclear or Clearstream) immediately following the settlement date of DTC. Cash received in Euroclear or Clearstream as a result of sales of interests in a global security by or through a participant in Euroclear or Clearstream to a direct participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

A Beneficial Owner will not be entitled to receive physical delivery of the Bonds. Accordingly, each Beneficial Owner must rely on the procedures of DTC to exercise any rights under the Bonds.

DTC may discontinue providing its services as securities depositary with respect to the Bonds at any time by giving us or the Trustee reasonable notice. In the event no successor securities depositary is obtained, certificates for the Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but neither we nor the underwriters take any responsibility for the accuracy of this information.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the Bonds. Except where noted, this summary deals only with Bonds held as capital assets by beneficial owners of the Bonds who purchase Bonds in this offering at their offering price. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), the Treasury Regulations promulgated thereunder and judicial and administrative rulings and decisions now in effect, all of which are subject to change or differing interpretations, possibly with retroactive effect. This summary does not purport to address all aspects of U.S. federal income taxation that may affect particular investors in light of their individual circumstances (including holders that are directly or indirectly related to us), or certain types of investors subject to special treatment under the U.S. federal income tax laws, such as persons that mark to market their securities, financial institutions, regulated investment companies, real estate investment trusts, corporations subject to the accumulated earnings tax, holders subject to the alternative minimum tax, individual retirement and other tax-deferred accounts, tax-exempt organizations, brokers, dealers in securities and commodities, certain former U.S. citizens or long-term residents, life insurance companies, persons that hold Bonds as part of a hedge against currency or interest rate risks or that hold Bonds as part of a position in a constructive sale, straddle, conversion transaction or other integrated transaction for U.S. federal income tax purposes, controlled foreign corporations, passive foreign investment companies, persons required to report income with respect to a Bond no later than when such income is reported on an "applicable financial statement" under Section 451(b) of the Code, persons that acquire their Bonds in connection with employment or other performance of personal services, partnerships or other pass-through entities and investors in such entities, subsequent purchasers of the Bonds and U.S. holders (as defined below) whose "functional currency" is not the U.S. dollar or that hold Bonds through a non-U.S. broker or other non-U.S. intermediary. This summary does not address any aspect of state, local or foreign taxation or any U.S. federal tax other than the income tax.

For purposes of this summary, a "**U.S. holder**" is a beneficial owner of a Bond that is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (a) a court within the United States is able to exercise primary jurisdiction over administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (b) it has a valid election in effect to be treated as a U.S. person.

For purposes of this summary, a "**non-U.S. holder**" is a beneficial owner of a Bond that is not a U.S. holder or a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes).

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of Bonds, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partnerships that hold Bonds (and partners in such partnerships) should consult their tax advisors.

We have not requested, and do not intend to request, a ruling from the U.S. Internal Revenue Service (the "**IRS**") with respect to any of the U.S. federal income tax consequences described below. There can be no assurance that the IRS will not disagree with or challenge any of the conclusions set forth herein.

If you are considering investing in the Bonds, you should consult your own tax advisor with respect to your particular tax consequences of the purchase, ownership and disposition of the Bonds, including the consequences under the laws of any state, local or non-U.S. jurisdiction.

U.S. Holders

Qualified Reopening

For U.S. federal income tax purposes, we intend to treat the Bonds as being issued in a "qualified reopening" of the Original Bonds. For U.S. federal income tax purposes, debt instruments issued in a qualified reopening are deemed to be part of the same issue as the original debt instruments. Under the treatment described in this paragraph, the Bonds will be considered to have the same issue date and the same issue price as the Original Bonds for U.S. federal income tax purposes. Under the qualified reopening rules, because the Original Bonds were not issued with "original issue discount" for U.S. federal income tax purposes, the Bonds also will not have original issue discount. The remainder of this discussion assumes that the issuance of the Bonds will be treated as a qualified reopening of the Original Bonds.

Payments of Interest

In general, interest on the Bonds (other than pre-issuance accrued interest, if any, as described under "Pre-Issuance Accrued Interest" below), will be included in the income of a U.S. holder as ordinary income at the time it is received or accrued, in accordance with such holder's regular method of accounting for U.S. federal income tax purposes.

Pre-Issuance Accrued Interest

A portion of the price paid for the Bonds may be allocable to interest accrued prior to the date such Bonds are sold pursuant to this offering ("pre-issuance accrued interest"). If the Bonds have pre-issuance accrued interest, we intend to treat a portion of the first stated interest payment on the Bonds in an amount equal to the pre-issuance accrued interest as a return of the pre-issuance accrued interest and not as an amount payable on such Bonds. Amounts treated as a return of the pre-issuance accrued interest should not be taxable to a U.S. holder when received. Prospective purchasers of Bonds should consult their tax advisors with respect to the tax treatment of pre-issuance accrued interest.

Bond Premium

If a Bond is purchased at a price in excess of such Bond's stated principal amount (excluding any amounts that are treated as pre-issuance accrued interest as described under "Pre-Issuance Accrued Interest" above), a U.S. holder will have bond premium with respect to that Bond in an amount equal to such excess. A U.S. holder generally may elect to amortize bond premium using the constant yield method as an offset to interest income over the period from the U.S. holder's purchase date to the Bond's maturity date. A U.S. holder that elects to amortize bond premium must reduce its tax basis in the related Bond by the amount of the amortized bond premium. Any election to amortize bond premium applies to all other debt obligations with bond premium (other than obligations the interest on which is excludible from gross income) held by the U.S. holder during the first taxable year to which the election applies or thereafter acquired by the holder. The election may not be revoked without the consent of the IRS. Amortizable bond premium is treated as a reduction of interest on the Bond instead of as a deduction. The offset of amortizable bond premium against interest income on the Bond occurs when income is taxable to a U.S. holder as received or accrued, in accordance with such U.S. holder's method of accounting for such income. Prospective purchasers of Bonds should consult their tax advisors with respect to the rules relating to amortizable bond premium and the application to their particular circumstances.

Sale, Exchange or Other Taxable Disposition of a Bond

Upon the sale, exchange, redemption or other taxable disposition of a Bond, a U.S. holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, redemption or other taxable disposition and the holder's adjusted tax basis in the Bond. For these purposes, the amount realized

does not include any amount attributable to accrued interest. Amounts attributable to accrued interest are treated as interest as described under "Payments of Interest" above. A U.S. holder's adjusted tax basis in a Bond will generally equal its cost (less any amount attributable to pre-issuance accrued interest, as described under "Pre-Issuance Accrued Interest" above) reduced by any bond premium previously amortized by such U.S. holder (as discussed under "Bond Premium" above). Gain or loss realized on the sale, exchange, redemption or other taxable disposition of a Bond will generally be capital gain or loss and will be long-term capital gain or loss if at the time of the sale, exchange, redemption or other taxable disposition the Bond has been held by the holder for more than one year. The deductibility of capital losses is subject to limitations under the Code.

Medicare Tax on Unearned Income

Certain U.S. holders who are individuals, estates or trusts will be subject to a 3.8% tax on all or a portion of their "net investment income" or "undistributed net investment income" (as applicable), which may include all or a portion of their interest on the Bonds and net gains upon a disposition of the Bonds. U.S. holders that are individuals, estates or trusts should consult their tax advisors regarding the applicability of the Medicare tax to any of their income or gains in respect of the Bonds.

Recent Tax Legislation

Pursuant to recently enacted legislation, an accrual method taxpayer that reports revenues on an applicable financial statement generally must recognize income for U.S. federal income tax purposes no later than the taxable year in which such income is taken into account as revenue in an applicable financial statement of the taxpayer. For this purpose, an "applicable financial statement" generally means a financial statement certified as having been prepared in accordance with generally accepted accounting principles or that is made on the basis of international financial reporting standards and that is used by the taxpayer for various specified purposes. This rule could potentially require such a taxpayer to recognize income for U.S. federal income tax purposes with respect to the Bonds prior to the time such income would be recognized pursuant to the rules described above. Potential investors in the Bonds should consult their tax advisors regarding the potential applicability of these rules to their investment in the Bonds.

Information Reporting and Backup Withholding

Information returns will be filed with the IRS in connection with payments on the Bonds and the proceeds from a sale or other disposition of the Bonds, unless the U.S. holder is an exempt recipient such as a corporation. A U.S. holder will be subject to U.S. backup withholding at the applicable statutory rate on these payments if the U.S. holder fails to provide its taxpayer identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. holder will be allowed as a credit against the U.S. holder's U.S. federal income tax liability and may entitle the U.S. holder to a refund, provided that the required information is timely furnished to the IRS.

Non-U.S. Holders

Payments of Interest

Subject to the discussion below concerning backup withholding and FATCA withholding, payments of interest on a Bond received or accrued by a non-U.S. holder generally will not be subject to U.S. federal income or withholding tax, provided that the non-U.S. holder:

- does not conduct a trade or business in the United States with respect to which the interest is effectively connected;
- does not actually, indirectly or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote, within the meaning of Section 871(h)(3) of the Code;

- is not a "controlled foreign corporation" with respect to which we are a "related person" within the meaning of Section 881(c)(3)(C) of the Code;
- is not a bank whose receipt of the interest is described in Section 881(c)(3)(A) of the Code; and
- satisfies the certification requirements described below.

The certification requirements will be satisfied if either (a) the beneficial owner of the Bond timely certifies, under penalties of perjury, to us or to the person who otherwise would be required to withhold U.S. tax that such owner is a non-U.S. holder and provides its name and address or (b) a custodian, broker, nominee or other intermediary acting as an agent for the beneficial owner (such as a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business) that holds the Bond in such capacity timely certifies, under penalties of perjury, to us or to the person who otherwise would be required to withhold U.S. tax that such statement has been received from the beneficial owner of the Bond by such intermediary, or by any other financial institution between such intermediary and the beneficial owner, and furnishes to us or to the person who otherwise would be required to withhold U.S. tax a copy thereof. In general, the foregoing certification may be provided on a properly completed IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8IMY, as applicable.

A non-U.S. holder that is not exempt from tax under the foregoing rules generally will be subject to U.S. federal income tax withholding on payments of interest at a rate of 30% unless:

- the interest is effectively connected with a U.S. trade or business conducted by such holder (and, if an applicable income tax treaty so provides, is attributable to a permanent establishment maintained in the United States by the non-U.S. holder), in which case the non-U.S. holder will be subject to U.S. federal income tax on a net basis; or
- an applicable income tax treaty provides for a lower rate of, or exemption from, withholding tax.

A non-U.S. holder that is treated as a corporation for U.S. federal income tax purposes and has effectively connected interest income (as described in the first bullet point above) may also, under certain circumstances, be subject to an additional "branch profits tax," which is generally imposed on a foreign corporation on the deemed repatriation from the United States of effectively connected earnings and profits, at a 30% rate, unless the rate is reduced or eliminated by an applicable income tax treaty.

To claim the benefit of a lower rate of, or exemption from, withholding tax pursuant to an income tax treaty or to claim exemption from withholding because income is effectively connected with a U.S. trade or business, the non-U.S. holder must timely provide the appropriate, properly executed IRS forms. Certification to claim income is effectively connected with a U.S. trade or business is generally made on IRS Form W-8ECI. Certification to claim the benefit of a lower rate of, or exemption from, withholding tax pursuant to an income tax treaty is generally made on IRS Form W-8BEN or IRS Form W-8BEN-E.

In general, non-U.S. holders will be required to periodically update their forms.

Sale, Exchange or Other Taxable Disposition of a Bond

Subject to the discussions of backup withholding and FATCA withholding below, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale, exchange, redemption or other taxable disposition of a Bond unless (a) such gain is effectively connected with the conduct by the non-U.S. holder of a U.S. trade or business (and, if an applicable income tax treaty so provides, is attributable to a permanent establishment maintained in the United States by the non-U.S. holder) or (b) in the case of a non-U.S. holder who is an individual, the holder is present in the United States for 183 days or more during the taxable year in which such gain is realized and certain other conditions exist.

Except to the extent that an applicable income tax treaty otherwise provides, generally a non-U.S. holder that is described in clause (a) above will be subject to U.S. federal income tax on a net basis with respect to gain that is effectively connected with the non-U.S. holder's conduct of a U.S. trade or business and such a non-U.S. holder that is treated as a corporation for U.S. federal income tax purposes may also, under certain circumstances, be subject to the branch profits tax as described above. Except to the extent that an applicable income tax treaty otherwise provides, an individual non-U.S. holder who is described in clause (b) above will be subject to a flat 30% tax on gain derived from the sale or other disposition, which may be offset by certain U.S. source capital losses.

Information Reporting and Backup Withholding

Payments of interest to a non-U.S. holder generally will be reported to the IRS and to the non-U.S. holder. Copies of applicable IRS information returns may be made available under the provisions of a specific tax treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides. Non-U.S. holders are generally exempt from backup withholding, currently at a rate of 24%, and additional information reporting on payments of principal, premium (if any), or interest, provided that the non-U.S. holder (a) certifies its nonresident status on the appropriate IRS form (or a suitable substitute form) and certain other conditions are met or (b) otherwise establishes an exemption. Backup withholding is not an additional tax. Any backup withholding generally will be allowed as a credit or refund against the non-U.S. holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

FATCA

The current provisions of sections 1471 through 1474 of the Code and the Treasury Regulations thereunder (commonly referred to as "**FATCA**") generally impose a U.S. federal withholding tax of 30% on payments of interest on the Bonds and the gross proceeds, including the return of principal, from a sale or other disposition, including a redemption, of obligations that can produce U.S.-source interest, such as the Bonds, paid to certain foreign entities unless various information reporting and other requirements are satisfied. However, under recently released proposed Treasury Regulations, such gross proceeds are not subject to FATCA withholding. In its preamble to such proposed Treasury Regulations, the IRS has stated that taxpayers may generally rely on the proposed Treasury Regulations until final Treasury Regulations are issued.

In the case of payments made to a "foreign financial institution" (such as a bank, a broker, an investment fund or, in certain cases, a holding company), as a beneficial owner or as an intermediary, this tax generally will be imposed, subject to certain exceptions, unless such institution (i) has agreed to (and does) comply with the requirements of an agreement with the United States (an "FFI Agreement") or (ii) is required by (and does comply with) applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an "IGA") to, among other things, collect and provide to the U.S. tax authorities or other relevant tax authorities certain information regarding U.S. account holders of such institution and, in either case, such institution provides the withholding agent with a certification as to its FATCA status. In the case of payments made to a foreign entity that is not a financial institution (as a beneficial owner), the tax generally will be imposed, subject to certain exceptions, unless such entity provides the withholding agent with a certification as to its FATCA status and, in certain cases, identifies any "substantial" U.S. owner (generally, any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity). If a Bond is held through a foreign financial institution that has agreed to comply with the requirements of an FFI Agreement or is subject to similar requirements under applicable foreign law enacted in connection with an IGA, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign financial institution) generally will be required, subject to certain exceptions, to withhold tax on payments made to (i) a person (including an individual) that fails to provide any required information or documentation or (ii) a foreign financial institution that has not agreed to comply with the requirements of an FFI Agreement and is not subject to similar requirements under applicable foreign law enacted in connection with an IGA.

No additional amounts will be payable on account of any withholding obligation that is imposed with respect to payments on the Bonds as a result of the failure of any holder or beneficial owner of a Bond, or any intermediary through which it directly or indirectly owns such Bond, to comply with the requirements of FATCA. Prospective purchasers of the Bonds should consult their own tax advisors regarding the effect, if any, of the FATCA rules for them based on their particular circumstances.

THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE MAY NOT BE APPLICABLE DEPENDING UPON YOUR PARTICULAR SITUATION. YOU SHOULD CONSULT YOUR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO YOU OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.

UNDERWRITING

KU and the underwriters have entered into an underwriting agreement with respect to the Bonds. Subject to certain conditions, each underwriter has severally, but not jointly, agreed to purchase the principal amount of Bonds indicated in the following table:

Underwriters	Principal Amount of Bonds
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$ 48,000,000
Mizuho Securities USA LLC	48,000,000
MUFG Securities Americas Inc.	48,000,000
RBC Capital Markets, LLC	48,000,000
Scotia Capital (USA) Inc.	48,000,000
BMO Capital Markets Corp.	15,000,000
BNP Paribas Securities Corp.	15,000,000
BNY Mellon Capital Markets, LLC	15,000,000
U.S. Bancorp Investments, Inc.	15,000,000
Total	$300,000,000

The underwriters are committed to take and pay for all of the Bonds being offered, if any are taken.

The Bonds sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any Bonds sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price of up to 0.50% of the principal amount of the Bonds. Any such securities dealers may resell any Bonds purchased from the underwriters to certain other brokers or dealers at a discount from the initial public offering price of up to 0.35% of the principal amount of the Bonds. If all the Bonds are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms.

The Bonds will be further issuance of, will be issued with the same CUSIP number as, and will be consolidated and form a single series with the Original Bonds. KU has been advised by the underwriters that the underwriters intend to make a market in the Bonds as permitted by applicable laws and regulations. The underwriters are not obligated, however, to do so and any such market making may be discontinued at any time without notice at the sole discretion of the underwriters. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Bonds.

In connection with the offering, the underwriters may purchase and sell Bonds in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of Bonds than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Bonds while the offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased Bonds sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters, as well as other purchases by the underwriters for their own accounts, may stabilize, maintain or otherwise affect the market price of the Bonds. As a result, the price of the Bonds may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

It is expected that delivery of the Bonds of each series will be made on or about the day specified on the cover page of this prospectus supplement, which will be the tenth business day (T+10) following the date of this prospectus supplement. Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle within two business days (T+2), unless the parties to any such trade expressly agree otherwise. Accordingly, the purchasers who wish to trade the Bonds on the date of this prospectus supplement or the next seven succeeding business days will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Bonds who wish to trade the Bonds on the date of this prospectus supplement or the next seven succeeding business days should consult their own advisors.

KU estimates that its share of the total expenses of the offering, excluding the underwriting discount, will be approximately $1 million.

KU has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to KU and to persons and entities with relationships with KU, for which they received or will receive customary fees and expenses. In particular, certain of the underwriters or their affiliates are agents or lenders under the credit or other borrowing facilities of KU and its affiliates.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of KU (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with KU. If any of the underwriters or their affiliates have a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Bonds offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Bonds offered hereby. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The offering of the Bonds by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

Conflicts of Interest

Certain of the underwriters or their affiliates may hold a portion of the short-term debt that we intend to repay using the net proceeds of this offering. In such event, it is possible that one or more of the underwriters or their affiliates could receive more than 5% of the net proceeds of the offering, and in that case, such underwriter would be deemed to have a conflict of interest under FINRA Rule 5121 (Public Offering of Securities with Conflicts of Interest). In the event of any such conflict of interest, such underwriter would be required to conduct the distribution of the Bonds in accordance with FINRA Rule 5121. If the distribution is conducted in accordance with FINRA Rule 5121, such underwriter would not be permitted to confirm a sale to an account over which it exercises discretionary authority without first receiving specific written approval from the account holder.

Notice to Prospective Investors in Canada

The Bonds may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in the European Economic Area

The Bonds are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared, and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of Bonds in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Bonds. This prospectus supplement and the accompanying prospectus are not a prospectus for the purposes of the Prospectus Directive.

Notice to Prospective Investors in the United Kingdom

The communication of this prospectus supplement, the accompanying prospectus and any other document or materials relating to the issue of the Bonds offered hereby is not being made, and the contents of such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed to or otherwise communicated with, and must not be passed on to, any person in the United Kingdom except in circumstances in which section 21(1) of FSMA will not apply. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to in this paragraph as "relevant persons"). In the United Kingdom, the Bonds offered hereby are only available to, and any

investment or investment activity to which this prospectus supplement and the accompanying prospectus relate will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this prospectus supplement or the accompanying prospectus or any of their contents.

VALIDITY OF THE BONDS

Pillsbury Winthrop Shaw Pittman LLP, New York, New York, and John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary of KU will pass upon the validity of the Bonds for KU. Hunton Andrews Kurth LLP, New York, New York, will pass upon the validity of the Bonds for the underwriters. However, all matters pertaining to the organization of KU and KU's title to its property and the liens of the Mortgage upon KU's properties will be passed upon only by Mr. Crockett and Stoll Keenon Ogden PLLC, Louisville, Kentucky. As to matters involving the law of the Commonwealths of Kentucky and Virginia and the State of Tennessee, Pillsbury Winthrop Shaw Pittman LLP and Hunton Andrews Kurth LLP will rely on the opinion of Mr. Crockett and Stoll Keenon Ogden PLLC. Hunton Andrews Kurth LLP acts and, in the past has acted, as counsel to KU and its affiliates in connection with various matters.

PROSPECTUS

PPL Corporation
PPL Capital Funding, Inc.
PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, Pennsylvania 18101-1179
(610) 774-5151

LG&E and KU Energy LLC
Louisville Gas and Electric Company
220 West Main Street
Louisville, Kentucky 40202
(502) 627-2000

Kentucky Utilities Company
One Quality Street
Lexington, Kentucky 40507
(502) 627-2000

PPL Corporation
Common Stock, Preferred Stock,
Stock Purchase Contracts, Stock Purchase Units and Depositary Shares

PPL Capital Funding, Inc.
Debt Securities and Subordinated Debt Securities
Guaranteed by PPL Corporation as described in a supplement to this prospectus

PPL Electric Utilities Corporation
Debt Securities

LG&E and KU Energy LLC
Debt Securities

Louisville Gas and Electric Company
Debt Securities

Kentucky Utilities Company
Debt Securities

We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the supplements carefully before you invest.

We may offer the securities directly or through underwriters or agents. The applicable prospectus supplement will describe the terms of any particular plan of distribution.

Investing in the securities involves certain risks. See "Risk Factors" on page 2.

PPL Corporation's common stock is listed on the New York Stock Exchange and trades under the symbol "PPL."

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 22, 2018.

TABLE OF CONTENTS

	Page
ABOUT THIS PROSPECTUS	1
RISK FACTORS	2
FORWARD-LOOKING INFORMATION	2
PPL CORPORATION	5
PPL CAPITAL FUNDING, INC.	6
PPL ELECTRIC UTILITIES CORPORATION	6
LG&E AND KU ENERGY LLC	6
LOUISVILLE GAS AND ELECTRIC COMPANY	7
KENTUCKY UTILITIES COMPANY	7
USE OF PROCEEDS	8
RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	9
WHERE YOU CAN FIND MORE INFORMATION	11
EXPERTS	13
VALIDITY OF THE SECURITIES AND THE PPL GUARANTEES	13

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that PPL Corporation, PPL Capital Funding, Inc. ("PPL Capital Funding"), PPL Electric Utilities Corporation ("PPL Electric"), LG&E and KU Energy LLC ("LKE"), Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") have each filed with the Securities and Exchange Commission, or SEC, using the "shelf" registration process. Under this shelf process, we may, from time to time, sell combinations of the securities described in this prospectus in one or more offerings. Each time we sell securities, we will provide a prospectus supplement that will contain a description of the securities we will offer and specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under "Where You Can Find More Information."

We may use this prospectus to offer from time to time:

- shares of PPL Corporation Common Stock, par value $.01 per share ("PPL Common Stock");
- shares of PPL Corporation Preferred Stock, par value $.01 per share ("PPL Preferred Stock");
- contracts or other rights to purchase shares of PPL Common Stock or PPL Preferred Stock ("PPL Stock Purchase Contracts");
- stock purchase units, each representing (1) a PPL Stock Purchase Contract and (2) debt securities or preferred trust securities of third parties (such as debt securities or subordinated debt securities of PPL Capital Funding, preferred trust securities of a subsidiary trust or United States Treasury securities) that are pledged to secure the stock purchase unit holders' obligations to purchase PPL Common Stock or PPL Preferred Stock under the PPL Stock Purchase Contracts ("PPL Stock Purchase Units");
- PPL Corporation's Depositary Shares, issued under a deposit agreement and representing a fractional interest in PPL Preferred Stock;
- PPL Capital Funding's unsecured and unsubordinated debt securities ("PPL Capital Funding Debt Securities");
- PPL Capital Funding's unsecured and subordinated debt securities ("PPL Capital Funding Subordinated Debt Securities");
- PPL Electric's First Mortgage Bonds issued under PPL Electric's 2001 indenture, as amended and supplemented ("PPL Electric First Mortgage Bonds"), which will be secured by the lien of the 2001 indenture on PPL Electric's electricity distribution and certain transmission properties (subject to certain exceptions to be described in a prospectus supplement);
- LKE's unsecured and unsubordinated debt securities;
- LG&E's First Mortgage Bonds issued under LG&E's 2010 indenture, as amended and supplemented ("LG&E First Mortgage Bonds"), which will be secured by the lien of the 2010 indenture on LG&E's Kentucky electricity generation, transmission and distribution properties and natural gas distribution properties (subject to certain exceptions to be described in a prospectus supplement); and
- KU's First Mortgage Bonds issued under KU's 2010 indenture, as amended and supplemented ("KU First Mortgage Bonds"), which will be secured by the lien of the 2010 indenture on KU's Kentucky electricity generation, transmission and distribution properties (subject to certain exceptions to be described in a prospectus supplement).

We sometimes refer to the securities listed above collectively as the "Securities."

PPL Corporation will fully and unconditionally guarantee the payment of principal, premium and interest on the PPL Capital Funding Debt Securities and PPL Capital Funding Subordinated Debt Securities as will be

described in supplements to this prospectus. We sometimes refer to PPL Corporation's guarantees of PPL Capital Funding Debt Securities as "PPL Guarantees" and PPL Corporation's guarantees of PPL Capital Funding Subordinated Debt Securities as the "PPL Subordinated Guarantees."

Information contained herein relating to each registrant is filed separately by such registrant on its own behalf. No registrant makes any representation as to information relating to any other registrant or Securities or guarantees issued by any other registrant, except that information relating to PPL Capital Funding's Securities is also attributed to PPL Corporation.

As used in this prospectus, the terms "we," "our" and "us" generally refer to:

- PPL Corporation with respect to Securities, PPL Guarantees or PPL Subordinated Guarantees issued by PPL Corporation or PPL Capital Funding;
- PPL Electric, with respect to Securities issued by PPL Electric;
- LKE, with respect to Securities issued by LKE;
- LG&E, with respect to Securities issued by LG&E; and
- KU, with respect to Securities issued by KU.

For more detailed information about the Securities, the PPL Guarantees and the PPL Subordinated Guarantees, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

RISK FACTORS

Investing in the Securities involves certain risks. You are urged to read and consider the risk factors relating to an investment in the Securities described in the Annual Reports on Form 10-K of PPL Corporation, PPL Electric, LKE, LG&E and KU, as applicable, for the year ended December 31, 2017, and incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus. The risks and uncertainties we have described are not the only ones affecting PPL Corporation, PPL Electric, LKE, LG&E and KU. The prospectus supplement applicable to each type or series of Securities we offer may contain a discussion of additional risks applicable to an investment in us and the particular type of Securities we are offering under that prospectus supplement.

FORWARD-LOOKING INFORMATION

Certain statements included or incorporated by reference in this prospectus, including statements concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact are "forward-looking statements" within the meaning of the federal securities laws. Although we believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially from the results discussed in forward-looking statements. In addition to the specific factors discussed in the "Risk Factors" section in this prospectus and our reports that are incorporated by reference, the following are among the important factors that could cause actual results to differ materially and adversely from the forward-looking statements:

- the outcome of rate cases or other cost recovery or revenue filings;
- changes in U.S. or U.K. tax laws or regulations, including the 2017 Tax Cuts and Jobs Act;

- effects of cyber-based intrusions or natural disasters, threatened or actual terrorism, war or other hostilities;
- significant decreases in demand for electricity in the U.S.;
- expansion of alternative and distributed sources of electricity generation and storage;
- changes in foreign currency exchange rates for British pound sterling and the related impact on unrealized gains and losses on PPL's foreign currency economic hedges;
- the effectiveness of our risk management programs, including foreign currency and interest rate hedging;
- non-achievement by PPL WPD Limited and its subsidiaries ("WPD") of performance targets set by the Office of Gas and Electricity Markets ("Ofgem");
- the results of the potential mid-period review in the U.K. of the current price control period, RIIO-ED1, currently being reviewed by the U.K. regulator, Ofgem, with a decision as to whether to engage in such a review and the scope thereof to be announced in the spring of 2018;
- the effect of changes in the retail price index on WPD's revenues and index linked debt;
- developments related to ongoing negotiations regarding the U.K.'s intent to withdraw from European Union and any actions in response thereto;
- defaults by counterparties or suppliers for energy, capacity, coal, natural gas or key commodities, goods or services;
- capital market conditions, including the availability of capital or credit, changes in interest rates and certain economic indices, and decisions regarding capital structure;
- a material decline in the market value of PPL's equity;
- significant decreases in the fair value of debt and equity securities and its impact on the value of assets in defined benefit plans, and the potential cash funding requirements if fair value declines;
- interest rates and their effect on pension and retiree medical liabilities, asset retirement obligation liabilities and interest payable on certain debt securities;
- volatility in or the impact of other changes in financial markets and economic conditions;
- the potential impact of any unrecorded commitments and liabilities of PPL and its subsidiaries;
- new accounting requirements or new interpretations or applications of existing requirements;
- changes in the corporate credit ratings or securities analyst rankings of PPL and its securities;
- any requirement to record impairment charges pursuant to GAAP with respect to any of our significant investments;
- laws or regulations to reduce emissions of greenhouse gases or the physical effects of climate change;
- continuing ability to access fuel supply for LG&E and KU, as well as the ability to recover fuel costs and environmental expenditures in a timely manner at LG&E and KU and natural gas supply costs at LG&E;
- weather and other conditions affecting generation, transmission and distribution operations, operating costs and customer energy use;
- changes in political, regulatory or economic conditions in states, regions or countries where PPL or its subsidiaries conduct business;
- receipt of necessary governmental permits and approvals;
- new state, federal or foreign legislation or regulatory developments;

- the impact of any state, federal or foreign investigations applicable to PPL and its subsidiaries and the energy industry;
- our ability to attract and retain qualified employees;
- the effect of any business or industry restructuring;
- development of new projects, markets and technologies;
- performance of new ventures;
- business dispositions or acquisitions and our ability to realize expected benefits from such business transactions;
- collective labor bargaining negotiations; and
- the outcome of litigation against PPL and its subsidiaries.

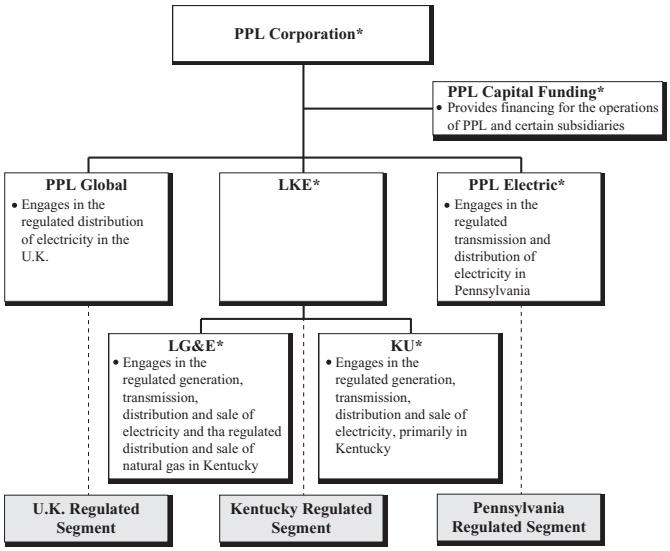
Any such forward-looking statements should be considered in light of these important factors and in conjunction with other documents we file with the SEC.

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

PPL CORPORATION

PPL Corporation, incorporated in 1994 and headquartered in Allentown, Pennsylvania, is a utility holding company. Through its regulated subsidiaries, PPL Corporation delivers electricity to customers in Pennsylvania, Kentucky, Virginia, Tennessee and the United Kingdom, and natural gas to customers in Kentucky and generates electricity from power plants in Kentucky.

PPL Corporation's principal subsidiaries are shown below (* denotes a registrant hereunder):



PPL Corporation conducts its operations through the following segments:

U.K. Regulated

The U.K. Regulated segment consists primarily of electricity distribution operations in the United Kingdom. Through its subsidiaries, as of December 31, 2017, PPL Global, LLC delivered electricity to approximately 7.9 million end-users in the United Kingdom. PPL Global, LLC is a wholly owned, indirect subsidiary of PPL Corporation.

Kentucky Regulated

The Kentucky Regulated segment consists of the operations of LKE, which owns and operates regulated public utilities engaged in the generation, transmission, distribution and sale of electricity and the distribution and sale of natural gas, representing primarily the activities of LG&E and KU. As of December 31, 2017, LG&E provided electric service to approximately 411,000 customers and provided natural gas service to approximately 326,000 customers in Kentucky, and KU delivered electricity to approximately 556,000 customers in Kentucky and Virginia. See "Louisville Gas and Electric Company" and "Kentucky Utilities Company," respectively, for more information.

Pennsylvania Regulated

PPL Corporation's Pennsylvania Regulated segment includes the regulated electricity delivery operations of PPL Electric. As of December 31, 2017, PPL Electric delivered electricity to approximately 1.4 million

customers in eastern and central Pennsylvania. See "PPL Electric Utilities Corporation" below for more information.

PPL Corporation's subsidiaries, including PPL Electric, LKE, LG&E and KU, are separate legal entities and are not liable for the debts of PPL Corporation, and PPL Corporation is not liable for the debts of its subsidiaries (other than under the PPL Guarantees of PPL Capital Funding Debt Securities and PPL Subordinated Guarantees of PPL Capital Funding Subordinated Debt Securities). None of PPL Electric, LKE, LG&E or KU will guarantee or provide other credit or funding support for the Securities to be offered by PPL Corporation pursuant to this prospectus.

PPL CAPITAL FUNDING, INC.

PPL Capital Funding is a Delaware corporation and wholly owned subsidiary of PPL Corporation. PPL Capital Funding's primary business is to provide PPL Corporation with financing for its operations. PPL Corporation will fully and unconditionally guarantee the payment of principal, premium and interest on the PPL Capital Funding Debt Securities pursuant to the PPL Guarantees and the PPL Capital Funding Subordinated Debt Securities pursuant to the PPL Subordinated Guarantees, as will be described in supplements to this prospectus.

PPL ELECTRIC UTILITIES CORPORATION

PPL Electric, headquartered in Allentown, Pennsylvania, is a wholly owned subsidiary of PPL Corporation, incorporated in Pennsylvania in 1920 and a regulated public utility that is an electricity transmission and distribution service provider in eastern and central Pennsylvania. As of December 31, 2017, PPL Electric delivered electricity to approximately 1.4 million customers in a 10,000 square mile territory in 29 counties of eastern and central Pennsylvania. PPL Electric also provides electricity supply to retail customers in this area as a provider of last resort under the Pennsylvania Electricity Generation Customer Choice and Competition Act.

PPL Electric is subject to regulation as a public utility by the Pennsylvania Public Utility Commission, and certain of its transmission activities are subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") under the Federal Power Act.

Neither PPL Corporation nor any of its subsidiaries or affiliates will guarantee or provide other credit or funding support for the Securities to be offered by PPL Electric pursuant to this prospectus.

LG&E AND KU ENERGY LLC

LKE, headquartered in Louisville, Kentucky, is a wholly owned subsidiary of PPL Corporation and a holding company that owns regulated utility operations through its subsidiaries, LG&E and KU, which constitute substantially all of LKE's assets. LG&E and KU are regulated public utilities engaged in the generation, transmission, distribution and sale of electricity. LG&E also engages in the distribution and sale of natural gas. LG&E and KU maintain separate corporate identities and serve customers in Kentucky under their respective names. KU also serves customers in Virginia under the Old Dominion Power name and in Tennessee under the KU name. LKE, formed in 2003, is the successor to a Kentucky entity formed in 1989.

See "Louisville Gas and Electric Company" and "Kentucky Utilities Company" below for additional information about LG&E and KU.

Neither PPL Corporation nor any of its subsidiaries or affiliates will guarantee or provide other credit or funding support for the Securities to be offered by LKE pursuant to this prospectus.

LOUISVILLE GAS AND ELECTRIC COMPANY

LG&E, headquartered in Louisville, Kentucky, is a wholly owned subsidiary of LKE and a regulated utility engaged in the generation, transmission, distribution and sale of electricity and distribution and sale of natural gas in Kentucky.

As of December 31, 2017, LG&E provided electric service to approximately 411,000 customers in Louisville and adjacent areas in Kentucky, covering approximately 700 square miles in nine counties and provided natural gas service to approximately 326,000 customers in its electric service area and eight additional counties in Kentucky.

LG&E is subject to regulation as a public utility by the Kentucky Public Service Commission ("KPSC"), and certain of its transmission activities are subject to the jurisdiction of the FERC under the Federal Power Act. LG&E was incorporated in 1913.

Neither PPL Corporation nor any of its subsidiaries or affiliates will guarantee or provide other credit or funding support for the Securities to be offered by LG&E pursuant to this prospectus.

KENTUCKY UTILITIES COMPANY

KU, headquartered in Lexington, Kentucky, is a wholly owned subsidiary of LKE and a regulated utility engaged in the generation, transmission, distribution and sale of electricity in Kentucky, Virginia and Tennessee.

As of December 31, 2017, KU provided electric service to approximately 525,000 customers in 77 counties in central, southeastern and western Kentucky, approximately 28,000 customers in five counties in southwestern Virginia, and three customers in Tennessee, covering approximately 4,800 non-contiguous square miles. As of December 31, 2017, KU also sold wholesale electricity to 10 municipalities in Kentucky under load following contracts. In Virginia, KU operates under the name Old Dominion Power Company.

KU is subject to regulation as a public utility by the KPSC and the Virginia State Corporation Commission, and certain of its transmission and wholesale power activities are subject to the jurisdiction of the FERC under the Federal Power Act. KU was incorporated in Kentucky in 1912 and in Virginia in 1991.

Neither PPL Corporation nor any of its subsidiaries or affiliates will guarantee or provide other credit or funding support for the Securities to be offered by KU pursuant to this prospectus.

The offices of PPL Corporation, PPL Capital Funding and PPL Electric are located at Two North Ninth Street, Allentown, Pennsylvania 18101-1179 (Telephone number (610) 774-5151).

The offices of LKE and LG&E are located at 220 West Main Street, Louisville, Kentucky 40202 (Telephone number (502) 627-2000).

The offices of KU are located at One Quality Street, Lexington, Kentucky 40507 (Telephone number (502) 627-2000).

The information above concerning PPL Corporation, PPL Capital Funding, PPL Electric, LKE, LG&E and KU and, if applicable, their respective subsidiaries is only a summary and does not purport to be comprehensive. For additional information about these companies, including certain assumptions, risks and uncertainties involved in the forward-looking statements contained or incorporated by reference in this prospectus, you should refer to the information described in "Where You Can Find More Information."

USE OF PROCEEDS

Except as otherwise described in a prospectus supplement, the net proceeds from the sale of the PPL Capital Funding Debt Securities and the PPL Capital Funding Subordinated Debt Securities will be loaned to PPL Corporation and/or its subsidiaries, and PPL Corporation and/or its subsidiaries are expected to use the proceeds of such loans, and the proceeds of the other Securities issued by PPL Corporation, for general corporate purposes, including repayment of debt. Except as otherwise described in a prospectus supplement, each of PPL Electric, LKE, LG&E and KU is expected to use the proceeds of the Securities it issues for general corporate purposes, including repayment of debt and for capital expenditures.

RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

PPL Corporation

The following table sets forth PPL Corporation's ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends for the periods indicated:

	Twelve Months Ended December 31,				
	2017	2016	2015 (b)	2014 (b)	2013 (b)
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends (a)	3.1	3.8	2.8	2.8	2.4

(a) See PPL Corporation's reports on file with the SEC pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as described under "Where You Can Find More Information" for more information. PPL Corporation had no preferred securities outstanding during the periods indicated; therefore, the ratio of earnings to combined fixed charges and preferred stock dividends is the same as the ratio of earnings to fixed charges.

(b) Reflects PPL Corporation's former supply segment as discontinued operations. The supply segment substantially represented the operations of PPL Corporation's former subsidiary PPL Energy Supply, LLC, which was spun off on June 1, 2015.

PPL Electric

The following table sets forth PPL Electric's ratio of earnings to fixed charges for the periods indicated:

	Twelve Months Ended December 31,				
	2017	2016	2015	2014	2013
Ratio of earnings to fixed charges (a)	4.8	4.9	4.0	4.2	3.7

(a) See PPL Electric's reports on file with the SEC pursuant to the Exchange Act as described under "Where You Can Find More Information" for more information.

LKE

The following table sets forth LKE's ratio of earnings to fixed charges for the periods indicated.

	Twelve Months Ended December 31,				
	2017	2016	2015	2014	2013
Ratio of earnings to fixed charges (a)	4.1	4.1	4.2	4.2	4.6

(a) See LKE's reports on file with the SEC pursuant to the Exchange Act as described under "Where You Can Find More Information" for more information.

LG&E

The following table sets forth LG&E's ratio of earnings to fixed charges for the periods indicated.

	Twelve Months Ended December 31,				
	2017	2016	2015	2014	2013
Ratio of earnings to fixed charges (a)	5.5	5.3	5.9	6.3	8.1

(a) See LG&E's reports on file with the SEC pursuant to the Exchange Act as described under "Where You Can Find More Information" for more information.

KU

The following table sets forth KU's ratio of earnings to fixed charges for the periods indicated.

	Twelve Months Ended December 31,				
	2017	2016	2015	2014	2013
Ratio of earnings to fixed charges (a)	5.2	5.3	5.3	5.4	5.9

(a) See KU's reports on file with the SEC pursuant to the Exchange Act as described under "Where You Can Find More Information" for more information.

WHERE YOU CAN FIND MORE INFORMATION

Available Information

PPL Corporation, PPL Electric, LKE, LG&E and KU each file reports and other information with the SEC. You may obtain copies of this information by mail from the Public Reference Room of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Further information on the operation of the SEC's Public Reference Room in Washington, D.C. can be obtained by calling the SEC at 1-800-SEC-0330.

PPL Corporation's Internet Web site is www.pplweb.com. Under the "Investors" heading of that website, PPL Corporation provides access to all SEC filings of PPL Corporation, PPL Electric, LKE, LG&E and KU free of charge, as soon as reasonably practicable after filing with the SEC. The information at PPL Corporation's Internet Web site is not incorporated in this prospectus by reference, and you should not consider it a part of this prospectus. Additionally, PPL Corporation's, PPL Electric's, LKE's, LG&E's and KU's filings are available at the SEC's Internet Web site (www.sec.gov).

In addition, reports, proxy statements and other information concerning PPL Corporation and PPL Electric, as applicable, can be inspected at their offices at Two North Ninth Street, Allentown, Pennsylvania 18101-1179; reports and other information concerning LKE and LG&E can be inspected at their offices at 220 West Main Street, Louisville, Kentucky 40202, and reports and other information concerning KU can be inspected at its office at One Quality Street, Lexington, Kentucky 40507.

Incorporation by Reference

Each of PPL Corporation, PPL Electric, LKE, LG&E and KU will "incorporate by reference" information into this prospectus by disclosing important information to you by referring you to another document that it files separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede that information. This prospectus incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about the registrants.

PPL Corporation

SEC Filings (File No. 1-11459)	Period/Date
Annual Report on Form 10-K	Year ended December 31, 2017
PPL Corporation's 2017 Notice of Annual Meeting and Proxy Statement (portions thereof incorporated by reference into PPL Corporation's Annual Report on Form 10-K for the year ended December 31, 2016)	Filed on April 5, 2017
Current Reports on Form 8-K	Filed on January 8, 2018 (Item 5.02 only), January 16, 2018 (Item 2.03 only) and January 18, 2018 (Item 5.02 only)
PPL Corporation's Registration Statement on Form 8-B	Filed on April 27, 1995

PPL Electric

SEC Filings (File No. 1-905)	Period/Date
Annual Report on Form 10-K	Year ended December 31, 2017

LKE

SEC Filings (File No. 333-173665)	Period/Date
Annual Report on Form 10-K	Year ended December 31, 2017
Current Report on Form 8-K	Filed on January 16, 2018 (Item 2.03 only)

LG&E

SEC Filings (File No. 1-2893)	Period/Date
Annual Report on Form 10-K	Year ended December 31, 2017
Current Report on Form 8-K	Filed on January 16, 2018 (Item 2.03 only)

KU

SEC Filings (File No. 1-3464)	Period/Date
Annual Report on Form 10-K	Year ended December 31, 2017
Current Report on Form 8-K	Filed on January 16, 2018 (Item 2.03 only)

Additional documents that PPL Corporation, PPL Electric, LKE, LG&E and KU file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, between the date of this prospectus and the termination of the offering of the Securities are also incorporated herein by reference. In addition, any additional documents that PPL Corporation, PPL Electric, LKE, LG&E or KU file with the SEC pursuant to these sections of the Exchange Act after the date of the filing of the registration statement containing this prospectus, and prior to the effectiveness of the registration statement, are also incorporated herein by reference. Unless specifically stated to the contrary, none of the information that PPL Corporation, PPL Electric, LKE, LG&E or KU files or discloses under Items 2.02 or 7.01 of any Current Report on Form 8-K that have been furnished or may from time to time be furnished with the SEC is or will be incorporated by reference into, or otherwise included in, this prospectus.

Each of PPL Corporation, PPL Electric, LKE, LG&E and KU will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus has been delivered, a copy of any and all of its filings with the SEC. You may request a copy of these filings by writing or telephoning the appropriate registrant at:

For PPL Corporation and PPL Electric:
Two North Ninth Street
Allentown, Pennsylvania 18101-1179
Attention: Treasurer
Telephone: 1-800-345-3085

For LKE and LG&E:
220 West Main Street
Louisville, Kentucky 40202
Attention: Treasurer
Telephone: 1-800-345-3085

For KU:
One Quality Street
Lexington, Kentucky 40507
Attention: Treasurer
Telephone: 1-800-345-3085

No separate financial statements of PPL Capital Funding are included herein or incorporated herein by reference. PPL Corporation and PPL Capital Funding do not consider those financial statements to be material to holders of the PPL Capital Funding Debt Securities or PPL Capital Funding Subordinated Debt Securities

because (1) PPL Capital Funding is a wholly owned subsidiary that was formed for the primary purpose of providing financing for PPL Corporation and its subsidiaries, (2) PPL Capital Funding does not currently engage in any independent operations and (3) PPL Capital Funding is a finance subsidiary and does not currently plan to engage, in the future, in more than minimal independent operations. See "PPL Capital Funding." Accordingly, PPL Corporation and PPL Capital Funding do not expect PPL Capital Funding to file such reports.

EXPERTS

The consolidated financial statements of PPL Corporation, PPL Electric Utilities Corporation and LG&E and KU Energy LLC, and the financial statements of Louisville Gas and Electric Company and Kentucky Utilities Company, and the related financial statement schedules, as of and for the years ended December 31, 2017 and December 31, 2016 incorporated in this prospectus by reference from such companies' Annual Reports on Form 10-K for the year ended December 31, 2017, and the effectiveness of PPL Corporation's internal control over financial reporting as of December 31, 2017, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of PPL Corporation, PPL Electric Utilities Corporation and LG&E and KU Energy LLC, and the financial statements of Louisville Gas and Electric Company and Kentucky Utilities Company for the year ended December 31, 2015 (including schedules) appearing in such companies' Annual Reports (Form 10-K) for the year ended December 31, 2017 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such financial statements and financial statement schedules are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

VALIDITY OF THE SECURITIES AND THE PPL GUARANTEES

Pillsbury Winthrop Shaw Pittman LLP, New York, New York, Simpson Thacher & Bartlett LLP, New York, New York or Davis Polk & Wardwell LLP, New York, New York and Frederick C. Paine, Esq., Senior Counsel of PPL Services Corporation will pass upon the validity of the Securities, the PPL Guarantees and the PPL Subordinated Guarantees for PPL Corporation, PPL Capital Funding and PPL Electric. Pillsbury Winthrop Shaw Pittman LLP and John P. Fendig, Esq. of LG&E and KU Energy LLC will pass upon the validity of any LKE, LG&E and KU Securities for those issuers. Sullivan & Cromwell LLP, New York, New York will pass upon the validity of the Securities, the PPL Guarantees and the PPL Subordinated Guarantees for any underwriters or agents. Pillsbury Winthrop Shaw Pittman LLP, Simpson Thacher & Bartlett LLP, Sullivan & Cromwell LLP and Davis Polk & Wardwell LLP will rely on the opinion of Mr. Paine as to matters involving the law of the Commonwealth of Pennsylvania and on the opinion of Mr. Fendig as to matters involving the laws of the Commonwealths of Kentucky and Virginia.

NOT A NEW ISSUE **BOOK-ENTRY-ONLY**

On May 19, 2000, the date on which the Bonds were originally issued, Harper, Ferguson & Davis, as bond counsel, delivered its opinion that stated that, subject to the conditions and exceptions set forth under the caption "Tax Treatment," under then-current law, interest on the Bonds would be excludable from the gross income of the recipients thereof for federal income tax purposes, except that no opinion was expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" or a "related person" of the Project as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will be an item of tax preference in determining alternative minimum taxable income under the Code. Such interest may be subject to certain federal income taxes imposed on certain corporations, including imposition of the branch profits tax on a portion of such interest. Harper, Ferguson & Davis, as bond counsel, was further of the opinion that interest on the Bonds would be excludable from the gross income of the recipients thereof for Kentucky income tax purposes and that, under then-current law, the principal of the Bonds would be exempt from ad valorem taxes in Kentucky. Such opinion has not been updated as of the date hereof and no continuing tax exemption opinions are expressed by Dinsmore & Shohl LLP, as bond counsel. However, in connection with the conversion of the interest rate mode to a Long Term Rate Period , as more fully described in this Reoffering Circular, Dinsmore & Shohl LLP, as bond counsel, will deliver its opinion to the effect that such conversion (a) is authorized or permitted by the Act and the Indenture and (b) will not adversely affect the validity of the Bonds or any exclusion of the interest thereon from the gross income of the owners of the Bonds for federal income tax purposes. See "Tax Treatment" herein.

$12,900,000
COUNTY OF MERCER, KENTUCKY,
Solid Waste Disposal Facility Revenue Bonds,
2000 Series A
(Kentucky Utilities Company Project)

Due: May 1, 2023
Interest Payment Dates: May 1 and November 1
Interest Rate: 1.30%

Conversion Date: September 3, 2019

The County of Mercer, Kentucky, Solid Waste Disposal Facility Revenue Bonds, 2000 Series A (Kentucky Utilities Company Project) (the "Bonds") are special and limited obligations of the County of Mercer, Kentucky (the "Issuer"), payable by the Issuer solely from and secured by payments to be received by the Issuer pursuant to a Loan Agreement with Kentucky Utilities Company (the "Company"), except as payable from proceeds of such Bonds or investment earnings thereon. The Bonds do not constitute general obligations of the Issuer or a charge against the general credit or taxing powers thereof or of the Commonwealth of Kentucky or any other political subdivision of Kentucky. **The Bonds will not be entitled to the benefits of any financial guaranty insurance policy or any other form of credit enhancement.** Principal of, and interest on, the Bonds are secured by the delivery to The Bank of New York Mellon, as Trustee, of First Mortgage Bonds of

KENTUCKY UTILITIES COMPANY

The Bonds were originally issued on May 19, 2000 and currently bear interest at a Weekly Rate. Pursuant to the Indenture under which the Bonds were issued, the Company has elected to exercise its option to convert the interest rate mode to a Long Term Rate Period, effective as of September 3, 2019 (the "Conversion Date"). The Bonds are subject to mandatory purchase on the Conversion Date and are being reoffered hereby by Morgan Stanley & Co. LLC (the "Remarketing Agent"). The Bonds will bear interest at the Long Term Rate of 1.30% per annum from the Conversion Date to maturity, subject to earlier redemption as described herein. Interest on the Bonds will be payable on each May 1 and November 1, commencing November 1, 2019. The Bonds are not subject to optional redemption, but will be subject to extraordinary optional redemption, in whole or in part, and mandatory redemption following a determination of taxability prior to maturity, as described in this Reoffering Circular.

The Bonds are registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository. Except as described in this Reoffering Circular, purchases of beneficial ownership interests in the Bonds will be made in book-entry-only form in denominations of $5,000 and multiples thereof. Purchasers will not receive certificates representing their beneficial interest in the Bonds. See the information contained under the caption "Summary of the Bonds — Book-Entry-Only System" in this Reoffering Circular. The principal of, premium, if any, and interest on the Bonds will be paid by The Bank of New York Mellon, as Trustee, to Cede & Co., as long as Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to the purchasers of beneficial ownership interests is the responsibility of DTC's Direct and Indirect Participants, as more fully described in this Reoffering Circular.

Price: 100%

The Bonds are reoffered, subject to prior sale, withdrawal or modification of the offer without notice (provided, however, that any such notice of withdrawal must be given on the Business Day prior to the Conversion Date), and to the approval of legality by Dinsmore & Shohl LLP, Louisville, Kentucky, as Bond Counsel and upon satisfaction of certain conditions. Certain legal matters will be passed upon for the Company by its counsel, Jones Day, Chicago, Illinois and John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary of the Company, and for the Remarketing Agent by its counsel, McGuireWoods LLP, Chicago, Illinois. It is expected that the Bonds will be available for redelivery to DTC in New York, New York on or about September 3, 2019.

Morgan Stanley

Dated: August 15, 2019

No dealer, broker, salesman or other person has been authorized by the Issuer, the Company or the Remarketing Agent to give any information or to make any representation with respect to the Bonds, other than those contained in this Reoffering Circular, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. The Remarketing Agent has provided the following sentence for inclusion in this Reoffering Circular. The Remarketing Agent has reviewed the information in this Reoffering Circular in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Reoffering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. The information set forth herein with respect to the Issuer has been obtained from the Issuer, and all other information has been obtained from the Company and from other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Remarketing Agent.

In connection with the reoffering of the Bonds, the Remarketing Agent may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE REOFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOINGAUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Table of Contents

Introductory Statement 1
Concurrent Offerings 3
The Project 3
The Issuer 3
Summary of the Bonds 3
Summary of the Loan Agreement 11
Summary of the First Mortgage Bonds and the First Mortgage Indenture 16
Summary of the Indenture 28
Enforceability of Remedies 32
Reoffering 33
Tax Treatment 33
Legal Matters 35
Continuing Disclosure 35

Appendix A – Kentucky Utilities Company A-1
Appendix B – Opinion of Prior Bond Counsel and Form of Conversion Opinion of Bond Counsel B-1

REOFFERING CIRCULAR

$12,900,000
County of Mercer, Kentucky
Solid Waste Disposal Facility Revenue Bonds,
2000 Series A
(Kentucky Utilities Company Project)
Due: May 1, 2023

Introductory Statement

This Reoffering Circular, including the cover page and appendices, is provided to furnish information in connection with the reoffering by the County of Mercer, Kentucky (the "Issuer") of its Solid Waste Disposal Facility Revenue Bonds, 2000 Series A (Kentucky Utilities Company Project), in the aggregate principal amount of $12,900,000 (the "Bonds") issued on May 19, 2000 pursuant to an Indenture of Trust dated as of May 1, 2000 (the "Indenture") between the Issuer and The Bank of New York Mellon (the "Trustee"), as Trustee, Paying Agent, Tender Agent and Bond Registrar, as the same has been amended and restated as of September 1, 2008, and as further amended and supplemented pursuant to the Supplemental Indenture No. 1 to Amended and Restated Indenture of Trust dated as of September 1, 2010.

Pursuant to a Loan Agreement by and between Kentucky Utilities Company (the "Company") and the Issuer, dated as of May 1, 2000 (the "Loan Agreement") (as the same has been amended and restated as of September 1, 2008, and as further amended and supplemented pursuant to the Amendment No. 1 to Amended and Restated Loan Agreement dated as of September 1, 2010), proceeds from the sale of the Bonds, other than accrued interest, if any, paid by the initial purchasers thereof, were loaned by the Issuer to the Company. The Loan Agreement is a separate undertaking by and between the Company and the Issuer.

The Company will continue to repay the loan under the Loan Agreement by making payments to the Trustee in sufficient amounts to pay the principal of and interest and any premium on, the Bonds. See "Summary of the Loan Agreement — General." Pursuant to the Indenture, the Issuer's rights under the Loan Agreement (other than with respect to certain indemnification and expense payments and notification rights) were assigned to the Trustee as security for the Bonds.

For the purpose of further securing the Bonds, the Company has issued and delivered to the Trustee a separate tranche of the Company's First Mortgage Bonds, Collateral Series 2010 (the "First Mortgage Bonds"). The principal amount, maturity date and interest rate (or method of determining interest rates) of such tranche of First Mortgage Bonds is identical to the principal amount, maturity date and interest rate (or method of determining interest rates) of the Bonds. The First Mortgage Bonds will only be payable, and interest thereon will only accrue, as described herein. See "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds" and "Summary of the First Mortgage Bonds and the First Mortgage Indenture."

The First Mortgage Bonds have been issued under, and are secured by, an Indenture, dated as of October 1, 2010, as supplemented by a supplemental indenture dated as of October 15, 2010 relating to the Bonds (the "Supplemental Indenture"), (the Indenture, as so supplemented, the "First Mortgage Indenture"), between the Company and The Bank of New York Mellon, as trustee (the "First Mortgage Trustee").

The proceeds of the Bonds were applied to the current refunding of the outstanding principal amount of the $12,900,000 "County of Mercer, Kentucky, Collateralized Solid Waste Disposal Facility Revenue Bonds (Kentucky Utilities Company Project), 1990 Series A," previously issued by the Issuer to finance certain solid waste disposal facilities (the "Project") owned by the Company.

The Company is a wholly-owned subsidiary of LG&E and KU Energy LLC and an indirect wholly-owned subsidiary of PPL Corporation. The Company's obligations under the Loan Agreement are solely its own, and not those of any of its affiliates. None of PPL Corporation or the Company's other affiliates will be obligated to make any payments due under the Loan Agreement or First Mortgage Bonds or any other payments of principal, interest or redemption price of the Bonds.

The Bonds currently bear interest at a Weekly Rate. Pursuant to the Indenture, the Company has elected to exercise its option to convert the interest rate mode to a Long Term Rate Period commencing the date appearing on the cover of this Reoffering Circular. **This Reoffering Circular pertains only to the Bonds during such period of time that they bear interest at the Long Term Rate.**

The Bonds are secured by payments made by the Company under the Loan Agreement and are further secured by the First Mortgage Bonds. The Bonds are not entitled to the benefits of any financial guaranty insurance policy or any other form of credit enhancement.

The Bonds are special and limited obligations of the Issuer, and the Issuer's obligation to pay the principal of and interest and any premium on the Bonds is limited solely to the revenues and other amounts received by the Trustee under the Indenture pursuant to the Loan Agreement and amounts payable under the First Mortgage Bonds. The Bonds do not constitute an indebtedness, general obligation or pledge of the faith and credit or taxing power of the Issuer, the Commonwealth of Kentucky or any political subdivision thereof.

Morgan Stanley & Co. LLC has been appointed under the Indenture to serve as Remarketing Agent for the Bonds. Any Remarketing Agent may resign or be removed and a successor Remarketing Agent may be appointed in accordance with the terms of the Indenture and the Remarketing Agreement for the Bonds between the Remarketing Agent and the Company.

Brief descriptions of the Company, the Issuer, the Bonds, the First Mortgage Bonds (including the First Mortgage Indenture), the Loan Agreement and the Indenture are included in this Reoffering Circular. Appendix A to this Reoffering Circular has been furnished by the Company. The Issuer and Bond Counsel assume no responsibility for the accuracy or completeness of such Appendix A or such information. Appendix B to this Reoffering Circular contains the opinion of Bond Counsel delivered on the date on which the Bonds were initially issued, and the proposed form of opinion of Bond Counsel to be delivered in connection with the conversion to the Long Term Rate Period. Such descriptions and information do not purport to be complete, comprehensive or definitive and are not to be construed as a representation or a guaranty of accuracy or completeness. All references herein to the documents are qualified in their entirety by reference to such documents, and references herein to the Bonds are qualified in their entirety by reference to the definitive form thereof included in the Indenture. Copies of the Loan Agreement and the Indenture will be available for inspection at the principal corporate trust office of the Trustee. The First Mortgage Indenture is available for inspection at the office of the Company in Lexington, Kentucky, and at the corporate trust office of the First Mortgage Trustee in Pittsburgh, Pennsylvania. Certain information relating to The Depository Trust Company ("DTC") and the book-entry-only system has been furnished by DTC. All statements herein are qualified in their entirety by reference to each such document and, with respect to the enforceability of certain rights and remedies, to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights.

Concurrent Offerings

The Company is concurrently engaged in separate reofferings for four other issues of tax-exempt environmental facilities revenue refunding bonds totaling, in the aggregate, $277,947,405 in principal amount, which were issued by another issuer and for which the Company is the primary obligor.

The Project

The Project has been completed and consists of certain solid waste disposal facilities of the Company used in connection with its Brown Generating Station situated in Mercer County. The Company has retired or modified certain units and facilities at the Brown Generating Station, including units or facilities that include components that are part of the Project.

The Issuer

The Issuer is a public body corporate and politic duly created and existing as a county and political subdivision under the Constitution and laws of the Commonwealth of Kentucky. The Issuer is authorized by Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (collectively, the "Act") to (a) convert the Bonds to a Long Term Rate Period and to reoffer the Bonds and (b) continue to perform its obligations under the Loan Agreement and the Indenture. The Issuer, through its legislative body, the Fiscal Court, has adopted one or more ordinances authorizing the issuance of the Bonds and the execution and delivery of the related documents.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS PAYABLE SOLELY AND ONLY FROM CERTAIN SOURCES, INCLUDING AMOUNTS TO BE RECEIVED BY OR ON BEHALF OF THE ISSUER UNDER THE LOAN AGREEMENT AND OTHER AMOUNTS RECEIVED FROM PAYMENTS MADE UNDER THE FIRST MORTGAGE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, GENERAL OBLIGATION OR PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR ANY POLITICAL SUBDIVISION THEREOF, AND DO NOT GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

Summary of the Bonds

General

The Bonds will be reoffered in the aggregate principal amount set forth on the cover page of this Reoffering Circular and will mature on May 1, 2023. The Bonds are not subject to optional redemption, but will be subject to extraordinary optional redemption, in whole or in part, and mandatory redemption prior to maturity as described herein.

The Bonds currently bear interest at the Weekly Rate. Pursuant to the terms and provisions of the Indenture summarized below, the Company has exercised its option, effective September 3, 2019 (the "Conversion Date"), to convert the interest rate mode to a Long Term Rate Period. The Bonds will bear interest at the Long Term Rate of 1.30% per annum from September 3, 2019 to maturity. Interest on the Bonds is payable on each May 1 and November 1, commencing November 1, 2019 (unless any such interest payment date is not a Business Day, in which case interest will be paid on the next succeeding Business Day), to the persons who are the registered owners of the Bonds as of the Record Date preceding such interest payment date.

Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Interest payable on any Interest Payment Date will be payable to the registered owner of the Bond as of the Record Date for such payment. The Record Date will be the close of business on the fifteenth day (whether or not a Business Day) of the month preceding each Interest Payment Date.

The Bonds initially will be issued solely in book-entry-only form through DTC (or its nominee, Cede & Co.). So long as the Bonds are held in the book-entry-only system, DTC or its nominee will be the registered owner or holder of the Bonds for all purposes of the Indenture, the Bonds and this Reoffering Circular. See "— Book-Entry-Only System" below. Individual purchases of book-entry interests in the Bonds will be made in book-entry-only form in denominations of $5,000 and integral multiples thereof.

Except as otherwise described below for Bonds held in DTC's book-entry-only system, the principal or redemption price of the Bonds is payable at the designated corporate trust office in New York, New York, of the Trustee, as paying agent (the "Paying Agent"). Except as otherwise described below for Bonds held in DTC's book-entry-only system, interest on the Bonds is payable by check mailed to the owner of record; provided that interest payable on each Bond will be payable in immediately available funds by wire transfer within the continental United States or by deposit into a bank account maintained with the Paying Agent at the written request of any owner of record holding at least $1,000,000 aggregate principal amount of the Bonds, received by the Trustee, as bond registrar (the "Bond Registrar"), at least one Business Day prior to any Record Date.

Bonds may be transferred or exchanged for an equal total amount of Bonds of other authorized denominations upon surrender of such Bonds at the principal office of the Bond Registrar, accompanied by a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's duly authorized attorney. Except as provided in the Indenture, the Bond Registrar will not be required to register the transfer or exchange of any Bond (i) during the fifteen days before any mailing of a notice of redemption of Bonds or (ii) after such Bond has been called for redemption. Registration of transfers and exchanges will be made without charge to the registered owners of Bonds, except that the Bond Registrar may require any registered owner requesting registration of transfer or exchange to pay any required tax or governmental charge.

Security

Payment of the principal of and interest and any premium on the Bonds is secured by an assignment by the Issuer to the Trustee of the Issuer's interest in and to the Loan Agreement and all payments to be made pursuant thereto (other than certain indemnification and expense payments). Pursuant to the Loan Agreement, the Company has agreed to pay, among other things, amounts sufficient to pay the aggregate principal amount of and premium, if any, on the Bonds, together with interest thereon as and when the same become due.

The payment of the principal of and interest and any premium on the Bonds is further secured by a principal amount of First Mortgage Bonds of the company that equals the principal amount of the Bonds. If the Bonds become immediately due and payable as a result of a default in payment of the principal of, premium, if any, or interest on the Bonds, due to an event of default under the Loan Agreement and upon receipt by the First Mortgage Trustee of a written demand from the Trustee for redemption of the First Mortgage Bonds, or if all first mortgage bonds outstanding under the First Mortgage Indenture shall have been immediately due and payable, such First Mortgage Bonds will bear interest at the same interest rate or rates borne by the Bonds and the principal of such First Mortgage Bonds, together with interest accrued thereon from the last date or dates to which interest on the Bonds

has been paid in full, will be payable in accordance with the Supplemental Indenture. See "Summary of the First Mortgage Bonds and the First Mortgage Indenture."

The First Mortgage Bonds are secured by a lien on certain property owned by the Company. In certain circumstances, the Company is permitted to reduce the aggregate principal amount of its First Mortgage Bonds held by the Trustee, but in no event to an amount lower than the aggregate outstanding principal amount of the Bonds.

The Bonds Are Not Insured or Entitled to any Other Form of Credit Enhancement

The Bonds described in this Reoffering Circular are not insured or entitled to any other form of credit enhancement, and holders thereof will have no recourse to, under or against any bond insurance policy or bond insurer, or under any other credit enhancement.

Remarketing Agent

Morgan Stanley & Co. LLC will act as the Remarketing Agent with respect to the Bonds (the "Remarketing Agent"). The Remarketing Agent may resign or be removed and a successor Remarketing Agent may be appointed in accordance with the terms of the Indenture and the Remarketing Agreement for the Bonds between the Remarketing Agent and the Company.

Certain Definitions

As used herein, each of the following terms will have the meaning indicated. Certain capitalized terms used herein and not otherwise defined will have the meanings set forth in the Indenture.

" *Beneficial Owner*" means the person in whose name a Bond is recorded as such upon the systems of DTC and each DTC Participant (as defined herein) or the registered holder of such Bond if such Bond is not then registered in the name of Cede & Co.

"*Business Day*" means any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions located in the city in which the principal office of the Trustee, the Bond Registrar, the Tender Agent, the Paying Agent, the Company or the Remarketing Agent is located are authorized by law or executive order to close or (ii) a day on which the New York Stock Exchange is closed.

"*Interest Payment Date*" means May 1 and November 1. The final Interest Payment Date will be the maturity date of the Bonds.

"*Interest Period*" means the period from and including each Interest Payment Date to and including the day immediately preceding the next Interest Payment Date, provided, however that the first Interest Period for the Bonds will begin on (and include) the date of issuance of the Bonds and the final Interest Period will end on April 30, 2023.

" *Long Term Rate Period*" means the period beginning on, and including, the Conversion Date to the Long Term Rate and ending on, and including, the day preceding the maturity of the Bonds.

Redemptions

Optional Redemption. Except as described below under the subheadings "--- Extraordinary Optional Redemption in Whole" and "--- Extraordinary Optional Redemption in Whole or in Part," the Bonds are not subject to optional redemption prior to maturity.

Extraordinary Optional Redemption in Whole. The Bonds may be redeemed by the Issuer in whole at any time at 100% of the principal amount thereof plus accrued interest to the redemption date upon the exercise by the Company of an option under the Loan Agreement to prepay the loan if any of the following events shall have occurred within 180 days preceding the giving of written notice by the Company to the Trustee of such election:

(i) if in the judgment of the Company, unreasonable burdens or excessive liabilities have been imposed upon the Company after the issuance of the Bonds with respect to the Project or the operation thereof, including without limitation federal, state or other ad valorem property, income or other taxes not imposed on the date of the Bonds were issued, other than ad valorem taxes levied upon privately owned property used for the same general purpose as the Project;

(ii) if the Project or a portion thereof or other property of the Company in connection with which the Project is used has been damaged or destroyed to such an extent so as, in the judgment of the Company, to render the Project or such other property of the Company in connection with which the Project is used unsatisfactory to the Company for its intended use, and such condition continues for a period of six months;

(iii) there has occurred condemnation of all or substantially all of the Project or the taking by eminent domain of such use or control of the Project or other property of the Company in connection with which the Project is used so as, in the judgment of the Company, to render the Project or such other property of the Company unsatisfactory to the Company for its intended use;

(iv) in the event changes, which the Company cannot reasonably control, in the economic availability of materials, supplies, labor, equipment or other properties or things necessary for the efficient operation of the generating station where the Project is located have occurred, which, in the judgment of the Company, render the continued operation of such generating station or any generating unit at such station uneconomical; or changes in circumstances after the issuance of the Bonds, including but not limited to changes in solid waste disposal requirements, have occurred such that the Company determines that use of the Project is no longer required or desirable;

(v) the Loan Agreement has become void or unenforceable or impossible of performance by reason of any changes in the Constitution of the Commonwealth of Kentucky or the Constitution of the United States of America or by reason of legislative or administrative action (whether state or federal) or any final decree, judgment or order of any court or administrative body, whether state or federal; or

(vi) a final order or decree of any court or administrative body after the issuance of the Bonds requires the Company to cease a substantial part of its operation at the generating station where the Project is located to such extent that the Company will be prevented from carrying on its normal operations at such generating station for a period of six months.

Extraordinary Optional Redemption in Whole or in Part. The Bonds are also subject to redemption in whole or in part at 100% of the principal amount thereof plus accrued interest to the redemption date at the option of the Company in an amount not to exceed the net proceeds received from insurance or any condemnation award received by the Issuer, the Company or the First Mortgage Trustee in the event of damage, destruction or condemnation of all or a portion of the Project, subject to receipt of an opinion of Bond Counsel that such redemption will not adversely affect the exclusion of interest on any of the Bonds from gross income for federal income tax purposes. See "Summary of the Loan Agreement — Maintenance; Damage, Destruction and Condemnation."

Mandatory Redemption; Determination of Taxability. The Bonds are required to be redeemed by the Issuer, in whole, or in such part as described below, at a redemption price equal to 100% of the principal amount thereof, without redemption premium, plus accrued interest, if any, to the redemption date, within 180 days following a "Determination of Taxability." As used herein, a "Determination of Taxability" means the receipt by the Trustee of written notice from a current or former registered owner of a Bond or from the Company or the Issuer of (A) the issuance of a published or private ruling or a technical advice memorandum by the Internal Revenue Service in which the Company participated or has been given the opportunity to participate, and which ruling or memorandum the Company, in its discretion, does not contest or from which no further right of administrative or judicial review or appeal exists, or (B) a final determination from which no further right of appeal exists of any court of competent jurisdiction in the United States in a proceeding in which the Company has participated or has been a party, or has been given the opportunity to participate or be a party, in each case, to the effect that as a result of a failure by the Company to perform or observe any covenant or agreement or the inaccuracy of any representation contained in the Loan Agreement or any other agreement or certificate delivered in connection with the Bonds, the interest on the Bonds is included in the gross income of the owners thereof for federal income tax purposes, other than with respect to a person who is a "substantial user" or a "related person" of a substantial user within the meaning of the Section 147 of Internal Revenue Code of 1986, as amended (the "Code"); provided, however, that no such Determination of Taxability shall be considered to exist as a result of the Trustee receiving notice from a current or former registered owner of a Bond or from the Issuer unless (A) the Issuer or the registered owner or former registered owner of the Bond involved in such proceeding or action (1) gives the Company and the Trustee prompt notice of the commencement thereof, and (2) (if the Company agrees to pay all expenses in connection therewith) offers the Company the opportunity to control unconditionally the defense thereof, and (B) either (1) the Company does not agree within 30 days of receipt of such offer to pay such expenses and liabilities and to control such defense, or (2) the Company shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action which the Company determines to be appropriate. No Determination of Taxability described above will result from the inclusion of interest on any Bond in the computation of minimum or indirect taxes. All of the Bonds are required to be redeemed upon a Determination of Taxability as described above unless, in the opinion of Bond Counsel, redemption of a portion of such Bonds would have the result that interest payable on the remaining Bonds outstanding after the redemption would not be so included in any such gross income.

In the event any of the Issuer, the Company or the Trustee has been put on notice or becomes aware of the existence or pendency of any inquiry, audit or other proceedings relating to the Bonds being conducted by the Internal Revenue Service, the party so put on notice is required to give immediate written notice to the other parties of such matters. Promptly upon learning of the occurrence of a Determination of Taxability (whether or not the same is being contested), or any of the events described above, the Company is required to give notice thereof to the Trustee and the Issuer.

If the Internal Revenue Service or a court of competent jurisdiction determines that the interest paid or to be paid on any Bond (except to a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code) is or was includable in the gross income of the recipient for

federal income tax purposes for reasons other than as a result of a failure by the Company to perform or observe any of its covenants, agreements or representations in the Loan Agreement or any other agreement or certificate delivered in connection therewith, the Bonds are not subject to redemption. In such circumstances, Bondholders would continue to hold their Bonds, receiving principal and interest at the applicable rate as and when due, but would be required to include such interest payments in gross income for federal income tax purposes. Also, if the lien of the Indenture is discharged or defeased prior to the occurrence of a final Determination of Taxability, Bonds will not be redeemed as described herein.

General Redemption Terms. Notice of redemption will be given by mailing a redemption notice conforming to the provisions and requirements of the Indenture by first class mail to the registered owners of the Bonds to be redeemed not less than 30 days but not more than 60 days prior to the redemption date. Any notice mailed as provided in the Indenture will be conclusively presumed to have been given, irrespective of whether the owner receives the notice. Failure to give any such notice by mailing or any defect therein in respect of any Bond will not affect the validity of any proceedings for the redemption of any other Bond. No further interest will accrue on the principal of any Bond called for redemption after the redemption date if funds sufficient for such redemption have been deposited with the Paying Agent as of the redemption date. So long as the Bonds are held in book-entry-only form, all redemption notices will be sent only to Cede & Co.

Book-Entry-Only System

Portions of the following information concerning DTC and DTC's book-entry-only system have been obtained from DTC. The Issuer, the Company and the Remarketing Agent make no representation as to the accuracy of such information.

Initially, DTC will act as securities depository for the Bonds and the Bonds initially will be issued solely in book-entry-only form to be held under DTC's book-entry-only system, registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered bond in the aggregate principal amount of the Bonds will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934 (the "Exchange Act"). DTC holds and provides asset servicing for U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, is the holding company for DTC, the National Securities Clearing Corporation and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with "Direct Participants," "Participants"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Company or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer, the Company, the Tender Agent and the Trustee, or the Issuer, at the request of the Company, may remove DTC as the securities depository for the Bonds.

Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be delivered as described in the Indenture (see "— Revision of Book-Entry-Only System; Replacement Bonds" below). The Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners. Under the Indenture, payments made by the Trustee to DTC or its nominee will satisfy the Issuer's obligations under the Indenture and the Company's obligations under the Loan Agreement and the First Mortgage Bonds, to the extent of the payments so made. Beneficial Owners will not be, and will not be considered by the Issuer or the Trustee to be, and will not have any rights as, owners of Bonds under the Indenture.

The Trustee and the Issuer, so long as a book-entry-only system is used for the Bonds, will send any notice of redemption or of proposed document amendments requiring consent of registered owners and any other notices required by the document to be sent to registered owners only to DTC (or any successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant, or of any Direct Participant or Indirect Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption, the document amendment, or any other action premised on that notice.

The Issuer, the Company, the Trustee and the Remarketing Agent cannot and do not give any assurances that DTC will distribute payments on the Bonds made to DTC or its nominee as the registered owner or any redemption or other notices, to the Participants, or that the Participants or others will distribute such payments or notices to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Reoffering Circular.

THE ISSUER, THE COMPANY, THE REMARKETING AGENT AND THE TRUSTEE WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT,INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A REGISTERED OWNER WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT OF ANY AMOUNT DUE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (3) THE DELIVERY OF ANY NOTICE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED TO BE GIVEN TO REGISTERED OWNERS UNDER THE TERMS OF THE INDENTURE; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER.

Revision of Book-Entry-Only System; Replacement Bonds. In the event that DTC determines not to continue as securities depository or is removed by the Issuer, at the direction of the Company, as securities depository, the Issuer, at the direction of the Company, may appoint a successor securities depository reasonably acceptable to the Trustee. If the Issuer does not or is unable to appoint a successor securities depository, the Issuer will issue and the Trustee will authenticate and deliver fully registered Bonds, in authorized denominations, to the assignees of DTC or their nominees.

In the event that the book-entry-only system is discontinued, the following provisions will apply. The Bonds may be issued in denominations of $5,000 and integral multiples thereof. Bonds may be transferred or exchanged for an equal total amount of Bonds of other authorized denominations upon surrender of such Bonds at the principal office of the Bond Registrar, accompanied by a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's duly authorized attorney. Except as provided in the Indenture, the Bond Registrar will not be required to register the transfer or exchange of any Bond during the fifteen days before any mailing of a notice of redemption or after such Bond has been called for redemption in whole or in part. Registration of transfers and exchanges will be made without charge to the owners of Bonds, except that the Bond Registrar may require any owner requesting registration of transfer or exchange to pay any required tax or governmental charge.

Summary of the Loan Agreement

The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the Loan Agreement. This description is only a summary and does not purport to be complete and definitive. Reference is made to the Loan Agreement for the detailed provisions thereof.

General

The Loan Agreement initially commenced as of its initial date and is amended and restated as of September 1, 2008 and is further amended and supplemented pursuant to the Amendment No. 1 dated as of September 1, 2010, and will end on the earliest to occur of May 1, 2023, or the date on which all of the Bonds shall have been fully paid or provision has been made for such payment pursuant to the Indenture. See "Summary of the Indenture — Discharge of Indenture."

The Company has agreed to repay the loan pursuant to the Loan Agreement by making timely payments to the Trustee in sufficient amounts to pay the principal of, premium, if any, and interest required to be paid on the Bonds on each date upon which any such payments are due. The Company has also agreed to pay (a) the agreed upon fees and expenses of the Trustee, the Bond Registrar, any Tender Agent and any Paying Agent appointed under the Indenture, (b) the expenses in connection with any redemption of the Bonds and (c) the reasonable expenses of the Issuer.

All payments to be made by the Company to the Issuer pursuant to the Loan Agreement (except the reasonable out-of-pocket expenses of the Issuer, the Trustee, the Paying Agent, the Bond Registrar, the Tender Agent and amounts related to indemnification) have been assigned by the Issuer to the Trustee, and the Company will pay such amounts directly to the Trustee. The obligations of the Company to make the payments pursuant to the Loan Agreement are absolute and unconditional.

Maintenance of Tax Exemption

The Company and the Issuer have agreed not to take any action that would result in the interest paid on the Bonds being included in gross income of any Bondholder (other than a holder who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code) for federal income tax purposes or that adversely affects the validity of the Bonds.

Issuance and Delivery of First Mortgage Bonds

For the purpose of providing security for the Bonds, the Company has executed and delivered to the Trustee the First Mortgage Bonds. The principal amount of the First Mortgage Bonds executed and delivered to the Trustee equals the aggregate principal amount of the Bonds. If the Bonds become immediately due and payable as a result of a default in payment of the principal of, premium, if any, or interest on the Bonds, due to an event of default under the Loan Agreement and upon receipt by the First Mortgage Trustee of a written demand from the Trustee for redemption of the First Mortgage Bonds, or if all first mortgage bonds outstanding under the First Mortgage Indenture shall have been immediately due and payable, such First Mortgage Bonds will bear interest at the same interest rate or rates borne by the Bonds and the principal of such First Mortgage Bonds, together with interest accrued thereon from the last date to which interest on the Bonds shall have been paid in full, will then be payable. See, however, "Summary of the Indenture — Waiver of Events of Default."

Upon payment of the principal of, premium, if any, and interest on any of the Bonds, and the surrender to and cancellation thereof by the Trustee, or upon provision for the payment thereof having been made in accordance with the Indenture, First Mortgage Bonds with corresponding principal amounts equal to the aggregate principal amount of the Bonds so surrendered and canceled or for the payment of which provision has been made, will be surrendered by the Trustee to the First Mortgage Trustee and will be canceled by the First Mortgage Trustee. The First Mortgage Bonds are registered in the name of the Trustee and will be non transferable, except to effect transfers to any successor trustee under the Indenture.

Payment of Taxes

The Company has agreed to pay certain taxes and other governmental charges that may be lawfully assessed, levied or charged against or with respect to the Project (see, however, subparagraph (i) under "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole"). The Company may contest such taxes or other governmental charges unless the security provided by the Indenture would be materially endangered.

Maintenance; Damage, Destruction and Condemnation

So long as any Bonds are outstanding, the Company will maintain the Project or cause the Project to be maintained in good working condition and will make or cause to be made all proper repairs, replacements and renewals necessary to continue to constitute the Project as solid waste disposal facilities under Section 142(a)(6) of the Code and the Act. However, the Company will have no obligation to maintain, repair, replace or renew any portion of the Project, the maintenance, repair, replacement or renewal of which becomes uneconomical to the Company because of certain events, including damage or destruction by a cause not within the Company's control, condemnation of the Project, change in government standards and regulations, economic or other obsolescence or termination of operation of generating facilities to the Project.

The Company, at its own expense, may remodel the Project or make substitutions, modifications and improvements to the Project as it deems desirable, which remodeling, substitutions, modifications and improvements will be deemed, under the terms of the Loan Agreement to be a part of the Project. The Company may not, however, change or alter the basic nature of the Project or cause it to lose its status under Section 142(a)(6) of the Code and the Act.

If, prior to the payment of all Bonds outstanding, the Project or any portion thereof is destroyed, damaged or taken by the exercise of the power of eminent domain and the Issuer, the Company or the

First Mortgage Trustee receives net proceeds from insurance or a condemnation award in connection therewith, the Company must (i) cause such net proceeds to be used to repair or restore the Project or (ii) take any other action, including the redemption of the Bonds in whole or in part at their principal amount, which, by the opinion of Bond Counsel, will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. See "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole or in Part."

Insurance

The Company has agreed to insure the Project, as applicable, in accordance with the provisions of the First Mortgage Indenture.

Assignment, Merger and Release of Obligations of the Company

The Company may assign the Loan Agreement, pursuant to an opinion of Bond Counsel that such assignment will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, without obtaining the consent of either the Issuer or the Trustee. Such assignment, however, shall not relieve the Company from primary liability for any of its obligations under the Loan Agreement and performance and observance of the other covenants and agreements to be performed by the Company. The Company may dispose of all or substantially all of its assets or consolidate with or merge into another corporation, provided the acquirer of the Company's assets or the corporation with which it shall consolidate with or merge into shall be a corporation or other business organization organized and existing under the laws of the United States of America or one of the states of the United States of America, shall be qualified and admitted to do business in the Commonwealth of Kentucky and shall assume in writing all of the obligations and covenants of the Company under the Loan Agreement.

Release and Indemnification Covenant

The Company will indemnify and hold the Issuer harmless against any expense or liability incurred, including attorneys' fees, resulting from any loss or damage to property or any injury to or death of any person occurring on or about or resulting from any defect in the Project or from any action commenced in connection with the financing thereof.

Events of Default

Each of the following events constitutes an "event of default" under the Loan Agreement:

(1) failure by the Company to pay the amounts required for payment of the principal of, including redemption and acceleration prices, and interest accrued, on the Bonds, at the times specified therein taking into account any periods of grace provided in the Indenture and the Bonds for the applicable payment of interest on the Bonds (see "Summary of the Indenture — Defaults and Remedies");

(2) failure by the Company to observe and perform any covenant, condition or agreement, other than as referred to in paragraph (1) above, for a period of thirty days after written notice by the Issuer or Trustee, provided, however, that if such failure is capable of being corrected, but cannot be corrected in such 30-day period, it will not constitute an event of default under the Loan Agreement if corrective action with respect thereto is instituted within such period and is being diligently pursued;

(3) certain events of bankruptcy, dissolution, liquidation, reorganization or insolvency of the Company;

(4) the occurrence of an event of default under the Indenture; or

(5) all first mortgage bonds outstanding under the First Mortgage Indenture, if not already due, shall have become immediately due and payable, whether by declaration or otherwise, and such acceleration shall not have been rescinded or annulled by the First Mortgage Trustee.

Under the Loan Agreement, certain of the Company's obligations (other than the Company's obligations, among others, (i) not to permit any action which would result in interest paid on the Bonds being included in gross income for federal and Kentucky income taxes; (ii) to maintain its corporate existence and good standing, and to neither dispose of all or substantially all of its assets or consolidate with or merge into another corporation unless certain provisions of the Loan Agreement are satisfied; and (iii) to make loan payments and certain other payments under the provisions of the Loan Agreement) may be suspended if by reason of force majeure (as defined in the Loan Agreement) the Company is unable to carry out such obligations.

Remedies

Upon the happening of an event of default under the Loan Agreement, the Trustee, on behalf of the Issuer, may, among other things, take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Company, under the Loan Agreement, including any remedies available in respect of the First Mortgage Bonds.

In the event of a default in payment of the principal of, premium, if any, or interest on the Bonds and the acceleration of the maturity date of the Bonds (to the extent not already due and payable) as a consequence of such event of default, the Trustee may demand redemption of the First Mortgage Bonds. See "Summary of the First Mortgage Bonds and the First Mortgage Indenture" and "Summary of the Indenture — Defaults and Remedies." Any amounts collected upon the happening of any such event of default will be applied in accordance with the Indenture or, if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the Indenture) and all other liabilities of the Company accrued under the Indenture and the Loan Agreement have been paid or satisfied, made available to the Company.

Options to Prepay, Obligation to Prepay

The Company may prepay the loan pursuant to the Loan Agreement, in whole or in part, on certain dates, at the prepayment prices as shown under the captions "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole" and "— Extraordinary Optional Redemption in Whole or in Part." Upon the occurrence of the event described under the caption "Summary of the Bonds — Redemptions — Mandatory Redemption; Determination of Taxability," the Company shall be obligated to prepay the loan in an aggregate amount sufficient to redeem the required principal amount of the Bonds.

In each instance, the loan prepayment price shall be a sum sufficient, together with other funds deposited with the Trustee and available for such purpose, to redeem the requisite amount of the Bonds at a price equal to the applicable redemption price plus accrued interest to the redemption date, and to pay

all reasonable and necessary fees and expenses of the Trustee, the Paying Agent and all other liabilities of the Company under the Loan Agreement accrued to the redemption date.

Amendments and Modifications

No amendment or modification of the Loan Agreement is permissible without the written consent of the Trustee. The Issuer and the Trustee may, however, without the consent of or notice to any Bondholders, enter into any amendment or modification of the Loan Agreement (i) which may be required by the provisions of the Loan Agreement or the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) in connection with any modification or change necessary to conform the Loan Agreement with changes and modifications in the Indenture or (iv) in connection with any other change which, in the judgment of the Trustee, does not adversely affect the Trustee or the Bondholders. Except for such amendments, the Loan Agreement may be amended or modified only with the consent of the Bondholders holding a majority in principal amount of the Bonds then outstanding (see "Summary of the Indenture — Supplemental Indentures" for an explanation of the procedures necessary for Bondholder consent); provided, however, that the approval of the Bondholders holding 100% in principal amount of the Bonds then outstanding is necessary to effectuate an amendment or modification with respect to the Loan Agreement of the type described in clauses (i) through (iv) of the first sentence of the second paragraph of "Summary of the Indenture — Supplemental Indentures."

Summary of the First Mortgage Bonds and the First Mortgage Indenture

The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the First Mortgage Bonds and the First Mortgage Indenture. This description is only a summary and does not purport to be complete and definitive. Reference is made to the First Mortgage Indenture and to the form of the First Mortgage Bonds for the detailed provisions thereof.

General

The First Mortgage Bonds, in a principal amount equal to the principal amount of the Bonds, were issued as a new tranche from a new series of first mortgage bonds under the First Mortgage Indenture (see "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds"). The statements herein made (being for the most part summaries of certain provisions of the First Mortgage Indenture) are subject to the detailed provisions of the First Mortgage Indenture, which is incorporated herein by this reference. Words or phrases italicized are defined in the First Mortgage Indenture.

The First Mortgage Bonds will mature on the same date and bear interest at the same rate or rates as the Bonds; however, the principal of and interest on the First Mortgage Bonds will not be payable other than upon the occurrence of an event of default under the Loan Agreement. If the Bonds become immediately due and payable as a result of a default in payment of the principal or redemption price of or interest on the Bonds, due to an event of default under the Loan Agreement, and if all first mortgage bonds outstanding under the First Mortgage Indenture shall not have become immediately due and payable following an *event of default* under the First Mortgage Indenture, the Company will be obligated to redeem the First Mortgage Bonds upon receipt by the First Mortgage Trustee of a Redemption Demand from the Trustee for redemption, at a redemption price equal to the principal amount thereof plus accrued interest at the rates borne by the Bonds from the last date to which interest on the Bonds has been paid.

The First Mortgage Bonds at all times will be in fully registered form registered in the name of the Trustee, will be nonnegotiable, and will be nontransferable except to any successor trustee under the Indenture. Upon payment and cancellation of Bonds by the Trustee or the Paying Agent (other than any Bond or portion thereof that was canceled by the Trustee or the Paying Agent and for which one or more Bonds were delivered and authenticated pursuant to the Indenture), whether at maturity, by redemption or otherwise, or upon provision for the payment of the Bonds having been made in accordance with the Indenture, an equal principal amount of First Mortgage Bonds will be deemed fully paid and the obligations of the Company thereunder will cease.

Security; Lien of the First Mortgage Indenture

General. Except as described below under this heading and under "— Issuance of Additional First Mortgage Bonds," and subject to the exceptions described under "— Satisfaction and Discharge," all first mortgage bonds issued under the First Mortgage Indenture, including the First Mortgage Bonds, will be secured, equally and ratably, by the lien of the First Mortgage Indenture, which constitutes, subject to permitted liens and exclusions as described below, a first mortgage lien on substantially all of the Company's real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity (other than property duly released from

the lien of the First Mortgage Indenture in accordance with the provisions thereof and other than excepted property, as described below). Property that is subject to the lien of the First Mortgage Indenture is referred to below as "Mortgaged Property."

The Company may obtain the release of property from the lien of the First Mortgage Indenture from time to time, upon the bases provided for such release in the First Mortgage Indenture. See "— Release of Property."

The Company may enter into supplemental indentures with the First Mortgage Trustee, without the consent of the holders of the first mortgage bonds, in order to subject additional property (including property that would otherwise be excepted from such lien) to the lien of the First Mortgage Indenture. This property would constitute *property additions* and would be available as a basis for the issuance of additional first mortgage bonds. See "— Issuance of Additional First Mortgage Bonds."

The First Mortgage Indenture provides that after-acquired property (other than *excepted property*) will be subject to the lien of the First Mortgage Indenture. However, in the case of consolidation or merger (whether or not the Company is the surviving company) or transfer of the Mortgaged Property as or substantially as an entirety, the First Mortgage Indenture will not be required to be a lien upon any of the properties either owned or subsequently acquired by the successor company except properties acquired from the Company in or as a result of such transfer, as well as improvements, extensions and additions (as defined in the First Mortgage Indenture) to such properties and renewals, replacements and substitutions of or for any part or parts thereof. See "— Consolidation, Merger and Conveyance of Assets as an Entirety."

Excepted Property. The lien of the First Mortgage Indenture does not cover, among other things, the following types of property: property located outside of Kentucky and not specifically subjected or required to be subjected to the lien of the First Mortgage Indenture; property not used by the Company in its electric generation, transmission and distribution business; cash and securities not paid, deposited or held under the First Mortgage Indenture or required so to be; contracts, leases and other agreements of all kinds, contract rights, bills, notes and other instruments, revenues, accounts receivable, claims, demands and judgments; governmental and other licenses, permits, franchises, consents and allowances; intellectual property rights and other general intangibles; vehicles, movable equipment, aircraft and vessels; all goods, stock in trade, wares, merchandise and inventory held for the purpose of sale or lease in the ordinary course of business; materials, supplies, inventory and other personal property consumable in the operation of the Company's business; fuel; tools and equipment; furniture and furnishings; computers and data processing, telecommunications and other facilities used primarily for administrative or clerical purposes or otherwise not used in connection with the operation or maintenance of electric generation, transmission and distribution facilities; coal, ore, gas, oil and other minerals and timber rights; electric energy and capacity, gas, steam, water and other products generated, produced, manufactured, purchased or otherwise acquired; real property and facilities used primarily for the production or gathering of natural gas; property which has been released from the lien of the First Mortgage Indenture; and leasehold interests. Property of the Company not covered by the lien of the First Mortgage Indenture is referred to herein as excepted property. Properties held by any of the Company's subsidiaries, as well as properties leased from others, would not be subject to the lien of the First Mortgage Indenture.

Permitted Liens. The lien of the First Mortgage Indenture is subject to permitted liens described in the First Mortgage Indenture. Such *permitted liens* include liens existing at the execution date of the First Mortgage Indenture, purchase money liens and other liens placed or otherwise existing on property acquired by the Company after the execution date of the First Mortgage Indenture at the time the Company acquires it, tax liens and other governmental charges which are not delinquent or which are being contested in good faith, mechanics', construction and materialmen's liens, certain judgment liens,

easements, reservations and rights of others (including governmental entities) in, and defects of title to, the Company's property, certain leases and leasehold interests, liens to secure public obligations, rights of others to take minerals, timber, electric energy or capacity, gas, water, steam or other products produced by the Company or by others on the Company's property, rights and interests of persons other than the Company arising out of agreements relating to the common ownership or joint use of property, and liens on the interests of such persons in such property and liens which have been bonded or for which other security arrangements have been made.

The First Mortgage Indenture also provides that the First Mortgage Trustee will have a lien, prior to the lien on behalf of the holders of the first mortgage bonds, including the First Mortgage Bonds, upon the Mortgaged Property as security for the Company's payment of its reasonable compensation and expenses and for indemnity against certain liabilities. Any such lien would be a *permitted lien* under the First Mortgage Indenture.

Issuance of Additional First Mortgage Bonds

The maximum principal amount of first mortgage bonds that may be authenticated and delivered under the First Mortgage Indenture is subject to the issuance restrictions described below; provided, however, that the maximum principal amount of first mortgage bonds outstanding at any one time shall not exceed One Quintillion Dollars($1,000,000,0 00,000,000,000), which amount may be changed by supplemental indenture. As of June 30, 2019, first mortgage bonds in an aggregate principal amount of $2,641,852,405 were outstanding under the First Mortgage Indenture, of which $341,852,405 were issued to secure the Company's payment obligations with respect to its outstanding pollution control and environmental facilities revenue bonds, including the Bonds.

First mortgage bonds of any series may be issued from time to time on the basis of, and in an aggregate principal amount not exceeding:

> 66 2/3% of the *cost*or *fair value* to the Company (whichever is less) of *property additions* (as described below) which do not constitute *funded property*(generally, *property additions* which have been made the basis of the authentication and delivery of first mortgage bonds, the release of Mortgaged Property or the withdrawal of cash, which have been substituted for retired *funded property* or which have been used for other specified purposes) after certain deductions and additions, primarily including adjustments to offset property retirements;
>
> the aggregate principal amount of *retired securities* (as described below); or
>
> an amount of cash deposited with the First Mortgage Trustee.

Property additions generally include any property which is owned by the Company and is subject to the lien of the First Mortgage Indenture except (with certain exceptions) goodwill, going concern value rights or intangible property, or any property the acquisition or construction of which is properly chargeable to one of the Company's operating expense accounts in accordance with U.S. generally accepted accounting principles.

Retired securities means, generally, first mortgage bonds which are no longer outstanding under the First Mortgage Indenture, which have not been retired by the application of *funded cash* and which have not been used as the basis for the authentication and delivery of first mortgage bonds, the release of property or the withdrawal of cash.

At June 30, 2019, approximately $1.9 billion of *property additions* and $258.9 million of *retired securities* were available to be used as the basis for the authentication and delivery of first mortgage bonds.

Release of Property

Unless an *event of default* has occurred and is continuing, the Company may obtain the release from the lien of the First Mortgage Indenture of any Mortgaged Property, except for cash held by the First Mortgage Trustee, upon delivery to the First Mortgage Trustee of an amount in cash equal to the amount, if any, by which sixty-six and two-thirds percent (66-2/3%) of the cost of the property to be released (or, if less, the *fair value* to the Company of such property at the time it became *funded property*) exceeds the aggregate of:

an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by *purchase money* liens upon the property to be released and delivered to the First Mortgage Trustee;

an amount equal to 66 2/3% of the *cost*or *fair value* to the Company (whichever is less) of certified *property additions* not constituting *funded property* after certain deductions and additions, primarily including adjustments to offset property retirements (except that such adjustments need not be made if such *property additions* were acquired or made within the 90-day period preceding the release);

the aggregate principal amount of first mortgage bonds the Company would be entitled to issue on the basis of *retired securities* (with such entitlement being waived by operation of such release);

the aggregate principal amount of first mortgage bonds delivered to the First Mortgage Trustee (with such first mortgage bonds to be canceled by the First Mortgage Trustee);

any amount of cash and/or an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by *purchase money liens* upon the property released that is delivered to the trustee or other holder of a lien prior to the lien of the First Mortgage Indenture, subject to certain limitations described in the First Mortgage Indenture; and

any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released.

As used in the First Mortgage Indenture, the term *purchase money lien* means, generally, a lien on the property being released which is retained by the transferor of such property or granted to one or more other persons in connection with the transfer or release thereof, or granted to or held by a trustee or agent for any such persons, and may include liens which cover property in addition to the property being released and/or which secure indebtedness in addition to indebtedness to the transferor of such property.

Unless an *event of default* has occurred and is continuing, property which is not *funded property* may generally be released from the lien of the First Mortgage Indenture without depositing any cash or property with the First Mortgage Trustee as long as (a) the aggregate amount of *cost*or *fair value* to the Company (whichever is less) of all *property additions* which do not constitute *funded property*(excluding the property to be released) after certain deductions and additions, primarily including adjustments to offset property retirements, is not less than zero or (b) the *cost*or *fair value* (whichever is less) of property

to be released does not exceed the aggregate amount of the *cost*or *fair value* to the Company (whichever is less) of *property additions* acquired or made within the 90-day period preceding the release.

The First Mortgage Indenture provides simplified procedures for the release of minor properties and property taken by eminent domain, and provides for dispositions of certain obsolete property and grants or surrender of certain rights without any release or consent by the First Mortgage Trustee.

If the Company retains any interest in any property released from the lien of the First Mortgage Indenture, the First Mortgage Indenture will not become a lien on such property or such interest therein or any improvements, extensions or additions to such property or renewals, replacements or substitutions of or for such property or any part or parts thereof.

Withdrawal of Cash

Unless an *event of default* has occurred and is continuing, and subject to certain limitations, cash held by the First Mortgage Trustee may, generally, (1) be withdrawn by the Company (a) to the extent of sixty-six and two-thirds percent (66-2/3%) of the cost or *fair value* to the Company (whichever is less) of *property additions* not constituting *funded property*, after certain deductions and additions, primarily including adjustments to offset retirements (except that such adjustments need not be made if such *property additions* were acquired or made within the 90-day period preceding the withdrawal) or (b) in an amount equal to the aggregate principal amount of first mortgage bonds that the Company would be entitled to issue on the basis of *retired securities* (with the entitlement to such issuance being waived by operation of such withdrawal) or (c) in an amount equal to the aggregate principal amount of any outstanding first mortgage bonds delivered to the First Mortgage Trustee; or (2) upon the Company's request, be applied to (a) the purchase of first mortgage bonds in a manner and at a price approved by the Company or (b) the payment (or provision for payment) at stated maturity of any first mortgage bonds or the redemption (or provision for payment) of any first mortgage bonds which are redeemable; provided, however, that cash deposited with the First Mortgage Trustee as the basis for the authentication and delivery of first mortgage bonds may, in addition, be withdrawn in an amount not exceeding the aggregate principal amount of cash delivered to the First Mortgage Trustee for such purpose.

Events of Default

An "*event of default*" occurs under the First Mortgage Indenture if

the Company does not pay any interest on any first mortgage bonds within 30 days of the due date;

the Company does not pay principal or premium, if any, on any first mortgage bonds on the due date;

the Company remains in breach of any other covenant (excluding covenants specifically dealt with elsewhere in this section) in respect of any first mortgage bonds for 90 days after the Company receives a written notice of default stating the Company is in breach and requiring remedy of the breach; the notice must be sent by either the First Mortgage Trustee or holders of 25% of the principal amount of outstanding first mortgage bonds; the First Mortgage Trustee or such holders can agree to extend the 90-day period and such an agreement to extend will be automatically deemed to occur if the Company initiates corrective action within such 90-day period and the Company is diligently pursuing such action to correct the default; or

the Company files for bankruptcy or certain other events in bankruptcy, insolvency, receivership or reorganization occur.

Remedies

Acceleration of Maturity. If an *event of default* occurs and is continuing, then either the First Mortgage Trustee or the holders of not less than 25% in principal amount of the outstanding first mortgage bonds may declare the principal amount of all of the first mortgage bonds to be due and payable immediately.

Rescission of Acceleration. After the declaration of acceleration has been made and before the First Mortgage Trustee has obtained a judgment or decree for payment of the money due, such declaration and its consequences will be rescinded and annulled, if

the Company pays or deposits with the First Mortgage Trustee a sum sufficient to pay:

all overdue interest;

the principal of and premium, if any, which have become due otherwise than by such declaration of acceleration and interest thereon;

interest on overdue interest to the extent lawful; and

all amounts due to the First Mortgage Trustee under the First Mortgage Indenture; and

all *events of default*, other than the nonpayment of the principal which has become due solely by such declaration of acceleration, have been cured or waived as provided in the First Mortgage Indenture.

For more information as to waiver of defaults, see "— Waiver of Default and of Compliance" below.

Appointment of Receiver and Other Remedies. Subject to the First Mortgage Indenture, under certain circumstances and to the extent permitted by law, if an *event of default* occurs and is continuing, the First Mortgage Trustee has the power to appoint a receiver of the Mortgaged Property, and is entitled to all other remedies available to mortgagees and secured parties under the Uniform Commercial Code or any other applicable law.

Control by Holders; Limitations. Subject to the First Mortgage Indenture, if an *event of default* occurs and is continuing, the holders of a majority in principal amount of the outstanding first mortgage bonds will have the right to

direct the time, method and place of conducting any proceeding for any remedy available to the First Mortgage Trustee, or

exercise any trust or power conferred on the First Mortgage Trustee.

The rights of holders to make direction are subject to the following limitations:

the holders' directions may not conflict with any law or the First Mortgage Indenture; and

> the holders' directions may not involve the First Mortgage Trustee in personal liability where the First Mortgage Trustee believes indemnity is not adequate.

The First Mortgage Trustee may also take any other action it deems proper which is not inconsistent with the holders' direction.

In addition, the First Mortgage Indenture provides that no holder of any first mortgage bond will have any right to institute any proceeding, judicial or otherwise, with respect to the First Mortgage Indenture for the appointment of a receiver or for any other remedy thereunder unless

> that holder has previously given the First Mortgage Trustee written notice of a continuing *event of default*;
>
> the holders of 25% in aggregate principal amount of the outstanding first mortgage bonds have made written request to the First Mortgage Trustee to institute proceedings in respect of that *event of default* and have offered the First Mortgage Trustee reasonable indemnity against costs, expenses and liabilities incurred in complying with such request; and
>
> for 60 days after receipt of such notice, request and offer of indemnity, the First Mortgage Trustee has failed to institute any such proceeding and no direction inconsistent with such request has been given to the First Mortgage Trustee during such 60-day period by the holders of a majority in aggregate principal amount of outstanding first mortgage bonds.

Furthermore, no holder of first mortgage bonds will be entitled to institute any such action if and to the extent that such action would disturb or prejudice the rights of other holders of first mortgage bonds.

However, each holder of first mortgage bonds has an absolute and unconditional right to receive payment when due and to bring a suit to enforce that right.

Notice of Default. The First Mortgage Trustee is required to give the holders of the first mortgage bonds notice of any default under the First Mortgage Indenture to the extent required by the Trust Indenture Act, unless such default has been cured or waived; except that in the case of an *event of default* of the character specified in the third bullet point under "— Events of Default" (regarding a breach of certain covenants continuing for 90 days after the receipt of a written notice of default), no such notice shall be given to such holders until at least 60 days after the occurrence thereof. The Trust Indenture Act currently permits the First Mortgage Trustee to withhold notices of default (except for certain payment defaults) if the First Mortgage Trustee in good faith determines the withholding of such notice to be in the interests of the holders of the first mortgage bonds.

The Company will furnish the First Mortgage Trustee with an annual statement as to its compliance with the conditions and covenants in the First Mortgage Indenture.

Waiver of Default and of Compliance. The holders of a majority in aggregate principal amount of the outstanding first mortgage bonds may waive, on behalf of the holders of all outstanding first mortgage bonds, any past default under the First Mortgage Indenture, except a default in the payment of principal, premium or interest, or with respect to compliance with certain provisions of the First Mortgage Indenture that cannot be amended without the consent of the holder of each outstanding first mortgage bond affected.

Compliance with certain covenants in the First Mortgage Indenture or otherwise provided with respect to first mortgage bonds may be waived by the holders of a majority in aggregate principal amount of the affected first mortgage bonds, considered as one class.

Consolidation, Merger and Conveyance of Assets as an Entirety

Subject to the provisions described below, the Company has agreed to preserve its corporate existence.

The Company has agreed not to consolidate with or merge with or into any other entity or convey, transfer or lease the Mortgaged Property as or substantially as an entirety to any entity unless

> the entity formed by such consolidation or into which the Company merges, or the entity which acquires or which leases the Mortgaged Property substantially as an entirety, is an entity organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia; and
>
> > expressly assumes, by supplemental indenture, the due and punctual payment of the principal of, and premium and interest on, all the outstanding first mortgage bonds and the performance of all of the Company's covenants under the First Mortgage Indenture; and
> >
> > such entity confirms the lien of the First Mortgage Indenture on the Mortgaged Property; and
>
> in the case of a lease, such lease is made expressly subject to termination by (i) the Company or by the First Mortgage Trustee and (ii) the purchaser of the property so leased at any sale thereof, at any time during the continuance of an *event of default*; and
>
> immediately after giving effect to such transaction, no *event of default*, and no event which after notice or lapse of time or both would become an *event of default*, will have occurred and be continuing.

In the case of the conveyance or other transfer of the Mortgaged Property as or substantially as an entirety to any other person, upon the satisfaction of all the conditions described above the Company would be released and discharged from all obligations under the First Mortgage Indenture and on the first mortgage bonds then outstanding unless the Company elects to waive such release and discharge.

The First Mortgage Indenture does not prevent or restrict:

> any consolidation or merger after the consummation of which the Company would be the surviving or resulting entity; or
>
> any conveyance or other transfer, or lease, of any part of the Mortgaged Property which does not constitute the entirety or substantially the entirety thereof.

If following a conveyance or other transfer, or lease, of any part of the Mortgaged Property, the fair value of the Mortgaged Property retained by the Company exceeds an amount equal to three-halves (3/2) of the aggregate principal amount of all outstanding first mortgage bonds, then the part of the Mortgaged Property so conveyed, transferred or leased shall be deemed not to constitute the entirety or substantially the entirety of the Mortgaged Property. This *fair value* will be determined within 90 days of

the conveyance or transfer by an independent expert that the Company selects and that is approved by the First Mortgage Trustee.

Modification of First Mortgage Indenture

Without Holder Consent. Without the consent of any holders of first mortgage bonds, the Company and the First Mortgage Trustee may enter into one or more supplemental indentures for any of the following purposes:

to evidence the succession of another entity to the Company;

to add one or more covenants or other provisions for the benefit of the holders of all or any series or tranche of first mortgage bonds, or to surrender any right or power conferred upon the Company;

to correct or amplify the description of any property at any time subject to the lien of the First Mortgage Indenture; or to better assure, convey and confirm unto the First Mortgage Trustee any property subject or required to be subjected to the lien of the First Mortgage Indenture; or to subject to the lien of the First Mortgage Indenture additional property (including property of others), to specify any additional Permitted Liens with respect to such additional property and to modify the provisions in the First Mortgage Indenture for dispositions of certain types of property without release in order to specify any additional items with respect to such additional property;

to add any additional *events of default*, which may be stated to remain in effect only so long as the first mortgage bonds of any one more particular series remains outstanding;

to change or eliminate any provision of the First Mortgage Indenture or to add any new provision to the First Mortgage Indenture that does not adversely affect the interests of the holders in any material respect;

to establish the form or terms of any series or tranche of first mortgage bonds;

to provide for the issuance of bearer securities;

to evidence and provide for the acceptance of appointment of a successor First Mortgage Trustee or by a co-trustee or separate trustee;

to provide for the procedures required to permit the utilization of a noncertificated system of registration for any series or tranche of first mortgage bonds;

to change any place or places where

the Company may pay principal, premium and interest,

first mortgage bonds may be surrendered for transfer or exchange, and

notices and demands to or upon the Company may be served;

to amend and restate the First Mortgage Indenture as originally executed, and as amended from time to time, with such additions, deletions and other changes that do not adversely affect the interest of the holders in any material respect;

to cure any ambiguity, defect or inconsistency or to make any other changes that do not adversely affect the interests of the holders in any material respect; or

to increase or decrease the maximum principal amount of first mortgage bonds that may be outstanding at any time.

In addition, if the Trust Indenture Act is amended after the date of the First Mortgage Indenture so as to require changes to the First Mortgage Indenture or so as to permit changes to, or the elimination of, provisions which, at the date of the First Mortgage Indenture or at any time thereafter, were required by the Trust Indenture Act to be contained in the First Mortgage Indenture, the First Mortgage Indenture will be deemed to have been amended so as to conform to such amendment or to effect such changes or elimination, and the Company and the First Mortgage Trustee may, without the consent of any holders, enter into one or more supplemental indentures to effect or evidence such amendment.

With Holder Consent. Except as provided above, the consent of the holders of at least a majority in aggregate principal amount of the first mortgage bonds of all outstanding series, considered as one class, is generally required for the purpose of adding to, or changing or eliminating any of the provisions of, the First Mortgage Indenture pursuant to a supplemental indenture. However, if less than all of the series of outstanding first mortgage bonds are directly affected by a proposed supplemental indenture, then such proposal only requires the consent of the holders of a majority in aggregate principal amount of the outstanding first mortgage bonds of all directly affected series, considered as one class. Moreover, if the first mortgage bonds of any series have been issued in more than one tranche and if the proposed supplemental indenture directly affects the rights of the holders of first mortgage bonds of one or more, but less than all, of such tranches, then such proposal only requires the consent of the holders of a majority in aggregate principal amount of the outstanding first mortgage bonds of all directly affected tranches, considered as one class.

However, no amendment or modification may, without the consent of the holder of each outstanding first mortgage bond directly affected thereby:

change the stated maturity of the principal or interest on any first mortgage bond (other than pursuant to the terms thereof), or reduce the principal amount, interest or premium payable (or the method of calculating such rates)or change the currency in which any first mortgage bond is payable, or impair the right to bring suit to enforce any payment;

create any lien (not otherwise permitted by the First Mortgage Indenture) ranking prior to the lien of the First Mortgage Indenture with respect to all or substantially all of the Mortgaged Property, or terminate the lien of the First Mortgage Indenture on all or substantially all of the Mortgaged Property (other than in accordance with the terms of the First Mortgage Indenture), or deprive any holder of the benefits of the security of the lien of the First Mortgage Indenture;

reduce the percentages of holders whose consent is required for any supplemental indenture or waiver of compliance with any provision of the First Mortgage Indenture or of any default thereunder and its consequences, or reduce the requirements for quorum and voting under the First Mortgage Indenture; or

modify certain of the provisions of the First Mortgage Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to first mortgage bonds.

A supplemental indenture which changes, modifies or eliminates any provision of the First Mortgage Indenture expressly included solely for the benefit of holders of first mortgage bonds of one or more particular series or tranches will be deemed not to affect the rights under the First Mortgage Indenture of the holders of first mortgage bonds of any other series or tranche.

Satisfaction and Discharge

Any first mortgage bonds or any portion thereof will be deemed to have been paid and no longer outstanding for purposes of the First Mortgage Indenture and, at the Company's election, the Company's entire indebtedness with respect to those securities will be satisfied and discharged, if there shall have been irrevocably deposited with the First Mortgage Trustee or any Paying Agent (other than the Company), in trust:

money sufficient, or

in the case of a deposit made prior to the maturity of such first mortgage bonds, non-redeemable *eligible obligations* (as defined in the First Mortgage Indenture) sufficient, or

a combination of the items listed in the preceding two bullet points, which in total are sufficient,

to pay when due the principal of, and any premium, and interest due and to become due on such first mortgage bonds or portions of such first mortgage bonds on and prior to their maturity.

The Company's right to cause its entire indebtedness in respect of the first mortgage bonds of any series to be deemed to be satisfied and discharged as described above will be subject to the satisfaction of any conditions specified in the instrument creating such series.

The First Mortgage Indenture will be deemed satisfied and discharged when no first mortgage bonds remain outstanding and when the Company has paid all other sums payable by it under the First Mortgage Indenture.

All moneys the Company pays to the First Mortgage Trustee or any Paying Agent on First Mortgage Bonds that remain unclaimed at the end of two years after payments have become due may be paid to or upon the Company's order. Thereafter, the holder of such First Mortgage Bond may look only to the Company for payment.

Duties of the First Mortgage Trustee; Resignation and Removal of the First Mortgage Trustee; Deemed Resignation

The First Mortgage Trustee will have, and will be subject to, all the duties and responsibilities specified with respect to an indenture trustee under the Trust Indenture Act. Subject to these provisions, the First Mortgage Trustee will be under no obligation to exercise any of the powers vested in it by the First Mortgage Indenture at the request of any holder of first mortgage bonds, unless offered reasonable indemnity by such holder against the costs, expenses and liabilities which might be incurred thereby. The First Mortgage Trustee will not be required to expend or risk its own funds or otherwise incur financial

liability in the performance of its duties if the First Mortgage Trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it.

The First Mortgage Trustee may resign at any time by giving written notice to the Company.

The First Mortgage Trustee may also be removed by act of the holders of a majority in principal amount of the then outstanding first mortgage bonds.

No resignation or removal of the First Mortgage Trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the First Mortgage Indenture.

Under certain circumstances, the Company may appoint a successor trustee and if the successor accepts, the First Mortgage Trustee will be deemed to have resigned.

Evidence to be Furnished to the First Mortgage Trustee

Compliance with First Mortgage Indenture provisions is evidenced by written statements of the Company's officers or persons selected or paid by the Company. In certain cases, opinions of counsel and certifications of an engineer, accountant, appraiser or other expert (who in some cases must be independent) must be furnished. In addition, the First Mortgage Indenture requires the Company to give to the First Mortgage Trustee, not less than annually, a brief statement as to the Company's compliance with the conditions and covenants under the First Mortgage Indenture.

Miscellaneous Provisions

The First Mortgage Indenture provides that certain first mortgage bonds, including those for which payment or redemption money has been deposited or set aside in trust as described under "— Satisfaction and Discharge" above, will not be deemed to be "outstanding" in determining whether the holders of the requisite principal amount of the outstanding first mortgage bonds have given or taken any demand, direction, consent or other action under the First Mortgage Indenture as of any date, or are present at a meeting of holders for quorum purposes.

The Company will be entitled to set any day as a record date for the purpose of determining the holders of outstanding first mortgage bonds of any series entitled to give or take any demand, direction, consent or other action under the First Mortgage Indenture, in the manner and subject to the limitations provided in the First Mortgage Indenture. In certain circumstances, the First Mortgage Trustee also will be entitled to set a record date for action by holders. If such a record date is set for any action to be taken by holders of particular first mortgage bonds, such action may be taken only by persons who are holders of such first mortgage bonds on the record date.

Governing Law

The First Mortgage Indenture and the first mortgage bonds provide that they are to be governed by and construed in accordance with the laws of the State of New York except where the Trust Indenture Act is applicable or where otherwise required by law. The effectiveness of the lien of the First Mortgage Indenture, and the perfection and priority thereof, will be governed by Kentucky law.

Summary of the Indenture

The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the Indenture. This description is only a summary and does not purport to be complete and definitive. Reference is made to the Indenture for the detailed provisions thereof.

Security

Pursuant to the Indenture, the Issuer has assigned and pledged to the Trustee its interest in and to the Loan Agreement, including payments and other amounts due the Issuer thereunder, together with all moneys, property and securities from time to time held by the Trustee under the Indenture (with certain exceptions, including moneys held in or earnings on the Rebate Fund and the Purchase Fund). The Bonds have been further secured by the First Mortgage Bonds delivered to the Trustee (see "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds"). The First Mortgage Bonds will be registered in the name of the Trustee and will be nontransferable, except to effect a transfer to any successor trustee. The Bonds will not be directly secured by the Project (although the Project is subject to the lien of the First Mortgage Indenture).

No Pecuniary Liability of the Issuer

No provision, covenant or agreement contained in the Indenture or in the Loan Agreement, nor any breach thereof, shall give rise to any pecuniary liability of the Issuer or any charge upon its general credit or taxing powers. The Issuer has not obligated itself by making the covenants, agreements or provisions contained in the Indenture or in the Loan Agreement, except with respect to the Project and the application of the amounts assigned to payment of the principal of, premium, if any, and interest on the Bonds.

The Bond Fund

The payments to be made by the Company pursuant to the Loan Agreement to the Issuer and certain other amounts specified in the Indenture will be deposited into a Bond Fund established pursuant to the Indenture (the "Bond Fund") and will be maintained in trust by the Trustee. Moneys in the Bond Fund will be used for the payment of the principal of, premium, if any, and interest on the Bonds, for the redemption of Bonds prior to maturity and for the payment of the reasonable fees and expenses to which the Issuer, Trustee, Registrar and Paying Agent are entitled to under the Indenture or the Loan Agreement. Any moneys held in the Bond Fund will be invested by the Trustee at the specific written direction of the Company in certain Governmental Obligations, investment-grade corporate obligations and other investments permitted under the Indenture.

The Rebate Fund

A Rebate Fund has been created by the Indenture (the "Rebate Fund") and is maintained as a separate fund free and clear of the lien of the Indenture. The Issuer, the Trustee and the Company have agreed to comply with all rebate requirements of the Code and, in particular, the Company has agreed that if necessary, it will deposit in the Rebate Fund any such amount as is required under the Code. However, the Issuer, the Trustee and the Company may disregard the Rebate Fund provisions to the extent that they receive an opinion of Bond Counsel that such failure to comply will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

Discharge of Indenture

When all the Bonds and all fees and charges accrued and to accrue of the Trustee and the Paying Agent have been paid or provided for, and when proper notice has been given to the Bondholders or the Trustee that the proper amounts have been so paid or provided for, and if the Issuer is not in default in any other respect under the Indenture, the Indenture shall become null and void. The Bonds will be deemed to have been paid and discharged when there have been irrevocably deposited with the Trustee moneys sufficient to pay the principal, premium, if any, and accrued interest on such Bonds to the due date (whether such date be by reason of maturity or upon redemption) or, in lieu thereof, Governmental Obligations have been deposited which mature in such amounts and at such times as will provide the funds necessary to so pay such Bonds, and when all reasonable and necessary fees and expenses of the Trustee and the Paying Agent have been paid or provided for.

Notwithstanding anything to the contrary, if any Bonds are rated by a rating service, no such Bonds will be deemed to have been paid and discharged by reason of any deposit pursuant to the Indenture, unless each such rating service has confirmed in writing to the Trustee that its rating will not be withdrawn or lowered as a result of any such deposit.

Surrender of First Mortgage Bonds

Upon payment of any principal of, premium, if any, and interest on any of the Bonds which reduces the principal amount of Bonds outstanding, or upon provision for the payment thereof having been made in accordance with the Indenture, First Mortgage Bonds in a principal amount equal to the principal amount of the Bonds so paid, or for the payment of which such provision has been made, shall be surrendered by the Trustee to the First Mortgage Trustee. The First Mortgage Bonds so surrendered shall be deemed fully paid and the obligations of the Company thereunder terminated.

Defaults and Remedies

Each of the following events constitutes an "Event of Default" under the Indenture:

(1) failure to make payment of any installment of interest on any Bond within a period of five Business Days from the due date;

(2) failure to make punctual payment of the principal of, or premium, if any, on any Bond on the due date, whether at the stated maturity thereof, or upon proceedings for redemption, or upon the maturity thereof by declaration or if payment of the purchase price of any Bond required to be purchased pursuant to the Indenture is not made when such payment has become due and payable;

(3) failure of the Issuer to perform or observe any other of the covenants, agreements or conditions in the Indenture or in the Bonds which failure continues for a period of 30 days after written notice by the Trustee, provided, however, that if such failure is capable of being cured, but cannot be cured in such 30-day period, it will not constitute an event of default under the Indenture if corrective action in respect of such failure is instituted within such 30-day period and is being diligently pursued;

(4) the occurrence of an "event of default" under the Loan Agreement (see "Summary of the Loan Agreement — Events of Default"); or

(5) all first mortgage bonds outstanding under the First Mortgage Indenture, if not already due, shall have become due and payable, whether by declaration or otherwise, and such acceleration shall not have been rescinded by the First Mortgage Trustee.

Upon the occurrence of an Event of Default under clauses (1), (2), or (5) above, the Trustee must: (i) enforce each and every right granted to the Trustee as a holder of the First Mortgage Bonds (see "Summary of the First Mortgage Bonds and the First Mortgage Indenture"), (ii) declare the principal of all Bonds and interest accrued thereon to be immediately due and payable and (iii) declare all payments under the Loan Agreement to be immediately due and payable and enforce each and every other right granted to the Issuer under the Loan Agreement for the benefit of the Bondholders.

Interest on the Bonds will cease to accrue on the date of issuance of the declaration of acceleration of payment of principal and interest on the Bonds.

In exercising such rights, the Trustee shall take any action that, in the judgment of the Trustee, would best serve the interests of the registered owners. Upon the occurrence of an Event of Default under the Indenture, the Trustee may also proceed to pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then outstanding.

If an Event of Default under the Indenture shall occur and be continuing and the maturity date of the Bonds has been accelerated (to the extent the Bonds are not already due and payable) as a consequence of such event of default, the Trustee may, and upon the written request of the registered owners holding not less than 25% in principal amount of all Bonds then outstanding and upon receipt of indemnity satisfactory to it shall, exercise such rights as it shall possess under the First Mortgage Indenture as a holder of the First Mortgage Bonds and shall also issue a Redemption Demand for such First Mortgage Bonds to the First Mortgage Trustee.

If the Trustee recovers any moneys following an Event of Default, unless the principal of the Bonds shall have been declared due and payable, all such moneys shall be applied in the following order: (i) to the payment of the fees, expenses, liabilities and advances incurred or made by the Trustee and the Paying Agent, (ii) to the payment of all interest then due on the Bonds and (iii) to the payment of unpaid principal and premium, if any, of the Bonds. If the principal of the Bonds has become due or has been accelerated, such moneys shall be applied in the following order: (i) to the payment of the fees, expenses, liabilities and advances incurred or made by the Trustee and the Paying Agent and (ii) to the payment of principal of and interest then due and unpaid on the Bonds.

No Bondholder may institute any suit or proceeding in equity or at law for the enforcement of the Indenture unless an Event of Default has occurred of which the Trustee has been notified or is deemed to have notice, and registered owners holding not less than 25% in aggregate principal amount of Bonds then outstanding shall have made written request to the Trustee to proceed to exercise the powers granted under the Indenture or to institute such action in their own name and the Trustee shall fail or refuse to exercise its powers within a reasonable time after receipt of indemnity satisfactory to it.

Any judgment against the Issuer pursuant to the exercise of rights under the Indenture shall be enforceable only against specific assigned payments, funds and accounts under the Indenture in the hands of the Trustee. No deficiency judgment shall be authorized against the general credit of the Issuer.

No default under paragraph (3) above shall constitute an Event of Default until actual notice is given to the Issuer and the Company by the Trustee or to the Issuer, the Company and the Trustee by the registered owners holding not less than 25% in aggregate principal amount of all Bonds outstanding and the Issuer and the Company shall have had thirty days after such notice to correct the default and failed to

do so. If the default is such that it cannot be corrected within the applicable period but is capable of being cured, it will not constitute an Event of Default if corrective action is instituted within the applicable period.

Waiver of Events of Default

Except as provided below, the Trustee may in its discretion waive any Event of Default under the Indenture and shall do so upon the written request of the registered owners holding a majority in principal amount of all Bonds then outstanding. If, after the principal of all Bonds then outstanding shall have been declared to be due and payable and prior to any judgment or decree for the appointment of a receiver or for the payment of the moneys due shall have been entered, (i) the Company has caused to be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of and premium, if any, on any and all Bonds which shall have become due otherwise than by reason of such declaration and the expenses of the Trustee in connection with such default (with interest thereon as provided in the Indenture) and (ii) all Events of Default under the Indenture (other than nonpayment of the principal of Bonds due by said declaration) shall have been remedied, then such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled by the Trustee. Such waiver, rescission and annulment shall be binding upon all Bondholders. No such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Upon any waiver or rescission as described above or any discontinuance or abandonment of proceedings under the Indenture, the Trustee shall immediately rescind in writing any Redemption Demand of First Mortgage Bonds previously given to the First Mortgage Trustee. The rescission under the First Mortgage Indenture of a declaration that all first mortgage bonds outstanding under the First Mortgage Indenture are immediately due and payable shall also constitute a waiver of an Event of Default described in paragraph (5) under the subcaption "— Defaults and Remedies" above and a waiver and rescission of its consequences, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Notwithstanding the foregoing, nothing in the Indenture shall affect the right of a registered owner to enforce the payment of principal of, premium, if any, and interest on the Bonds after the maturity thereof.

Voting of First Mortgage Bonds Held by Trustee

The Trustee, as holder of the First Mortgage Bonds, shall attend any meeting of holders of first mortgage bonds outstanding under the First Mortgage Indenture as to which it receives due notice. The Trustee shall vote the First Mortgage Bonds held by it, or shall consent with respect thereto, proportionally in the way in which the Trustee reasonably believes will be the vote or consent of all other holders of first mortgage bonds outstanding under the First Mortgage Indenture then eligible to vote or consent.

Notwithstanding the foregoing, the Trustee may not vote the First Mortgage Bonds in favor of, or give consent to, any action which, in the Trustee's opinion, would materially adversely affect the First Mortgage Bonds in a manner not generally shared by all other series of first mortgage bonds, except upon notification by the Trustee to the registered owners of all Bonds then outstanding of such proposal and consent thereto of the registered owners of at least 66 2/3% in aggregate principal amount of all Bonds then outstanding.

Supplemental Indentures

The Issuer and the Trustee may enter into indentures supplemental to the Indenture without the consent of or notice to, the Bondholders in order (i) to cure any ambiguity or formal defect or omission in the Indenture, (ii) to grant to the Trustee, as may lawfully be granted, additional rights for the benefit of the Bondholders, (iii) to subject to the Indenture additional revenues, properties or collateral, (iv) to permit qualification of the Indenture under any federal statute or state blue sky law, (v) to add additional covenants and agreements of the Issuer for the protection of the Bondholders or to surrender or limit any rights reserved to the Issuer, (vi) to make any modification or change to the Indenture which, in the sole judgment of the Trustee, does not adversely affect the Trustee or any Bondholder, (vii) to make amendments to provisions relating to federal income tax matters under the Code or other relevant provisions if, in the opinion of Bond Counsel, those amendments would not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, (viii) to make any modifications or changes to the Indenture necessary to provide liquidity or credit support of any kind for the security of the Bonds (including without limitation any line of credit, letter of credit, guaranty agreement or insurance coverage), including any modifications of the Indenture or the Agreement necessary to upgrade or maintain the then applicable ratings on the Bonds; or (ix) to permit the issuance of the Bonds in other than book-entry-only form or to provide changes to or for the book-entry system.

Exclusive of supplemental indentures for the purposes set forth in the preceding paragraph, the consent of registered owners holding a majority in principal amount of all Bonds then outstanding is required to approve any supplemental indenture, except no such supplemental indenture shall permit, without the consent of all of the registered owners of the Bonds then outstanding, (i) an extension of the maturity of the principal of or the interest on any Bond issued under the Indenture or a reduction in the principal amount of any Bond or the rate of interest or time of redemption or redemption premium thereon, (ii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (iii) a reduction in the principal amount of the Bonds required for consent to such supplemental indenture or (iv) the deprivation of any registered owners of the lien of the Indenture.

If at any time the Issuer shall request the Trustee to enter into any supplemental indenture requiring the consent of the registered owners of the Bonds, the Trustee, upon being satisfactorily indemnified with respect to expenses, must notify all such registered owners. Such notice shall set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection. If, within sixty days (or such longer period as shall be prescribed by the Issuer or the Company) following the mailing of such notice, the registered owners holding the requisite amount of the Bonds outstanding shall have consented to the execution thereof, no Bondholder shall have any right to object or question the execution thereof.

No supplemental indenture shall become effective unless the Company consents to the execution and delivery of such supplemental indenture. The Company shall be deemed to have consented to the execution and delivery of any supplemental indenture if the Trustee does not receive a notice of protest or objection signed by the Company on or before 4:30 p.m., local time in the city in which the principal office of the Trustee is located, on the fifteenth day after the mailing to the Company of a notice of the proposed changes and a copy of the proposed supplemental indenture.

Enforceability of Remedies

The remedies available to the Trustee, the Issuer and the owners upon an event of default under the Loan Agreement, the Indenture or the First Mortgage Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Loan Agreement, the Indenture or the

First Mortgage Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by principles of equity, bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally.

Reoffering

Subject to the terms and conditions of the Remarketing and Bond Purchase Agreement dated August 15, 2019 (the "Remarketing Agreement"), between the Company and Morgan Stanley & Co. LLC, as Remarketing Agent, the Remarketing Agent has agreed to purchase and reoffer the Bonds delivered to the Paying Agent for purchase on September 3, 2019, at a price equal to 100% of the principal amount of the Bonds, plus accrued interest (if any), and in connection therewith will receive compensation in the amount of $45,150, plus reimbursement of certain expenses. Under the terms of the Remarketing Agreement, the Company has agreed to indemnify the Remarketing Agent against certain civil liabilities, including liabilities under federal securities laws.

The Remarketing Agent and its affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Remarketing Agent and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Company, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Remarketing Agent and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Company.

Morgan Stanley, the parent company of Morgan Stanley & Co. LLC, the Remarketing Agent of the Bonds, has entered into a retail brokerage joint venture. As part of the joint venture, Morgan Stanley & Co. LLC will distribute municipal securities to retail investors through the financial advisor network of a broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Morgan Stanley & Co. LLC will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Tax Treatment

On May 19, 2000, the date of original issuance and delivery of the Bonds, Harper, Ferguson & Davis ("Prior Bond Counsel") delivered its opinion stating that under then-existing law, including statutes, regulations, administrative rulings and official interpretations, subject to the qualifications and exceptions set forth below, interest on the Bonds would be excluded from the gross income of the recipients thereof for federal income tax purposes, except that no opinion was expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" of the Project or a "related person" as such terms are used in Section 147(a) of the Code. Interest on the Bonds will be an item of tax preference in determining alternative minimum taxable income under the Code. Prior Bond Counsel further opined that, subject to the assumptions stated in the preceding sentence, (i) interest on the Bonds would be excluded from gross income of the owners thereof for Kentucky income tax purposes and (ii) the Bonds would be exempt from all ad valorem taxes in

Kentucky. Such opinion has not been updated as of the date hereof and no continuing tax exemption opinion is expressed by Dinsmore & Shohl LLP ("Bond Counsel").

Bond Counsel will deliver an opinion in connection with this reoffering to the effect that the conversion of the interest rate mode to a Long Term Rate Period (i) is authorized or permitted by Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the "Act") and the Indenture and (ii) will not adversely affect the validity of the Bonds or any exclusion from gross income of interest on the Bonds for federal income tax purposes to which interest on the Bonds would otherwise be entitled.

The opinion of Prior Bond Counsel as to the excludability of interest from gross income for federal income tax purposes was based upon and assumed the accuracy of certain representations of facts and circumstances, including with respect to the Project, which were within the knowledge of the Company and compliance by the Company with certain covenants and undertakings set forth in the proceedings authorizing the Bonds which are intended to assure that the Bonds are and will remain obligations the interest on which is not includable in gross income of the recipients thereof under the law in effect on the date of such opinion. Prior Bond Counsel did not independently verify the accuracy of the certifications and representations made by the Company and the Issuer. On the date of the opinion and subsequent to the original delivery of the Bonds on May 19, 2000, such representations of facts and circumstances must be accurate and such covenants and undertakings must continue to be complied with in order that interest on the Bonds be and remain excludable from gross income of the recipients thereof for federal income tax purposes under existing law. Prior Bond Counsel expressed no opinion (i) regarding the exclusion of interest on any Bond from gross income for federal income tax purposes on or after the date on which any change, including any interest rate conversion, permitted by the documents other than with the approval of bond counsel is taken which adversely affects the tax treatment of the Bonds or (ii) as to the treatment for purposes of federal income taxation of interest on the Bonds upon a Determination of Taxability.

Prior Bond Counsel further opined that the Code prescribed a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which, including provisions for potential payments by the Issuer to the federal government, require future or continued compliance after issuance of the Bonds in order for the interest to be and to continue to be so excluded from the date of issuance. Noncompliance with certain of these requirements by the Company or the Issuer with respect to the Bonds could cause the interest on the Bonds to be included in gross income for federal income tax purposes and to be subject to federal income taxation retroactively to the date of their issuance. The Company and the Issuer each covenanted to take all actions required of each to assure that the interest on the Bonds shall be and remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

The opinion of Prior Bond Counsel as to the exclusion of interest on the Bonds from gross income for federal income tax purposes and federal tax treatment of interest on the Bonds was subject to the following exceptions and qualifications:

(a) The Code provides for a "branch profits tax" which subjects to tax, at a rate of 30%, the effectively connected earnings and profits of a foreign corporation which engages in a United States trade or business. Interest on the Bonds would be includable in the amount of effectively connected earnings and profits and thus would increase the branch profits tax liability.

(b) The Code also provides that passive investment income, including interest on the Bonds, may be subject to taxation for any S corporation with Subchapter C earnings and profits at the close of its taxable year if greater than 25% of its gross receipts is passive investment income.

Except as stated above, Prior Bond Counsel expressed no opinion as to any federal or Kentucky tax consequences resulting from the receipt of interest on the Bonds.

Owners of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences. For instance, the Code provides that property and casualty insurance companies will be required to reduce their loss reserve deductions by 15% of the tax-exempt interest received on certain obligations, such as the Bonds, acquired after August 7, 1986. (For purposes of the immediately preceding sentence, a portion of dividends paid to an affiliated insurance company may be treated as tax-exempt interest.) The Code further provides for the disallowance of any deduction for interest expenses incurred by banks and certain other financial institutions allocable to carrying certain tax-exempt obligations, such as the Bonds, acquired after August 7, 1986. The Code also provides that, with respect to taxpayers other than such financial institutions, such taxpayers will be unable to deduct any portion of the interest expenses incurred or continued to purchase or carry the Bonds. The Code also provides, with respect to individuals, that interest on tax-exempt obligations, including the Bonds, is included in modified adjusted gross income for purposes of determining the taxability of social security and railroad retirement benefits. Furthermore, the earned income tax credit is not allowed for individuals with an aggregate amount of disqualified income within the meaning of Section 32 of the Code, which exceeds $2,200. Interest on the Bonds will be taken into account in the calculation of disqualified income. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters and any other tax consequences of holding the Bonds.

From time to time, there are legislative proposals in Congress which, if enacted, could alter or amend one or more of the federal tax matters referred to above or could adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The opinion of Bond Counsel relating to the conversion of the interest rate mode to a Long Term Rate Period in substantially the form in which it is expected to be delivered on the Conversion Date, redated to the Conversion Date is attached as Appendix B-2.

Legal Matters

Certain legal matters in connection with the conversion of the interest rate mode to a Long Term Rate Period and reoffering of the Bonds will be passed upon by Dinsmore & Shohl LLP, Louisville, Kentucky, Bond Counsel. Certain legal matters pertaining to the Company will be passed upon by Jones Day, Chicago, Illinois, and John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary for the Company. Certain legal matters will be passed upon for the Remarketing Agent by its counsel, McGuireWoods LLP, Chicago, Illinois.

Continuing Disclosure

Because the Bonds are special and limited obligations of the Issuer, the Issuer is not an "obligated person" for purposes of Rule 15c2-12 (the "Rule") promulgated by the SEC under the Exchange Act, and does not have any continuing obligations thereunder. Accordingly, the Issuer will not provide any continuing disclosure information with respect to the Bonds or the Issuer.

In order to enable the Remarketing Agent to comply with the requirements of the Rule, the Company will covenant in an amended and restated continuing disclosure undertaking agreement to be delivered to the Trustee for the benefit of the holders of the Bonds (the "Continuing Disclosure Agreement") to provide certain continuing disclosure for the benefit of the holders of the Bonds. Under its Continuing Disclosure Agreement, the Company will covenant to take the following actions:

(i) The Company will provide to the Municipal Securities Rulemaking Board ("MSRB") (in electronic format) (a) annual financial information of the type set forth in Appendix A to this Reoffering Circular (including any information incorporated by reference in Appendix A) and (b) audited financial statements prepared in accordance with generally accepted accounting principles, in each case not later than 120 days after the end of the Company's fiscal year.

(ii) The Company will file in a timely manner not in excess of 10 business days after the occurrence of the event with the MSRB notice of the occurrence of any of the following events (if applicable) with respect to the Bonds: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) any unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancement facilities reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (g) modifications to rights of the holders of the Bonds, if material; (h) the giving of notice of optional or unscheduled redemption of any Bonds, if material, and tender offers; (i) defeasance of the Bonds or any portion thereof; (j) release, substitution, or sale of property securing repayment of the Bonds, if material; (k) rating changes; (l) bankruptcy, insolvency, receivership or similar event of the Company; (m) the consummation of a merger, consolidation or acquisition involving the Company, or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (n) appointment of a successor or additional trustee or a change of name of a trustee, if material; (o) incurrence by the Company of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Company, any of which affect security holders, if material; and (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Company, any of which reflect financial difficulties.

(iii) The Company will file in a timely manner with the MSRB notice of a failure by the Company to file any of the information referred to in paragraph (i) above by the due date.

A Financial Obligation, as referred to above, is defined as (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Company may amend its Continuing Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Company that does not change the duties of the Trustee thereunder) or waive any provision thereof, but only with a change in circumstances that arises from a change in legal requirements, change in law, or change in the nature or status of the Company with respect to the Bonds or the type of business conducted by the Company; provided that the undertaking, as amended or following such waiver, would have complied with the requirements of the Rule on the date of issuance of the Bonds, after taking into account any amendments to the Rule as well as any change in circumstances, and the amendment or waiver does not materially impair the interests of the holders of the Bonds to which such undertaking relates, in the opinion of the Trustee or counsel expert in federal securities laws acceptable to both the Company and the Trustee, or is approved by the Beneficial Owners of a majority in

aggregate principal amount of the outstanding Bonds. The Company acknowledges that its undertakings pursuant to the Rule described under this heading are intended to be for the benefit of the holders of the Bonds and shall be enforceable by the holders of those Bonds or by the Trustee on behalf of such holders. Any breach by the Company of these undertakings pursuant to the Rule will not constitute an event of default under the Indenture, the Loan Agreement or the Bonds.

The Company is a party to continuing disclosure agreements with respect to 5 series of pollution control bonds. The MSRB's Electronic Municipal Market Access website reflects that within the past five years the Company did not timely file certain information in connection with December 2014 and June 2016 downgrades of credit ratings for four series of Company pollution control bonds resulting from the downgrade of the bank providing the letters of credit supporting such bonds. Moody's Investors Service, Inc. downgraded the long-term rating of the four Company pollution control bonds on December 2, 2014. The Company was not aware of the downgrade until February 10, 2015 and filed the required disclosures on February 11, 2015. On May 23, 2016, S&P Global Ratings updated its methodology and assumptions for rating jointly supported financial obligations. As a result, S&P Global Ratings downgraded the long-term rating on the four Company pollution control bonds as of June 3, 2016. The Company was not aware of the downgrade until July 24, 2017 and filed the required disclosures on July 24, 2017. The Company has had, and continues to have, procedures in place in order to make material event notices and financial statement filings on an ongoing basis.

This Reoffering Circular has been duly approved, executed and delivered by the Company.

KENTUCKY UTILITIES COMPANY

By: /s/ Daniel K. Arbough
Daniel K. Arbough
Treasurer

Appendix A

Kentucky Utilities Company

Kentucky Utilities Company ("KU"), incorporated in Kentucky in 1912 and in Virginia in 1991, is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy in Kentucky and Virginia. As of December 31, 2018, KU provided electricity to approximately 527,000 customers in 77 counties in central, southeastern and western Kentucky, approximately 28,000 customers in five counties in southwestern Virginia. KU's service area covers approximately 4,800 non-contiguous square miles. KU's coal-fired electric generating stations produce most of KU's electricity. The remainder is generated by natural gas fueled combined cycle combustion turbines, a hydroelectric power plant, natural gas and oil fueled combustion turbines and a small solar facility. In Virginia, KU operates under the name Old Dominion Power Company. As of May 1, 2019, KU also sells wholesale electric energy to 2 municipalities.

KU is a wholly-owned subsidiary of LG&E and KU Energy LLC and an indirect wholly-owned subsidiary of PPL Corporation. KU's affiliate, Louisville Gas and Electric Company ("LG&E"), is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy and natural gas in Kentucky. KU's obligations under the Loan Agreement are solely its own, and not those of any of its affiliates. None of LG&E, PPL Corporation or KU's other affiliates will be obligated to make any payment on the Loan Agreement or the Bonds.

The information above concerning KU is only a summary and does not purport to be comprehensive. Additional information regarding KU, including audited financial statements, is available in the documents listed under the heading "Documents Incorporated by Reference," which documents are incorporated by reference herein.

Selected Financial Data
(Dollars in millions)

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating revenues	$ 856	$885	$ 1,760	$ 1,744	$ 1,749
Operating income	$ 232	$236	$ 468	$ 518	$ 531
Net income	$ 142	$148	$ 286	$ 259	$ 265
Total assets	$ 8,691	$8,353	$ 8,540	$ 8,254	$ 8,085
Long-termdebt obligations (including amounts due within one year)	$2,624	$2,329	$ 2,321	$ 2,328	$ 2,327

Capitalization:	June 30, 2019	% of Capitalization
Long-term debt and notes payable	$ 2,624	42.4%
Common equity	3,561	57.6%
Total capitalization	$ 6,185	100.0%

The selected financial data presented above for the three fiscal years ended December 31, 2018, and as of December 31 for each of those years, have been derived from the Company's audited financial statements. The selected financial data presented above for the six months ended June 30, 2019 and 2018 have been derived from the Company's unaudited financial statements for the six months ended June 30, 2019 and 2018. The Company's audited financial statements for the three fiscal years ended December 31, 2018, and as of December 31, 2017 and 2018, are included in the Company's Form 10-K for the year ended December 31, 2018 incorporated by reference herein. The Company's unaudited financial statements for the six months ended June 30, 2019 are included in the Company's Form 10-Q for the quarter ended June 30, 2019 incorporated by reference herein. "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-K for the year ended December 31, 2018 and "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-Q for the quarter ended June 30, 2019, as well as the Combined Notes to Financial Statements as of December 31, 2018, 2017 and 2016 and the Combined Notes to Condensed Financial Statements (Unaudited) as of June 30, 2019 and December 31, 2018 and for the six-month periods ended June 30, 2019 and 2018, should be read in conjunction with the above information. Deloitte & Touche LLP audited the Company's financial statements for the three fiscal years ended December 31, 2018.

Risk Factors

Investing in the Bonds involves risk. Please see the risk factors in KU's Annual Report on Form 10-K for the year ended December 31, 2018, which is incorporated by reference in this Appendix A.

Before making an investment decision, you should carefully consider these risks as well as the other information contained or incorporated by reference in this Appendix A. Risks and uncertainties not presently known to KU or that KU currently deems immaterial may also impair its business operations, its financial results and the value of the Bonds.

Available Information

KU is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and, accordingly, files reports and other information with the Securities and Exchange Commission (the "SEC"). Such reports and other information on file can be inspected and copied at the public reference facilities of the SEC, currently at 100 F Street, N.E., Room 1580, Washington, D.C. 20549; or from the SEC's Web Site (http://www.sec.gov). Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

Documents Incorporated by Reference

The following documents, as filed by KU with the SEC, are incorporated herein by reference:

1. Form 10-K Annual Report of KU for the year ended December 31, 2018;

2. Form 10-Q Quarterly Reports of KU for the quarters ended March 31, 2019 and June 30, 2019; and

3. Form 8-K Current Reports of KU filed with the SEC on March 1, 2019, March 8, 2019, March 19, 2019 and April 1, 2019.

All documents filed by KU with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this Reoffering Circular and prior to the termination of the offering of the Bonds shall be deemed to be incorporated by reference in this Appendix and to be made a part hereof from their respective dates of filing. Any statement contained in a document incorporated or deemed to be incorporated by reference in this Reoffering Circular shall be deemed to be modified or superseded for purposes of this Reoffering Circular to the extent that a statement contained in this Reoffering Circular or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Reoffering Circular modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Reoffering Circular.

KU hereby undertakes to provide without charge to each person (including any beneficial owner) to whom a copy of this Reoffering Circular has been delivered, on the written or oral request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Reoffering Circular by reference, other than certain exhibits to such documents. Requests for such copies should be directed to Treasurer, Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507, telephone: (859)255-2100.

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APPENDIX B

Opinion of Prior Bond Counsel and
Form of Conversion Opinion of Bond Counsel

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APPENDIX B-1

Opinion of Prior Bond Counsel dated May 19, 2000 relating to the 2000 Series A Bonds

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HARPER, FERGUSON & DAVIS
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(502) 582-3871
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COVINGTON OFFICE
(606) 491-0712
TELECOPIER (606) 491-0187

May 19, 2000

Re: $12,900,000 County of Mercer, Kentucky, Solid Waste Disposal Facility Revenue Bonds, 2000 Series A (Kentucky Utilities Company Project)

We hereby certify that we have examined certified copies of the proceedings of record of the County of Mercer, Kentucky (the "County"), acting by and through its Fiscal Court as its duly authorized governing body, preliminary to and in connection with the issuance by the County of its Solid Waste Disposal Facility Revenue Bonds, 2000 Series A (Kentucky Utilities Company Project), dated the date of the Bonds, in the aggregate principal amount of $12,900,000 (the "Bonds"). The Bonds will be issued under the provisions of Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the "Act"), for the purpose of providing funds which will be used, with other funds provided by Kentucky Utilities Company (the "Company") for the current refunding of $12,900,000 aggregate principal amount of the County's Collateralized Solid Waste Disposal Facility Revenue Bonds (Kentucky Utilities Company Project) 1990 Series A, dated May 1, 1990 (the "Prior Bonds"), the proceeds of which were loaned to the Company to finance the construction of solid waste disposal facilities to serve the Brown Generating Station of the Company in Mercer County, Kentucky ("the Project") in order to provide for the collection, storage, treatment, processing and final disposal of solid waste, as provided by the Act .

The Bonds bear interest initially at the Dutch Auction Rate, as defined in the Indenture, hereinafter described, subject to change as provided in such Indenture. The Bonds will be subject to optional and mandatory redemption prior to maturity at the times, in the manner and upon the terms set forth in each of the Bonds. From such examination of the proceedings of the Fiscal Court of the County referred to above and from an examination of the Act, we are of the opinion that the County is duly authorized and empowered to issue the Bonds under the laws of the Commonwealth of Kentucky now in force.

We have examined an executed counterpart of a certain Loan Agreement, dated as of May 1, 2000 (the "Loan Agreement"), between the County and the Company and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Loan Agreement, pursuant to which the County has agreed to issue the Bonds and to lend the proceeds thereof to the Company to provide funds to pay and discharge, with other funds provided by the Company, the Prior Bonds and the Company has agreed to make Loan payments to the Trustee at times and in amounts fully adequate to pay maturing principal of, interest

on and redemption premium, if any, on the Bonds as same become due and payable. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Loan Agreement; that the Loan Agreement has been duly authorized, executed and delivered by the County; and that the Loan Agreement is a legal, valid and binding obligation of the County, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

We have also examined an executed counterpart of a certain Indenture of Trust, dated as of May 1, 2000 (the "Indenture"), by and between the County and The Bank of New York, New York, New York, as trustee (the "Trustee"), securing the Bonds and setting forth the covenants and undertakings of the County in connection with the Bonds and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Indenture. Pursuant to the Indenture, certain of the County's rights under the Loan Agreement, including the right to receive payments thereunder, and all moneys and securities held by the Trustee in accordance with the Indenture (except moneys and securities in the Rebate Fund created thereby) have been assigned to the Trustee, as security for the holders of the Bonds. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Indenture; that the Indenture has been duly authorized, executed and delivered by the County; and that the Indenture is a legal, valid and binding obligation upon the parties thereto according to its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

In our opinion the Bonds have been validly authorized, executed and issued in accordance with the laws of the Commonwealth of Kentucky now in full force and effect, and constitute legal, valid and binding special obligations of the County entitled to the benefit of the security provided by the Indenture and enforceable in accordance with their terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought. The Bonds are payable by the County solely and only from payments and other amounts derived from the Loan Agreement and as provided in the Indenture.

In our opinion, under existing laws, including current statutes, regulations, administrative rulings and official interpretations by the Internal Revenue Service, subject to the exceptions and qualifications contained in the succeeding paragraph, interest on the Bonds is excluded from the gross income of the recipients thereof for federal income tax purposes, except that no opinion is expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" of the Project or a "related person," as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is an item of tax preference in determining alternative minimum taxable income for individuals and corporations under the Code. In arriving at this opinion, we have relied upon representations, factual statements and certifications of the Company with respect to certain material facts which are solely within the Company's knowledge in reaching our conclusion, inter alia, that all of the proceeds of the Prior Bonds were used to finance solid waste disposal facilities qualified for financing under Section 142(a)(6) of the Internal Revenue Code of 1986, as amended. Further, in arriving at the opinion set forth in this paragraph as to the exclusion from gross income of interest on the Bonds, we have assumed and this opinion is conditioned on, the payment and discharge of the Prior Bonds on or before the 90th day from the date of issuance of the Bonds, and the accuracy of and continuing compliance by the Company and the County with representations and covenants set forth in the Loan Agreement and the Indenture which are intended to assure compliance with certain tax-exempt interest provisions of the Code. Such representations and covenants must be accurate and must be complied with subsequent to the issuance of the Bonds in order that interest on the Bonds be excluded from gross income for federal income tax purposes. Failure to comply with certain of such representations and covenants in respect of the Bonds subsequent to the issuance of the Bonds could cause the interest thereon to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion (i) regarding the exclusion of interest on any Bond from gross income for federal income tax purposes on or after the date on which any change, including any interest rate conversion, permitted by the documents with the approval of bond counsel (other than this firm) is taken which adversely affects the tax treatment of the Bonds or (ii) as to the treatment for purposes of federal income taxation of interest on the 2000 Bonds upon a Determination of Taxability. We are further of the opinion that interest on the Bonds is excluded from gross income of the recipients thereof for Kentucky income tax purposes and that the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and all political subdivisions thereof.

Our opinion as to the exclusion of interest on the Bonds from gross income for federal income tax purposes and federal tax treatment of interest on the Bonds is subject to the following exceptions and qualifications:

(a) The Code provides for a "branch profits tax" which subjects to tax, at a rate of 30%, the effectively connected earnings and profits of a foreign corporation which engages in a United States trade or business. Interest on the Bonds would be includable in the amount of effectively connected earnings and profits and thus would increase the branch profits tax liability.

(b) The Code also provides that passive investment income, including interest on the Bonds, may be subject to taxation for any S corporation with Subchapter C earnings and profits at the close of its taxable year if greater than 25% of its gross receipts is passive investment income.

Except as stated above, we express no opinion as to any federal or Kentucky tax consequences resulting from the receipt of interest on the Bonds.

Holders of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences. For instance, the Code provides that, for taxable years beginning after December 31, 1986, property and casualty insurance companies will be required to reduce their loss reserve deductions by 15% of the tax-exempt interest received on certain obligations, such as the Bonds, acquired after August 7, 1986. (For purposes of the immediately preceding sentence, a portion of dividends paid to an affiliated insurance company may be treated as tax-exempt interest.) The Code further provides for the disallowance of any deduction for interest expenses incurred by banks and certain other financial institutions allocable to carrying certain tax-exempt obligations, such as the Bonds, acquired after August 7, 1986. The Code also provides that, with respect to taxpayers other than such financial institutions, such taxpayers will be unable to deduct any portion of the interest expenses incurred or continued to purchase or carry the Bonds. The Code also provides, with respect to individuals, that interest on tax-exempt obligations, including the Bonds, is included in modified adjusted gross income for purposes of determining the taxability of social security and railroad retirement benefits. Furthermore, the earned income credit is not allowed for individuals with an aggregate amount of disqualified income within the meaning of section 32 of the Code, which exceeds $2,200. Interest on the Bonds will be taken into account in the calculation of disqualified income.

We have received opinions of John R. McCall, Esq., General Counsel of the Company and Gardner, Carton & Douglas, Chicago, Illinois, counsel to the Company, of even date herewith. In rendering this opinion, we have relied upon said opinions with respect to the matters therein. We have also received an opinion of even date herewith of Hon. Douglas Greenburg, County Attorney of the County, and relied upon said opinion with respect to the matters therein. Said opinions are in forms satisfactory to us as to both scope and content.

We express no opinion as to the title to, the description of, or the existence or priority of any liens, charges or encumbrances on, the Project.

In rendering the foregoing opinions, we are passing upon only those matters specifically set forth in such opinions and are not passing upon the investment quality of the Bonds or the accuracy or completeness of any statements made in connection with any sale thereof. The opinions herein are expressed as of the date hereof and we assume no obligation to supplement or update such opinions to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We are members of the Bar of the Commonwealth of Kentucky and do not purport to be experts on the laws of any jurisdiction other than the Commonwealth of Kentucky and the United States of America, and we express no opinion as to the laws of any jurisdiction other than those specified.

HARPER, FERGUSON & DAVIS

By:
SPENCER E. HARPER, JR.

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APPENDIX B-2

Form of Conversion Opinion of Bond Counsel

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Dinsmore

September 3, 2019

County of Mercer, Kentucky
Harrodsburg, Kentucky 41008

The Bank of New York Mellon, as Trustee
East Syracuse, New York 13057

Re: Conversion of the Interest Rate Mode applicable to the $12,900,000 County of Mercer, Kentucky, Solid Waste Disposal Facility Revenue Bonds, 2000 Series A (Kentucky Utilities Company Project)

Ladies and Gentlemen:

This opinion is being furnished in accordance with the requirements of the Amended and Restated Indenture of Trust, dated as of September 1, 2008, as amended and supplemented pursuant to Supplemental Indenture No. 1 to Amended and Restated Indenture of Trust dated as of September 1, 2010 (collectively, the "**Indenture**"), between the County of Mercer, Kentucky (the "**Issuer**") and The Bank of New York Mellon, as Trustee, Bond Registrar, Paying Agent, and Tender Agent (the "**Trustee**"), pertaining to $12,900,000 principal amount of County of Mercer, Kentucky, Solid Waste Disposal Facility Revenue Bonds, 2000 Series A (Kentucky Utilities Company Project), dated May 19, 2000 (the "**2000 Series A Bonds**"), in order to satisfy certain requirements of Section 2.02(e)(i) of the Indenture. Pursuant to Section 2.02(e)(i) of the Indenture, the Company has elected to convert the Interest Rate Mode applicable to the 2000 Series A Bonds from a Weekly Rate to a Long Term Rate effective as of September 3, 2019. The Conversion to the Long Term Rate shall be effective for a Long Term Rate Period beginning on and including September 3, 2019 and ending May 1, 2023. The 2000 Series A Bonds mature on May 1, 2023. The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Indenture and related documents, and upon representations made to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, as of the date hereof, we are of the opinion that the Conversion of the Interest Rate Mode applicable to the 2000 Series A Bonds from a Weekly Rate to a Long Term Rate for a Long Term Rate Period commencing on and effective as of September 3, 2019 and ending May 1, 2023 as described herein (a) is authorized or permitted by the Act and is

authorized by the Indenture and (b) will not adversely affect the validity of the 2000 Series A Bonds or any exclusion from gross income of the interest on the 2000 Series A Bonds for federal income tax purposes to which interest on the 2000 Series A Bonds would otherwise be entitled. Interest on the 2000 Series A Bonds is not and will not be excluded from gross income during any period when the 2000 Series A Bonds are held by the Company or a "related person" of the Company as defined in Section 147(a) of the Internal Revenue Code of 1986, as amended.

In rendering this opinion, we assume, without verifying, that the Issuer and the Company have complied and will comply with all covenants contained in the Indenture, the Amended and Restated Loan Agreement between the Issuer and the Company, dated as of September 1, 2008, as amended and supplemented pursuant to Amendment No. 1 to Amended and Restated Loan Agreement dated as of September 1, 2010, and other documents relating to the 2000 Series A Bonds. Harper, Ferguson & Davis rendered its approving opinion at the time of the issuance of the 2000 Series A Bonds relating to, among other things, the validity of the 2000 Series A Bonds and the exclusion from federal income taxation of interest on the 2000 Series A Bonds. We have not been requested to update or continue such opinion and have not undertaken to do so. Accordingly, we do not express any opinion with respect to the 2000 Series A Bonds except as set forth above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We express no opinion herein as to the investment quality of the 2000 Series A Bonds or the adequacy, accuracy, or completeness of any information furnished to any person in connection with any offer or sale of the 2000 Series A Bonds.

Respectfully submitted,

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

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NOT A NEW ISSUE **BOOK-ENTRY-ONLY**

On August 25, 2016, the date on which the Bonds were originally issued, Stoll Keenon Ogden PLLC, as bond counsel, delivered its opinion that stated that, subject to the conditions and exceptions set forth under the heading "Tax Treatment," under then-current law, interest on the Bonds would be excludable from the gross income of the recipients thereof for federal income tax purposes, except that no opinion was expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" or a "related person" of the Project as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be an item of tax preference in determining alternative minimum taxable income under the Code. Such interest may be subject to certain federal income taxes imposed on certain corporations, including imposition of the branch profits tax on a portion of such interest. Stoll Keenon Ogden PLLC, as bond counsel, was further of the opinion that interest on the Bonds would be excludable from the gross income of the recipients thereof for Kentucky income tax purposes and that, under then-current law, the principal of the Bonds would be exempt from ad valorem taxes in Kentucky. Such opinions have not been updated as of the date hereof and no continuing tax exemption opinions are expressed by Dinsmore & Shohl LLP, as bond counsel. However, in connection with the expiration of the current Long Term Rate Period and the change to a new Long Term Rate Period, as more fully described in this Reoffering Circular, Dinsmore & Shohl LLP, as bond counsel, will deliver its opinion to the effect that such change (a) is authorized or permitted by the Act and the Indenture and (b) will not adversely affect the validity of the Bonds or any exclusion of the interest thereon from the gross income of the owners of the Bonds for federal income tax purposes. See the information under the caption "Tax Treatment" in this Reoffering Circular.

$96,000,000
COUNTY OF CARROLL, KENTUCKY
Pollution Control Revenue Refunding Bonds
2016 Series A
(Kentucky Utilities Company Project)

Due: September 1, 2042
Long Term Rate Period: 7 years
Mandatory Purchase Date: September 1, 2026
Interest Payment Dates: March 1 and September 1
Interest Rate: 1.55%

Date of Change of Long Term Rate Period: September 3, 2019

The County of Carroll, Kentucky, Pollution Control Revenue Refunding Bonds, 2016 Series A (Kentucky Utilities Company Project) (the "Bonds") are special and limited obligations of the County of Carroll, Kentucky (the "Issuer"), payable by the Issuer solely from and secured by payments to be received by the Issuer pursuant to a Loan Agreement with Kentucky Utilities Company (the "Company"), except as payable from proceeds of such Bonds or investment earnings thereon. The Bonds do not constitute general obligations of the Issuer or a charge against the general credit or taxing powers thereof or of the Commonwealth of Kentucky or any other political subdivision of Kentucky.

Principal of, and interest on, the Bonds are further secured by the delivery to U.S. Bank National Association, as Trustee, of First Mortgage Bonds of

KENTUCKY UTILITIES COMPANY

The Bonds were originally issued on August 25, 2016 and currently bear interest at a Long Term Rate. Pursuant to the Indenture under which the Bonds were issued, the Company has elected to exercise its option to change the existing Long Term Rate Period on the Bonds to a new Long Term Rate Period, effective as of September 3, 2019 (the "Change Date"). As a result of the expiration of the current Long Term Rate Period applicable to the Bonds, the Bonds are subject to mandatory purchase on the Change Date and are being reoffered hereby. BofA Securities, Inc., SunTrust Robinson Humphrey, Inc. and Wells Fargo Bank, National Association will serve as Initial Co-Remarketing Agents for purposes of this change of Long Term Rate Period and reoffering of the Bonds. Following this change of Long Term Rate Period and reoffering, BofA Securities, Inc. will serve as the sole Remarketing Agent for the Bonds.

The Bonds will accrue interest from the Change Date, payable on March 1 and September 1, commencing on March 1, 2020 to and including August 31, 2026, and will be subject to mandatory purchase following the initial Long Term Rate Period on September 1, 2026 (the "Mandatory Purchase Date"). Failure to pay the purchase price of the Bonds on the Mandatory Purchase Date will constitute an Event of Default under the Indenture (as defined herein). See the information contained under the caption "Summary of the Bonds — Mandatory Purchase of Bonds — Remarketing and Purchase of Bonds" below. The interest rate period, interest rate and interest rate mode will be subject to change under certain conditions, as described in this Reoffering Circular. Prior to the Mandatory Purchase Date, the Bonds will not be subject to optional redemption, but will be subject to extraordinary optional redemption and mandatory redemption prior to maturity, as described in this Reoffering Circular.

The Bonds are registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository. Purchases of beneficial ownership interests in the Bonds will be made in book-entry only form in denominations of $250,000 and multiples thereof. Purchasers will not receive certificates representing their beneficial interests in the Bonds. See the information contained under the heading "Summary of the Bonds — Book-Entry-Only System" in this Reoffering Circular. The principal or redemption price of and interest on the Bonds will be paid by U.S. Bank National Association, as Trustee, to Cede & Co., as long as Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to the purchasers of beneficial ownership interests is the responsibility of DTC's Direct and Indirect Participants, as more fully described herein.

PRICE: 100%

The Bonds are reoffered, subject to prior sale, withdrawal or modification of the offer without notice (provided, however, that any such notice of withdrawal must be given on the Business Day prior to the Change Date), and to the approval of legality by Dinsmore & Shohl LLP, Louisville, Kentucky, as Bond Counsel and upon satisfaction of certain conditions. Certain legal matters will be passed upon for the Company by its counsel, Jones Day, Chicago, Illinois and John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary of the Company, and for the Remarketing Agents by their counsel, McGuireWoods LLP, Chicago, Illinois. It is expected that the Bonds will be available for redelivery to DTC in New York, New York on or about September 3, 2019.

BofA Merrill Lynch **SunTrust Robinson Humphrey** **Wells Fargo Securities**

Dated: August 14, 2019

No dealer, broker, salesman or other person has been authorized by the Issuer, the Company or the Remarketing Agents to give any information or to make any representation with respect to the Bonds, other than those contained in this Reoffering Circular, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. The Remarketing Agents have provided the following sentence for inclusion in this Reoffering Circular. The Remarketing Agents have reviewed the information in this Reoffering Circular in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agents do not guarantee the accuracy or completeness of such information. The information and expressions of opinion in this Reoffering Circular are subject to change without notice and neither the delivery of this Reoffering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. The information set forth herein with respect to the Issuer has been obtained from the Issuer, and all other information has been obtained from the Company and from other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Remarketing Agents.

In connection with the reoffering of the Bonds, the Remarketing Agents may over-allot or effect transactions which stabilize or maintain the market prices of such Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE REOFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Table of Contents

Introductory Statement....1
Concurrent Offerings....3
The Issuer....3
The Project....3
Summary of the Bonds....4
Summary of the Loan Agreement....14
Summary of the First Mortgage Bonds and the First Mortgage Indenture....18
Summary of the Indenture....30
Enforceability of Remedies....35
Tax Treatment....35
Legal Matters....37
Reoffering....37
Continuing Disclosure....39

Appendix A – Kentucky Utilities Company....A-1
Appendix B – Opinion of Prior Bond Counsel and Form of Opinion of Bond Counsel....B-1

REOFFERING CIRCULAR

$96,000,000
County of Carroll, Kentucky
Pollution Control Revenue Refunding Bonds
2016 Series A
(Kentucky Utilities Company Project)

Introductory Statement

This Reoffering Circular, including the cover page and Appendices, is provided to furnish information in connection with the reoffering by the County of Carroll, Kentucky (the "Issuer") of its Pollution Control Revenue Refunding Bonds, 2016 Series A (Kentucky Utilities Company Project), in the aggregate principal amount of $96,000,000 (the "Bonds") to be issued pursuant to an Indenture of Trust dated as of August 1, 2016 (the "Indenture") between the Issuer and U.S. Bank National Association (the "Trustee"), as Trustee, Paying Agent and Bond Registrar.

Pursuant to a Loan Agreement by and between Kentucky Utilities Company (the "Company") and the Issuer, dated as of August 1, 2016 (the "Loan Agreement"), proceeds from the sale of the Bonds, were loaned by the Issuer to the Company.

The proceeds of the Bonds (other than any accrued interest) were applied in full, together with other moneys made available by the Company, to pay and discharge all of the $96,000,000 outstanding principal amount of County of Carroll, Kentucky, Pollution Control Revenue Bonds, 2002 Series C (Kentucky Utilities Company Project) (the "2002 Bonds"), previously issued by the Issuer to refinance certain pollution control facilities (the "Project") owned by the Company. For information regarding the pollution control facilities, see "The Project."

The Company will continue to repay the loan under the Loan Agreement by making payments to the Trustee in sufficient amounts to pay the principal or redemption price of and interest on the Bonds and the purchase price of the Bonds. See "Summary of the Loan Agreement — General." Pursuant to the Indenture, the Issuer's rights under the Loan Agreement (other than with respect to certain rights to indemnification, reimbursement, notice and payment of expenses) were assigned to the Trustee as security for the Bonds.

For the purpose of further securing the Bonds, the Company has issued and delivered to the Trustee a series of the Company's First Mortgage Bonds, Collateral Series 2016CCA (the "First Mortgage Bonds"). The principal amount, maturity date and interest rate (or method of determining interest rates) of such First Mortgage Bonds is identical to the principal amount, maturity date and interest rate (or method of determining interest rates) of the Bonds. The First Mortgage Bonds will only be payable, and interest thereon will only accrue, as described herein. See "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds" and "Summary of the First Mortgage Bonds and the First Mortgage Indenture." The First Mortgage Bonds will not provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase in accordance with the Indenture. The Bonds are not entitled to the benefits of any financial guaranty insurance policy or any other form of credit enhancement.

The First Mortgage Bonds have been issued under, and are secured by, the Company's Indenture, dated as of October 1, 2010, as previously supplemented and as supplemented by a supplemental indenture dated as of August 1, 2016 relating to the Bonds (the "First Mortgage Supplemental Indenture," and the Indenture, as so supplemented, the "First Mortgage Indenture"), between the Company and The Bank of New York Mellon, as trustee (the "First Mortgage Trustee").

The Company is a wholly-owned subsidiary of LG&E and KU Energy LLC and an indirect wholly-owned subsidiary of PPL Corporation. The Company's obligations under the Loan Agreement are solely its own, and not those of any of its affiliates. None of PPL Corporation or the Company's other affiliates will be obligated to make any payments due under the Loan Agreement or First Mortgage Bonds or any other payments of principal, interest, redemption price or purchase price of the Bonds.

Pursuant to the Indenture, the Company has elected to exercise its option to change the existing Long Term Rate Period for the Bonds to a new Long Term Rate Period commencing the date appearing on the cover of this Reoffering Circular. On the Mandatory Purchase Date of September 1, 2026, the Bonds may be subsequently converted to a new Interest Rate Mode or the Long Term Rate Period may be changed at its expiration to another Long Term Rate Period. **This Reoffering Circular pertains only to the Bonds during such period of time that they bear interest at the Long Term Rate established on the Change Date of September 3, 2019. In the event of a remarketing of the Bonds on or after the Mandatory Purchase Date, a supplement to this Reoffering Circular or a new reoffering circular will be prepared to describe the new terms and provisions then applicable to the Bonds.**

The Bonds are special and limited obligations of the Issuer, and the Issuer's obligation to pay the principal or redemption price of and interest on, and purchase price of, the Bonds is limited solely to the revenues and other amounts received by the Trustee under the Indenture pursuant to the Loan Agreement, including amounts payable on the First Mortgage Bonds. The Bonds do not constitute an indebtedness, general obligation or pledge of the faith and credit or taxing power of the Issuer, the Commonwealth of Kentucky or any political subdivision thereof.

BofA Securities, Inc., SunTrust Robinson Humphrey, Inc. and Wells Fargo Bank, National Association (each, a "Remarketing Agent" and collectively, the "Remarketing Agents") will serve as Initial Co-Remarketing Agents for purposes of this change in Long Term Rate Period and reoffering of the Bonds. Following this change in Long Term Rate Period and reoffering, BofA Securities, Inc. will serve as the sole Remarketing Agent. Any Remarketing Agent may resign or be removed and a successor Remarketing Agent may be appointed in accordance with the terms of the Indenture and the Remarketing Agreement for the Bonds between such Remarketing Agent and the Company.

Brief descriptions of the Company, the Issuer, the Bonds, the Loan Agreement, the Indenture, the First Mortgage Bonds and the First Mortgage Indenture are included in this Reoffering Circular. Such descriptions and information do not purport to be complete, comprehensive or definitive and are not to be construed as a representation or a guaranty of completeness. All references in this Reoffering Circular to the documents are qualified in their entirety by reference to such documents, and references in this Reoffering Circular to the Bonds are qualified in their entirety by reference to the definitive form of the Bonds included in the Indenture. Copies of the Loan Agreement and the Indenture will be available for inspection at the principal corporate trust office of the Trustee. The First Mortgage Indenture is available for inspection at the office of the Company in Lexington, Kentucky, and at the corporate trust office of the First Mortgage Trustee, in Pittsburgh, Pennsylvania. Certain information relating to The Depository Trust Company ("DTC") and the book-entry-only system has been furnished by DTC. All statements in this Reoffering Circular are qualified in their entirety by reference to each such document and, with respect to the enforceability of certain rights and remedies, to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights. Appendix A to this Reoffering Circular and all

information contained under the headings "The Project" and "Use of Proceeds" has been furnished by the Company. The Issuer, Bond Counsel and the Remarketing Agent assume no responsibility for the accuracy or completeness of such Appendix A or such information. The Remarketing Agents have reviewed the information in Appendix A to this Reoffering Circular in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agents do not guarantee the completeness of such Appendix A or such information. Appendix B to this Reoffering Circular contains the opinion of Bond Counsel to be delivered in connection with the original issuance and delivery of the Bonds and the proposed form of opinion to be delivered in connection with this reoffering.

Concurrent Offerings

The Company is concurrently engaged in separate reofferings for four other issues of tax-exempt environmental facilities revenue refunding bonds totaling, in the aggregate, $194,847,405 in principal amount, for which the Company is the primary obligor. Of these issues, $181,947,405 in principal amount were issued by the Issuer and $12,900,000 were issued by another issuer.

The Issuer

The Issuer is a public body corporate and politic duly created and existing as a county and political subdivision under the Constitution and laws of the Commonwealth of Kentucky. The Issuer is authorized by Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (collectively, the "Act") to (a) change the Long Term Rate Period and reoffer the Bonds and (b) continue to perform its obligations under the Loan Agreement and the Indenture. The Issuer, through its legislative body, the Fiscal Court, has adopted one or more ordinances authorizing the issuance of the Bonds and the execution and delivery of the related documents.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS PAYABLE SOLELY AND ONLY FROM CERTAIN SOURCES, INCLUDING AMOUNTS TO BE RECEIVED BY OR ON BEHALF OF THE ISSUER UNDER THE LOAN AGREEMENT, INCLUDING AMOUNTS PAYABLE ON THE FIRST MORTGAGE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, GENERAL OBLIGATION OR PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR ANY POLITICAL SUBDIVISION THEREOF, AND DO NOT GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

The Project

The Project has been completed and is the property of the Company, subject to the lien of the First Mortgage Indenture. The Project consists of certain air, solid waste and water pollution control facilities at the Company's Ghent Generating Station located in Carroll County, Kentucky (the "Generating Station").

The Department for Natural Resources and Environmental Protection of the Commonwealth of Kentucky (now the Energy and Environment Cabinet), the agency exercising jurisdiction with respect to the Project, has certified that the Project, as designed (which includes the facilities constituting the Project), is in furtherance of the purposes of abating and controlling atmospheric and water pollutants or contaminants, as applicable.

Summary of the Bonds

General

The Bonds will be reoffered in the aggregate principal amount set forth on the cover page of this Reoffering Circular and will mature on September 1, 2042. The Bonds are not subject to optional redemption prior to the Mandatory Purchase Date, but will be subject to extraordinary optional redemption, in whole or in part, and mandatory redemption prior to maturity as described in this Reoffering Circular.

The Bonds currently bear interest at a Long Term Rate to and including September 2, 2019. Pursuant to the terms and provisions of the Indenture summarized below, the Company has exercised its option, effective the Change Date, to change the existing Long Term Rate Period to a new Long Term Rate Period. The Bonds will bear interest at the Long Term Rate of 1.55% per annum from September 3, 2019 to and including August 31, 2026, and will be subject to mandatory purchase following the initial Long Term Rate Period on September 1, 2026 (the "Mandatory Purchase Date"). Interest on the Bonds will be paid on each March 1 and September 1, commencing March 1, 2020. The Bonds will continue to bear interest at the Long Term Rate until a Conversion to another Interest Rate Mode or until the maturity or redemption of the Bonds. Also, following the expiration of the new Long Term Rate Period, the Company may elect to change the Long Term Rate Period to a different Long Term Rate Period. The permitted Interest Rate Modes for the Bonds are (i) the Flexible Rate, (ii) the Daily Rate, (iii) the Weekly Rate, (iv) the Semi-Annual Rate, (v) the Annual Rate, (vi) the Long Term Rate, (vii) the LIBOR Index Rate and (viii) the SIFMA-Based Term Rate.

This Reoffering Circular only describes the terms and provisions applicable to the Bonds while accruing interest at the Long Term Rate established on the Change Date of September 3, 2019. In the event of a remarketing of the Bonds on or after the Mandatory Purchase Date, a supplement to this Reoffering Circular or a new reoffering circular will be prepared describing the new terms and provisions then applicable to such Bonds.

Interest on the Bonds will be computed on the basis of a 360-day year, consisting of twelve 30-day months. Interest payable on each March 1 and September 1 will be payable to the registered owner of the Bond as of the February 15 and August 15 preceding such March 1 and September 1.

The Bonds initially will be issued solely in book-entry-only form through DTC (or its nominee, Cede & Co.). So long as the Bonds are held in the book-entry-only system, DTC or its nominee will be the registered owner or holder of the Bonds for all purposes of the Indenture, the Bonds and this Reoffering Circular. See "— Book-Entry-Only System" below. Individual purchases of book-entry interests in the Bonds will be made in book-entry-only form in denominations of $250,000 and multiples thereof.

So long as the Bonds are held in book-entry-only form, the principal or redemption price of and interest on, and purchase price of, the Bonds will be payable by the Trustee, as paying agent (the "Paying Agent"), through the facilities of DTC (or a successor depository).

Bonds may be transferred or exchanged for an equal total amount of Bonds of other authorized denominations upon surrender of such Bonds at the designated office of the Trustee, as bond registrar (the "Bond Registrar"), accompanied by a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Bond Registrar duly executed by the registered owner or the owner's duly authorized attorney. Except as provided in the Indenture, the Bond Registrar will not be required to register the transfer or exchange of any Bond (i) during the fifteen days before any mailing of

a notice of redemption of Bonds, (ii) after such Bond has been called for redemption or (iii) which has been purchased (see "Mandatory Purchase of Bonds — Payment of Purchase Price" below). Registration of transfers and exchanges will be made without charge to the registered owners of Bonds, except that the Bond Registrar may require any registered owner requesting registration of transfer or exchange to pay any required tax or governmental charge.

Tender Agent

Owners will be required to tender their Bonds to the Tender Agent for purchase at the time and in the manner described in this Reoffering Circular under the caption "— Mandatory Purchase of Bonds." So long as the Bonds are held in DTC's book-entry-only system, the Trustee will act as Tender Agent under the Indenture. Any successor Tender Agent appointed pursuant to the Indenture will also be a Paying Agent.

Remarketing Agents

BofA Securities, Inc., SunTrust Robinson Humphrey, Inc. and Wells Fargo Bank, National Association will serve as Initial Co-Remarketing Agents for purposes of this conversion to the Long Term Rate Period and reoffering of the Bonds. Following this conversion to the Long Term Rate Period and reoffering, BofA Securities, Inc. will serve as sole Remarketing Agent. Any Remarketing Agent may resign or be removed and a successor Remarketing Agent may be appointed in accordance with the terms of the Indenture and the Remarketing Agreement for the Bonds between such Remarketing Agent and the Company.

Certain Definitions

As used herein, each of the following terms will have the meaning indicated. Certain capitalized terms used herein and not otherwise defined will have the meanings set forth in the Indenture.

"*Beneficial Owner*" means the person in whose name a Bond is recorded as such by the respective systems of DTC and each Participant (as defined herein) or the registered holder of such Bond if such Bond is not then registered in the name of Cede & Co.

"*Business Day*" means any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions in the city in which the designated office of the Trustee, the Bond Registrar, the Tender Agent, the Paying Agent, the Company or the Remarketing Agent is located are authorized by law or executive order to close or (ii) a day on which the New York Stock Exchange is closed.

"*Conversion*" means any conversion from time to time in accordance with the terms of the Indenture of the Bonds from one Interest Rate Mode to another Interest Rate Mode or the establishment of a new Long Term Rate Period.

" *Interest Rate Mode*" means the Flexible Rate, the Daily Rate, the Weekly Rate, the Semi-Annual Rate, the Annual Rate, the Long Term Rate, the LIBOR Index Rate and the SIFMA-Based Term Rate.

"*Long Term Rate Period*" means the period beginning on, and including, the date of issuance of the Bonds and ending on, the day preceding the last Interest Payment Date for such period and, thereafter, each successive period of the same duration until the day immediately preceding the earliest of the change to a different Long Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Bonds.

Mandatory Purchase of Bonds

General. The Bonds will be subject to mandatory purchase on the Mandatory Purchase Date at a purchase price equal to the principal amount thereof plus accrued and unpaid interest. Notice to owners of such mandatory purchase will be given by the Bond Registrar by first class mail at least 20 days prior the Mandatory Purchase Date. The notice of mandatory purchase will state those matters required to be set forth therein under the Indenture.

Remarketing and Purchase of Bonds. The Indenture provides that, subject to the terms of a Remarketing Agreement with the Company, unless otherwise instructed by the Company, the Remarketing Agent will use its commercially reasonable best efforts to remarket Bonds purchased on the Mandatory Purchase Date. Each such sale will be at a price equal to the principal amount thereof, plus interest accrued to the date of sale. The Remarketing Agent, the Trustee, the Paying Agent, the Bond Registrar or the Tender Agent each may purchase any Bonds offered for sale for its own account.

The purchase price of Bonds tendered for purchase will be paid by the Tender Agent from moneys derived from the remarketing of such Bonds by the Remarketing Agent and, if such remarketing proceeds are insufficient, from moneys made available by the Company.

The Company is obligated to purchase any Bonds tendered for purchase to the extent such Bonds have not been remarketed. Any such purchases by the Company will not result in the extinguishment of the purchased Bonds. The Company currently maintains lines of credit or other liquidity facilities in amounts determined by it to be sufficient to meet its current needs and expects to continue to maintain such lines of credit or other liquidity facilities from time to time to the extent determined by it to be necessary to meet its then-current needs. The Trustee, any Paying Agent, the Tender Agent and the owners of the Bonds have no right to draw under any line of credit or other liquidity facility maintained by the Company. There is no provision in the Indenture or the Loan Agreement requiring the Company to maintain such financing arrangements which may be discontinued at any time without notice. The First Mortgage Bonds are not intended to provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase pursuant to the Indenture.

Any deficiency in purchase price payments resulting from the Remarketing Agent's failure to deliver remarketing proceeds of all Bonds with respect to which the Remarketing Agent notified the Tender Agent were remarketed will not result in an Event of Default under the Indenture until the opening of business on the next succeeding Business Day unless the Company fails to provide sufficient funds to pay such purchase price by the opening of business on such next succeeding Business Day. If sufficient funds are not available for the purchase of all tendered Bonds, no purchase of Bonds will be consummated, but failure to consummate such purchase will not be deemed to be an Event of Default under the Indenture if sufficient funds have been provided in a timely manner by the Company to the Tender Agent for such purpose.

Payment of Purchase Price. Payment of the purchase price of any Bond will be payable on the Mandatory Purchase Date upon delivery of such Bond to the Tender Agent on such Mandatory Purchase Date; provided that such Bond must be delivered to the Tender Agent at or prior to 11:00 a.m. (New York City time). When a book-entry-only system is in effect, the requirement for physical delivery of the Bonds will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on the records of DTC to the participant account of the Tender Agent. If the Mandatory Purchase Date is not a Business Day, the purchase price will be payable on the next succeeding Business Day.

Any Bond delivered for payment of the purchase price must be accompanied by an instrument of transfer thereof in form satisfactory to the Tender Agent executed in blank by the registered owner thereof and with all signatures guaranteed. The Tender Agent may refuse to accept delivery of any Bond for which an instrument of transfer satisfactory to it has not been provided and has no obligation to pay the purchase price of such Bond until a satisfactory instrument is delivered.

If the registered owner of any Bond (or portion thereof) that is subject to purchase pursuant to the Indenture fails to deliver such Bond with an appropriate instrument of transfer to the Tender Agent for purchase on the Mandatory Purchase Date, and if the Tender Agent is in receipt of the purchase price therefor, such Bond (or portion thereof) nevertheless will be deemed purchased on the Mandatory Purchase Date. Any owner who so fails to deliver such Bond for purchase on (or before) the Mandatory Purchase Date will have no further rights thereunder, except the right to receive the purchase price thereof from those moneys deposited with the Tender Agent in the Purchase Fund pursuant to the Indenture upon presentation and surrender of such Bond to the Tender Agent properly endorsed for transfer in blank with all signatures guaranteed.

Redemptions

Optional Redemption. Except as described below under the subheadings "--- Extraordinary Optional Redemption in Whole" and "--- Extraordinary Optional Redemption in Whole or in Part," the Bonds are not subject to optional redemption prior to the Mandatory Purchase Date.

Extraordinary Optional Redemption in Whole. The Bonds may be redeemed by the Issuer in whole at any time at 100% of the principal amount thereof plus accrued interest to the redemption date upon the exercise by the Company of an option under the Loan Agreement to prepay the loan if any of the following events occur within 180 days preceding the giving of written notice by the Company to the Trustee of such election:

(i) if the Project or a portion thereof or other property of the Company in connection with which the Project is used has been damaged or destroyed to such an extent so as, in the judgment of the Company, to render the Project or other property of the Company in connection with which the Project is used unsatisfactory to the Company for its intended use, and such condition continues for a period of six months;

(ii) there has occurred condemnation of all or substantially all of the Project or the taking by eminent domain of such use or control of the Project or other property of the Company in connection with which the Project is used so as, in the judgment of the Company, to render the Project or such other property of the Company unsatisfactory to the Company for its intended use;

(iii) the Loan Agreement has become void or unenforceable or impossible of performance by reason of any changes in the Constitution of the Commonwealth of Kentucky or the Constitution of the United States of America or by reason of legislative or administrative action (whether state or federal) or any final decree, judgment or order of any court or administrative body, whether state or federal; or

(iv) a final order or decree of any court or administrative body after the issuance of the Bonds requires the Company to cease a substantial part of its operation at the Generating Station to such extent that the Company will be prevented from carrying on its normal operations at such Generating Station for a period of six months.

As a result of a Company Letter Agreement between the Issuer and the Company, dated as of August 25, 2016, and as to be extended pursuant to a notice dated as of August 28, 2019, the Company will agree that it will not, prior to the Mandatory Purchase Date, exercise the rights under the Loan Agreement it would otherwise have to redeem the Bonds under the following circumstances:

(i) if in the judgment of the Company, unreasonable burdens or excessive liabilities have been imposed upon the Company after the issuance of the Bonds with respect to the Project or the operation thereof, including without limitation federal, state or other ad valorem property, income or other taxes not imposed on the date of the Loan Agreement, other than ad valorem taxes levied upon privately owned property used for the same general purpose as the Project; or

(ii) in the event changes, which the Company cannot reasonably control, in the economic availability of materials, supplies, labor, equipment or other properties or things necessary for the efficient operation of the Generating Station have occurred, which, in the judgment of the Company, render the continued operation of the Generating Station or any generating unit at the Generating Station uneconomical; or changes in circumstances after the issuance of the Bonds, including but not limited to changes in clean air or water or other air and water pollution control requirements or solid waste disposal requirements, have occurred such that the Company determines that use of the Project is no longer required or desirable.

Extraordinary Optional Redemption in Whole or in Part. The Bonds are also subject to redemption in whole or in part at 100% of the principal amount thereof plus accrued interest to the redemption date at the option of the Company in an amount not to exceed the net proceeds received from insurance or any condemnation award received by the Issuer, the Company or the First Mortgage Trustee in the event of damage, destruction or condemnation of all or a portion of the Project, subject to compliance with the terms of the First Mortgage Indenture and receipt of an opinion of Bond Counsel that such redemption will not adversely affect the exclusion of interest on any of the Bonds from gross income for federal income tax purposes. See "Summary of the Loan Agreement — Maintenance; Damage, Destruction and Condemnation."

Mandatory Redemption; Determination of Taxability. The Bonds are required to be redeemed by the Issuer, in whole, or in such part as described below, at a redemption price equal to 100% of the principal amount thereof, without redemption premium, plus accrued interest, if any, to the redemption date, within 180 days following a "Determination of Taxability." As used herein, a "Determination of Taxability" means the receipt by the Trustee of written notice from a current or former registered owner of a Bond or from the Company or the Issuer of (i) the issuance of a published or private ruling or a technical advice memorandum by the Internal Revenue Service in which the Company participated or has been given the opportunity to participate, and which ruling or memorandum the Company, in its discretion, does not contest or from which no further right of administrative or judicial review or appeal exists, or (ii) a final determination from which no further right of appeal exists of any court of competent jurisdiction in the United States in a proceeding in which the Company has participated or has been a party, or has been given the opportunity to participate or be a party, in each case, to the effect that as a result of a failure by the Company to perform or observe any covenant or agreement or the inaccuracy of any representation contained in the Loan Agreement or any other agreement or certificate delivered in connection with the Bonds, the interest on the Bonds is included in the gross income of the owners thereof for federal income tax purposes, other than with respect to a person who is a "substantial user" or a "related person" of a substantial user of the Project within the meaning of Section 147 of the Internal Revenue Code of 1986, as amended (the "Code"); provided, however, that no such Determination of Taxability will be considered to exist as a result of the Trustee receiving notice from a current or former registered owner of a Bond or from the Issuer unless (i) the Issuer or the registered owner or former registered owner of the Bond involved in such proceeding or action (a) gives the Company and the

Trustee prompt notice of the commencement thereof, and (b) (if the Company agrees to pay all expenses in connection therewith) offers the Company the opportunity to control unconditionally the defense thereof, and (ii) either (a) the Company does not agree within 30 days of receipt of such offer to pay such expenses and liabilities and to control such defense, or (b) the Company will exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action which the Company determines to be appropriate. No Determination of Taxability described above will result from the inclusion of interest on any Bond in the computation of minimum or indirect taxes. All of the Bonds are required to be redeemed upon a Determination of Taxability as described above unless, in the opinion of Bond Counsel, redemption of a portion of such Bonds would have the result that interest payable on the remaining Bonds outstanding after the redemption would not be so included in any such gross income.

In the event any of the Issuer, the Company or the Trustee has been put on notice or becomes aware of the existence or pendency of any inquiry, audit or other proceedings relating to the Bonds being conducted by the Internal Revenue Service, the party so put on notice is required to give immediate written notice to the other parties of such matters. Promptly upon learning of the occurrence of a Determination of Taxability (whether or not the same is being contested), or any of the events described above, the Company is required to give notice thereof to the Trustee and the Issuer.

If the Internal Revenue Service or a court of competent jurisdiction determines that the interest paid or to be paid on any Bond (except to a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code) is or was includable in the gross income of the recipient for federal income tax purposes for reasons other than as a result of a failure by the Company to perform or observe any of its covenants, agreements or representations in the Loan Agreement or any other agreement or certificate delivered in connection therewith, the Bonds are not subject to redemption. In such circumstances, Bondholders would continue to hold their Bonds, receiving principal and interest at the applicable rate as and when due, but would be required to include such interest payments in gross income for federal income tax purposes. Also, if the lien of the Indenture is discharged or defeased prior to the occurrence of a final Determination of Taxability, Bonds will not be redeemed as described herein.

General Redemption Terms. Notice of redemption will be given by mailing a redemption notice conforming to the provisions and requirements of the Indenture by first class mail to the registered owners of the Bonds to be redeemed not less than 20 days prior to the redemption date.

Any notice mailed as provided in the Indenture will be conclusively presumed to have been given, irrespective of whether the owner receives the notice. Failure to give any such notice by mailing or any defect therein in respect of any Bond will not affect the validity of any proceedings for the redemption of any other Bond. No further interest will accrue on the principal of any Bond called for redemption after the redemption date if funds sufficient for such redemption have been deposited with the Paying Agent as of the redemption date. If the provisions for discharging the Indenture set forth below under the heading "Summary of the Indenture — Discharge of Indenture" have not been complied with, any redemption notice may state that it is conditional on there being sufficient moneys to pay the full redemption price for the Bonds to be redeemed and that if sufficient funds have not been received by the Trustee by the opening of business on the redemption date, such notice shall be of no effect. So long as the Bonds are held in book-entry-only form, all redemption notices will be sent only to Cede & Co.

Conversion of Interest Rate Modes

The Interest Rate Mode for the Bonds is subject to Conversion from time to time, including on the Mandatory Purchase Date following the end of the initial Long Term Rate Period, at the option of the Company in accordance with the terms of the Indenture, upon notice from the Bond Registrar to the registered owners of the Bonds. With any notice of Conversion, the Company must also deliver to the Bond Registrar an opinion of Bond Counsel stating that such Conversion is authorized or permitted by the Act and is authorized by the Indenture and will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Security

Payment of the principal or redemption price of and interest on the Bonds is secured by an assignment by the Issuer to the Trustee of the Issuer's interest in and to the Loan Agreement and all payments to be made pursuant thereto (other than certain indemnification and expense payments). Pursuant to the Loan Agreement, the Company has agreed to pay, among other things, amounts sufficient to pay the aggregate principal amount or redemption price of the Bonds, together with interest thereon as and when the same become due. The Company has further agreed to make payments of the purchase price of the Bonds tendered for purchase to the extent that funds are not otherwise available therefor under the provisions of the Indenture.

The payment of the principal or redemption price of and interest on the Bonds is further secured by the First Mortgage Bonds. The principal amount of the First Mortgage Bonds equals the principal amount of the Bonds. If the Bonds become immediately due and payable as a result of a default in payment of the principal or redemption price of or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement and upon receipt by the First Mortgage Trustee of a written demand from the Trustee for redemption of the First Mortgage Bonds ("Redemption Demand"), or if all first mortgage bonds outstanding under the First Mortgage Indenture shall have become immediately due and payable, such First Mortgage Bonds will begin to bear interest at the same interest rate or rates borne by the Bonds and the principal of such First Mortgage Bonds, together with interest accrued thereon from the last date or dates to which interest on the Bonds has been paid in full, will be payable in accordance with the Supplemental Indenture. See "Summary of the First Mortgage Bonds and the First Mortgage Indenture."

The First Mortgage Bonds are not intended to provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase in accordance with the Indenture. The Company is not required under the Loan Agreement or Indenture to provide any letter of credit or liquidity support for the Bonds. The First Mortgage Bonds are secured by a lien on certain property owned by the Company. In certain circumstances, the Company is permitted to reduce the aggregate principal amount of its First Mortgage Bonds held by the Trustee, but in no event to an amount lower than the aggregate outstanding principal amount of the Bonds.

Book-Entry-Only System

Portions of the following information concerning DTC and DTC's book-entry-only system have been obtained from DTC. The Issuer, the Company and the Remarketing Agents make no representation as to the accuracy of such information.

Initially, DTC will act as securities depository for the Bonds and the Bonds initially will be issued solely in book-entry-only form to be held under DTC's book-entry-only system, registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized

representative of DTC. One fully registered bond in the aggregate principal amount of the Bonds will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934 (the "Exchange Act"). DTC holds and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with Direct Participants, "Participants"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry only system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If fewer than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Company or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall effect delivery of purchased Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer, the Company, the Tender Agent and the Trustee, or the Issuer, at the request of the Company, may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository for the Bonds). Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be delivered as described in the Indenture (see "— Revision of Book-Entry-Only System; Replacement Bonds" below). The Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners. Under the Indenture, payments made by the Trustee to DTC or its nominee will satisfy the Issuer's obligations under the Indenture and the Company's obligations under the Loan Agreement and the First Mortgage Bonds, to the extent of the payments so made. Beneficial Owners will not be, and will not be considered by the Issuer or the Trustee to be, and will not have any rights as, owners of Bonds under the Indenture.

The Trustee and the Issuer, so long as a book-entry-only system is used for the Bonds, will send any notice of redemption or of proposed document amendments requiring consent of registered owners and any other notices required by the document (including notices of Conversion and mandatory purchase) to be sent to registered owners only to DTC (or any successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant, or of any Direct Participant or Indirect Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption, the document amendment, the Conversion, the mandatory purchase or any other action premised on that notice.

The Issuer, the Company, the Tender Agent, the Trustee and the Remarketing Agents cannot and do not give any assurances that DTC will distribute payments on the Bonds made to DTC or its nominee as the registered owner or any redemption or other notices, to the Participants, or that the Participants or others will distribute such payments or notices to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Reoffering Circular.

THE ISSUER, THE COMPANY, THE REMARKETING AGENTS AND THE TRUSTEE WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A REGISTERED OWNER WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT OF ANY AMOUNT DUE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION OR PURCHASE PRICE OF OR INTEREST ON THE BONDS; (3) THE DELIVERY OF ANY NOTICE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED TO BE GIVEN TO REGISTERED OWNERS UNDER THE TERMS OF THE INDENTURE; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER.

Revision of Book-Entry-Only System; Replacement Bonds

In the event that DTC determines not to continue as securities depository or is removed by the Issuer, at the direction of the Company, as securities depository, the Issuer, at the direction of the Company, may appoint a successor securities depository reasonably acceptable to the Trustee. If the Issuer does not or is unable to appoint a successor securities depository, the Issuer will issue and the Trustee will authenticate and deliver fully registered Bonds, in authorized denominations, to the assignees of DTC or their nominees.

In the event that the book-entry-only system is discontinued, the following provisions will apply. The Bonds may be issued in denominations of $250,000 and multiples thereof. Bonds may be transferred or exchanged for an equal total amount of Bonds of other authorized denominations upon surrender of such Bonds at the designated office of the Bond Registrar, accompanied by a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's duly authorized attorney. Except as provided in the Indenture, the Bond Registrar will not be required to register the transfer or exchange of any Bond during the fifteen days before any mailing of a notice of redemption, after such Bond has been called for redemption in whole or in part, or after such Bond has been tendered or deemed tendered for mandatory purchase as described under "— Mandatory Purchase of Bonds." Registration of transfers and exchanges will be made without charge to the owners of Bonds, except that the Bond Registrar may require any owner requesting registration of transfer or exchange to pay any required tax or governmental charge.

Summary of the Loan Agreement

The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the Loan Agreement. This description is only a summary and does not purport to be complete and definitive. Reference is made to the Loan Agreement for the detailed provisions thereof.

General

The term of the Loan Agreement initially commenced as of its date and will end on the earliest to occur of September 1, 2042 or the date on which all of the Bonds have been fully paid or provision has been made for such payment pursuant to the Indenture. See "Summary of the Indenture — Discharge of Indenture."

The Company has agreed to repay the loan pursuant to the Loan Agreement by making timely payments to the Trustee in sufficient amounts to pay the principal or redemption price of and interest required to be paid on the Bonds on each date upon which any such payments are due. The Company has also agreed to pay (i) the agreed upon fees and expenses of the Trustee, the Bond Registrar, the Tender Agent and the Paying Agent and all other amounts which may be payable to the Trustee, the Bond Registrar, the Paying Agent and the Tender Agent, as may be applicable, under the Indenture, (ii) the expenses in connection with any redemption of the Bonds and (iii) the reasonable expenses of the Issuer.

The Company covenants and agrees with the Issuer that it will cause the purchase of tendered Bonds that are not remarketed in accordance with the Indenture and, to that end, the Company will cause funds to be made available to the Tender Agent at the times and in the manner required to effect such purchases in accordance with the Indenture (see "Summary of the Bonds — Mandatory Purchase of Bonds — Remarketing and Purchase of Bonds").

All payments to be made by the Company to the Issuer pursuant to the Loan Agreement (except the fees and reasonable out-of-pocket expenses of the Issuer, the Trustee, the Paying Agent, the Bond Registrar and the Tender Agent, and amounts related to indemnification) have been assigned by the Issuer to the Trustee, and the Company will pay such amounts directly to the Trustee. The obligations of the Company to make the payments pursuant to the Loan Agreement are absolute and unconditional.

Maintenance of Tax Exemption

The Company and the Issuer have agreed not to take any action that would result in the interest paid on the Bonds being included in gross income of any Bondholder (other than a holder who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code) for federal income tax purposes or that adversely affects the validity of the Bonds.

Issuance and Delivery of First Mortgage Bonds

For the purpose of providing security for the Bonds, the Company executed and delivered to the Trustee the First Mortgage Bonds. The principal amount of the First Mortgage Bonds executed and delivered to the Trustee equals the aggregate principal amount of the Bonds. If the Bonds become immediately due and payable as a result of a default in payment of the principal or redemption price of or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement and upon receipt by the First Mortgage Trustee of a Redemption Demand, or if all first mortgage bonds outstanding under the First Mortgage Indenture shall have become immediately due and payable, such First Mortgage Bonds will then bear interest at the same interest rate

or rates borne by the Bonds and the principal of such First Mortgage Bonds, together with interest accrued thereon from the last date to which interest on the Bonds shall have been paid in full, will then be payable. See, however, "Summary of the Indenture — Waiver of Events of Default."

Upon payment of the principal or redemption price of and interest on any of the Bonds, and the surrender to and cancellation thereof by the Trustee, or upon provision for the payment thereof having been made in accordance with the Indenture, First Mortgage Bonds with corresponding principal amounts equal to the aggregate principal amount of the Bonds so surrendered and canceled or for the payment of which provision has been made, will be surrendered by the Trustee to the First Mortgage Trustee and will be canceled by the First Mortgage Trustee. The First Mortgage Bonds are registered in the name of the Trustee and will be non transferable, except to effect transfers to any successor trustee under the Indenture.

Payment of Taxes

The Company has agreed to pay certain taxes and other governmental charges that may be lawfully assessed, levied or charged against or with respect to the Project (see, however, subparagraph (i) under the heading "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole"). The Company may contest such taxes or other governmental charges unless the security provided by the Indenture would be materially endangered.

Maintenance; Damage, Destruction and Condemnation

So long as any Bonds are outstanding, the Company will maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept in good repair, working order and condition and will make or cause to be made all proper repairs, replacements and renewals necessary to continue to constitute the Project as air and water pollution control and abatement facilities and solid waste disposal facilities, as applicable, under Section 103(b)(4)(E) and (F) of the Internal Revenue Code of 1954, as amended. However, the Company will have no obligation to maintain, preserve, keep, repair, replace or renew any portion of the Project, the maintenance, preservation, keeping, repair, replacement or renewal of which becomes uneconomical to the Company because of certain events, including damage or destruction by a cause not within the Company's control, condemnation of the Project, change in government standards and regulations, economic or other obsolescence or termination of operation of generating facilities to the Project.

The Company, at its own expense, may remodel the Project or make substitutions, modifications and improvements to the Project as it deems desirable, which remodeling, substitutions, modifications and improvements are deemed, under the terms of the Loan Agreement to be a part of the Project. The Company may not, however, change or alter the basic nature of the Project or cause it to lose its status under Section 103(b)(4)(E) and (F) of the Internal Revenue Code of 1954, as amended.

If, prior to the payment of all Bonds outstanding, the Project or any portion thereof is destroyed, damaged or taken by the exercise of the power of eminent domain and the Issuer, the Company or the First Mortgage Trustee receives net proceeds from insurance or a condemnation award in connection therewith, the Company must, subject to the requirements of the First Mortgage Indenture, (i) cause such net proceeds to be used to repair or restore the Project or (ii) take any other action, including the redemption of the Bonds in whole or in part at their principal amount, which, by the opinion of Bond Counsel, will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. See "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole or in Part."

Project Insurance

The Company will insure the Project in accordance with the provisions of the First Mortgage Indenture.

Assignment, Merger and Release of Obligations of the Company

The Company may assign the Loan Agreement, pursuant to an opinion of Bond Counsel that such assignment will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, without obtaining the consent of either the Issuer or the Trustee. Such assignment, however, will not relieve the Company from primary liability for any of its obligations under the Loan Agreement and performance and observance of the other covenants and agreements to be performed by the Company. The Company may dispose of all or substantially all of its assets or consolidate with or merge into another entity, provided the acquirer of the Company's assets or the entity with which it will consolidate with or merge into is a corporation or other business organization organized and existing under the laws of the United States of America or one of the states of the United States of America or the District of Columbia, is qualified and admitted to do business in the Commonwealths of Kentucky and Virginia, assumes in writing all of the obligations and covenants of the Company under the Loan Agreement and delivers a copy of such assumption to the Issuer and the Trustee.

Release and Indemnification Covenant

The Company will indemnify and hold the Issuer harmless against any expense or liability incurred, including attorneys' fees, resulting from any loss or damage to property or any injury to or death of any person occurring on or about or resulting from any defect in the Project or from any action commenced in connection with the financing thereof.

Events of Default

Each of the following events constitutes an "Event of Default" under the Loan Agreement:

(i) failure by the Company to pay the amounts required for payment of the principal of, including purchase price for tendered Bonds and redemption and acceleration prices, and interest accrued, on the Bonds, at the times specified therein taking into account any periods of grace provided in the Indenture and the Bonds for the applicable payment of interest on the Bonds (see "Summary of the Indenture — Defaults and Remedies"), and such failure shall cause an event of default under the Indenture;

(ii) failure by the Company to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in paragraph (i) above, for a period of 30 days after written notice by the Issuer or Trustee, subject to extension by the Issuer and the Trustee, provided, however, that if such failure is capable of being corrected, but cannot be corrected in such 30-day period, the Issuer and the Trustee will not unreasonably withhold their consent to an extension of such time if corrective action with respect thereto is instituted within such period and is being diligently pursued;

(iii) certain events of bankruptcy, dissolution, liquidation, reorganization or insolvency of the Company;

(iv) the occurrence of an Event of Default under the Indenture; or

(v) all first mortgage bonds outstanding under the First Mortgage Indenture, if not already due, shall have become immediately due and payable, whether by declaration or otherwise, and such acceleration shall not have been rescinded by the First Mortgage Trustee.

Under the Loan Agreement, certain of the Company's obligations (other than the Company's obligations, among others, (i) not to permit any action which would result in interest paid on the Bonds being included in gross income for federal and Kentucky income taxes; (ii) to execute and deliver the First Mortgage Bonds to the Trustee on or before the date of issuance of the Bonds in an amount equal to the principal amount of the Bonds; (iii) to maintain its corporate existence and good standing, and to neither dispose of all or substantially all of its assets or consolidate with or merge into another entity unless certain provisions of the Loan Agreement are satisfied; and (iv) to make loan payments and certain other payments under the provisions of the Loan Agreement) may be suspended if by reason of force majeure (as defined in the Loan Agreement) the Company is unable to carry out such obligations.

Remedies

Upon the happening and continuance of an Event of Default under the Loan Agreement, the Trustee, on behalf of the Issuer, may, among other things, take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Company, under the Loan Agreement, including any remedies available in respect of the First Mortgage Bonds.

In the event of a default in payment of the principal or redemption price of or interest on the Bonds and the acceleration of the maturity date of the Bonds (to the extent not already due and payable) as a consequence of such Event of Default, the Trustee may demand redemption of the First Mortgage Bonds. See "Summary of the First Mortgage Bonds and the First Mortgage Indenture" and "Summary of the Indenture — Defaults and Remedies." Any amounts collected upon the happening of any such Event of Default must be applied in accordance with the Indenture or, if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the Indenture) and all other liabilities of the Company accrued under the Indenture and the Loan Agreement have been paid or satisfied, made available to the Company.

Options to Prepay; Obligation to Prepay

The Company may prepay the loan pursuant to the Loan Agreement, in whole or in part, on certain dates, at the prepayment prices as shown under the headings "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole" and "— Extraordinary Optional Redemption in Whole or in Part." Upon the occurrence of the event described under the heading "Summary of the Bonds — Redemptions — Mandatory Redemption; Determination of Taxability," the Company will be obligated to prepay the loan in an aggregate amount sufficient to redeem the required principal amount of the Bonds.

In each instance, the loan prepayment price must be a sum sufficient, together with other funds deposited with the Trustee and available for such purpose, to redeem the requisite amount of the Bonds at a price equal to 100% of the principal amount plus accrued interest to the redemption date, and to pay all reasonable and necessary fees and expenses of the Trustee, the Paying Agent, the Bond Registrar and the Tender Agent and all other liabilities of the Company under the Loan Agreement accrued to the redemption date.

Amendments and Modifications

No alteration, amendment, change, supplement or modification of the Loan Agreement is permissible without the written consent of the Trustee. The Issuer and the Trustee may, however, without the consent of or notice to any Bondholders, enter into any alteration, amendment, change, supplement or modification of the Loan Agreement (i) which may be required by the provisions of the Loan Agreement or the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) in connection with any modification or change necessary to conform the Loan Agreement with changes and modifications in the Indenture or (iv) in connection with any other change which, in the judgment of the Trustee, does not adversely affect the Trustee or the Bondholders. Except for such alterations, amendments, changes, supplements or modifications, the Loan Agreement may be altered, amended, changed, supplemented or modified only with the consent of the Bondholders holding a majority in principal amount of the Bonds then outstanding (see "Summary of the Indenture — Supplemental Indentures" for an explanation of the procedures necessary for Bondholder consent); provided, however, that the approval of the Bondholders holding 100% in principal amount of the Bonds then outstanding is necessary to effectuate an alteration, amendment, change, supplement or modification with respect to the Loan Agreement of the type described in clauses (i) through (iv) of the first sentence of the third paragraph of "Summary of the Indenture — Supplemental Indentures."

Summary of the First Mortgage Bonds and the First Mortgage Indenture

The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the First Mortgage Bonds and the First Mortgage Indenture. This description is only a summary and does not purport to be complete and definitive. Reference is made to the First Mortgage Indenture and to the form of the First Mortgage Bonds for the detailed provisions thereof.

General

The First Mortgage Bonds, in a principal amount equal to the principal amount of the Bonds, were issued as a new series of first mortgage bonds under the First Mortgage Indenture (see "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds"). The statements herein made (being for the most part summaries of certain provisions of the First Mortgage Indenture) are subject to the detailed provisions of the First Mortgage Indenture, which is incorporated herein by this reference. Words or phrases italicized are defined in the First Mortgage Indenture.

The First Mortgage Bonds will mature on the same date and bear interest at the same rate or rates as the Bonds; however, the principal of and interest on the First Mortgage Bonds will not be payable other than upon the occurrence of an event of default under the Loan Agreement. If the Bonds become immediately due and payable as a result of a default in payment of the principal or redemption price of or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement, and if all first mortgage bonds outstanding under the First Mortgage Indenture shall not have become immediately due and payable following an *event of default* under the First Mortgage Indenture, the Company will be obligated to redeem the First Mortgage Bonds upon receipt by the First Mortgage Trustee of a Redemption Demand from the Trustee for redemption, at a redemption price equal to the principal amount thereof plus accrued interest at the rates borne by the Bonds from the last date to which interest on the Bonds has been paid.

The First Mortgage Bonds at all times will be in fully registered form registered in the name of the Trustee, will be nonnegotiable, and will be nontransferable except to any successor trustee under the Indenture. Upon payment and cancellation of Bonds by the Trustee or the Paying Agent (other than any

Bond or portion thereof that was canceled by the Trustee or the Paying Agent and for which one or more Bonds were delivered and authenticated pursuant to the Indenture), whether at maturity, by redemption or otherwise, or upon provision for the payment of the Bonds having been made in accordance with the Indenture, an equal principal amount of First Mortgage Bonds will be deemed fully paid and the obligations of the Company thereunder will cease.

Security; Lien of the First Mortgage Indenture

General. Except as described below under this heading and under "— Issuance of Additional First Mortgage Bonds," and subject to the exceptions described under "— Satisfaction and Discharge," all first mortgage bonds issued under the First Mortgage Indenture, including the First Mortgage Bonds, will be secured, equally and ratably, by the lien of the First Mortgage Indenture, which constitutes, subject to permitted liens and exclusions as described below, a first mortgage lien on substantially all of the Company's real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity (other than property duly released from the lien of the First Mortgage Indenture in accordance with the provisions thereof and other than excepted property, as described below). Property that is subject to the lien of the First Mortgage Indenture is referred to below as "Mortgaged Property."

The Company may obtain the release of property from the lien of the First Mortgage Indenture from time to time, upon the bases provided for such release in the First Mortgage Indenture. See "— Release of Property."

The Company may enter into supplemental indentures with the First Mortgage Trustee, without the consent of the holders of the first mortgage bonds, in order to subject additional property (including property that would otherwise be excepted from such lien) to the lien of the First Mortgage Indenture. This property would constitute *property additions* and would be available as a basis for the issuance of additional first mortgage bonds. See "— Issuance of Additional First Mortgage Bonds."

The First Mortgage Indenture provides that after-acquired property (other than *excepted property*) will be subject to the lien of the First Mortgage Indenture. However, in the case of consolidation or merger (whether or not the Company is the surviving company) or transfer of the Mortgaged Property as or substantially as an entirety, the First Mortgage Indenture will not be required to be a lien upon any of the properties either owned or subsequently acquired by the successor company except properties acquired from the Company in or as a result of such transfer, as well as improvements, extensions and additions (as defined in the First Mortgage Indenture) to such properties and renewals, replacements and substitutions of or for any part or parts thereof. See "— Consolidation, Merger and Conveyance of Assets as an Entirety."

Excepted Property. The lien of the First Mortgage Indenture does not cover, among other things, the following types of property: property located outside of Kentucky and not specifically subjected or required to be subjected to the lien of the First Mortgage Indenture; property not used by the Company in its electric generation, transmission and distribution business; cash and securities not paid, deposited or held under the First Mortgage Indenture or required so to be; contracts, leases and other agreements of all kinds, contract rights, bills, notes and other instruments, revenues, accounts receivable, claims, demands and judgments; governmental and other licenses, permits, franchises, consents and allowances; intellectual property rights and other general intangibles; vehicles, movable equipment, aircraft and vessels; all goods, stock in trade, wares, merchandise and inventory held for the purpose of sale or lease in the ordinary course of business; materials, supplies, inventory and other personal property consumable in the operation of the Company's business; fuel; tools and equipment; furniture and furnishings; computers and data processing, telecommunications and other facilities used primarily for administrative

or clerical purposes or otherwise not used in connection with the operation or maintenance of electric generation, transmission and distribution facilities; coal, ore, gas, oil and other minerals and timber rights; electric energy and capacity, gas, steam, water and other products generated, produced, manufactured, purchased or otherwise acquired; real property and facilities used primarily for the production or gathering of natural gas; property which has been released from the lien of the First Mortgage Indenture; and leasehold interests. Property of the Company not covered by the lien of the First Mortgage Indenture is referred to herein as excepted property. Properties held by any of the Company's subsidiaries, as well as properties leased from others, would not be subject to the lien of the First Mortgage Indenture.

Permitted Liens. The lien of the First Mortgage Indenture is subject to permitted liens described in the First Mortgage Indenture. Such *permitted liens* include liens existing at the execution date of the First Mortgage Indenture, purchase money liens and other liens placed or otherwise existing on property acquired by the Company after the execution date of the First Mortgage Indenture at the time the Company acquires it, tax liens and other governmental charges which are not delinquent or which are being contested in good faith, mechanics', construction and materialmen's liens, certain judgment liens, easements, reservations and rights of others (including governmental entities) in, and defects of title to, the Company's property, certain leases and leasehold interests, liens to secure public obligations, rights of others to take minerals, timber, electric energy or capacity, gas, water, steam or other products produced by the Company or by others on the Company's property, rights and interests of persons other than the Company arising out of agreements relating to the common ownership or joint use of property, and liens on the interests of such persons in such property and liens which have been bonded or for which other security arrangements have been made.

The First Mortgage Indenture also provides that the First Mortgage Trustee will have a lien, prior to the lien on behalf of the holders of the first mortgage bonds, including the First Mortgage Bonds, upon the Mortgaged Property as security for the Company's payment of its reasonable compensation and expenses and for indemnity against certain liabilities. Any such lien would be a *permitted lien* under the First Mortgage Indenture.

Issuance of Additional First Mortgage Bonds

The maximum principal amount of first mortgage bonds that may be authenticated and delivered under the First Mortgage Indenture is subject to the issuance restrictions described below; provided, however, that the maximum principal amount of first mortgage bonds outstanding at any one time shall not exceed One Quintillion Dollars($1,000,000,0 00,000,000,000), which amount may be changed by supplemental indenture. As of June 30, 2019, first mortgage bonds in an aggregate principal amount of $2,641,852,405 were outstanding under the First Mortgage Indenture, of which $341,852,405 were issued to secure the Company's payment obligations with respect to its outstanding pollution control and environmental facilities revenue bonds, including the Bonds.

First mortgage bonds of any series may be issued from time to time on the basis of, and in an aggregate principal amount not exceeding:

> 66 2/3% of the *cost*or *fair value* to the Company (whichever is less) of *property additions* (as described below) which do not constitute *funded property*(generally, *property additions* which have been made the basis of the authentication and delivery of first mortgage bonds, the release of Mortgaged Property or the withdrawal of cash, which have been substituted for retired *funded property* or which have been used for other specified purposes) after certain deductions and additions, primarily including adjustments to offset property retirements;

the aggregate principal amount of *retired securities* (as described below); or

an amount of cash deposited with the First Mortgage Trustee.

Property additions generally include any property which is owned by the Company and is subject to the lien of the First Mortgage Indenture except (with certain exceptions) goodwill, going concern value rights or intangible property, or any property the acquisition or construction of which is properly chargeable to one of the Company's operating expense accounts in accordance with U.S. generally accepted accounting principles.

Retired securities means, generally, first mortgage bonds which are no longer outstanding under the First Mortgage Indenture, which have not been retired by the application of *funded cash* and which have not been used as the basis for the authentication and delivery of first mortgage bonds, the release of property or the withdrawal of cash.

At June 30, 2019, approximately $1.9 billion of *property additions* and $258.9 million of *retired securities* were available to be used as the basis for the authentication and delivery of first mortgage bonds.

Release of Property

Unless an *event of default* has occurred and is continuing, the Company may obtain the release from the lien of the First Mortgage Indenture of any Mortgaged Property, except for cash held by the First Mortgage Trustee, upon delivery to the First Mortgage Trustee of an amount in cash equal to the amount, if any, by which sixty-six and two-thirds percent (66-2/3%) of the cost of the property to be released (or, if less, the *fair value* to the Company of such property at the time it became *funded property*) exceeds the aggregate of:

an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by *purchase money* liens upon the property to be released and delivered to the First Mortgage Trustee;

an amount equal to 66 2/3% of the *cost*or *fair value* to the Company (whichever is less) of certified *property additions* not constituting *funded property* after certain deductions and additions, primarily including adjustments to offset property retirements (except that such adjustments need not be made if such *property additions* were acquired or made within the 90-day period preceding the release);

the aggregate principal amount of first mortgage bonds the Company would be entitled to issue on the basis of *retired securities* (with such entitlement being waived by operation of such release);

the aggregate principal amount of first mortgage bonds delivered to the First Mortgage Trustee (with such first mortgage bonds to be canceled by the First Mortgage Trustee);

any amount of cash and/or an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by *purchase money liens* upon the property released that is delivered to the trustee or other holder of a lien prior to the lien of the First Mortgage Indenture, subject to certain limitations described in the First Mortgage Indenture; and

any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released.

As used in the First Mortgage Indenture, the term *purchase money lien* means, generally, a lien on the property being released which is retained by the transferor of such property or granted to one or more other persons in connection with the transfer or release thereof, or granted to or held by a trustee or agent for any such persons, and may include liens which cover property in addition to the property being released and/or which secure indebtedness in addition to indebtedness to the transferor of such property.

Unless an *event of default* has occurred and is continuing, property which is not *funded property* may generally be released from the lien of the First Mortgage Indenture without depositing any cash or property with the First Mortgage Trustee as long as (a) the aggregate amount of *cost*or *fair value* to the Company (whichever is less) of all *property additions* which do not constitute *funded property*(excluding the property to be released) after certain deductions and additions, primarily including adjustments to offset property retirements, is not less than zero or (b) the *cost*or *fair value* (whichever is less) of property to be released does not exceed the aggregate amount of the *cost*or *fair value* to the Company (whichever is less) of *property additions* acquired or made within the 90-day period preceding the release.

The First Mortgage Indenture provides simplified procedures for the release of minor properties and property taken by eminent domain, and provides for dispositions of certain obsolete property and grants or surrender of certain rights without any release or consent by the First Mortgage Trustee.

If the Company retains any interest in any property released from the lien of the First Mortgage Indenture, the First Mortgage Indenture will not become a lien on such property or such interest therein or any improvements, extensions or additions to such property or renewals, replacements or substitutions of or for such property or any part or parts thereof.

Withdrawal of Cash

Unless an *event of default* has occurred and is continuing, and subject to certain limitations, cash held by the First Mortgage Trustee may, generally, (1) be withdrawn by the Company (a) to the extent of sixty-six and two-thirds percent (66-2/3%) of the cost or *fair value* to the Company (whichever is less) of *property additions* not constituting *funded property*, after certain deductions and additions, primarily including adjustments to offset retirements (except that such adjustments need not be made if such *property additions* were acquired or made within the 90-day period preceding the withdrawal) or (b) in an amount equal to the aggregate principal amount of first mortgage bonds that the Company would be entitled to issue on the basis of *retired securities* (with the entitlement to such issuance being waived by operation of such withdrawal) or (c) in an amount equal to the aggregate principal amount of any outstanding first mortgage bonds delivered to the First Mortgage Trustee; or (2) upon the Company's request, be applied to (a) the purchase of first mortgage bonds in a manner and at a price approved by the Company or (b) the payment (or provision for payment) at stated maturity of any first mortgage bonds or the redemption (or provision for payment) of any first mortgage bonds which are redeemable; provided, however, that cash deposited with the First Mortgage Trustee as the basis for the authentication and delivery of first mortgage bonds may, in addition, be withdrawn in an amount not exceeding the aggregate principal amount of cash delivered to the First Mortgage Trustee for such purpose.

Events of Default

An "*event of default*" occurs under the First Mortgage Indenture if

the Company does not pay any interest on any first mortgage bonds within 30 days of the due date;

the Company does not pay principal or premium, if any, on any first mortgage bonds on the due date;

the Company remains in breach of any other covenant (excluding covenants specifically dealt with elsewhere in this section) in respect of any first mortgage bonds for 90 days after the Company receives a written notice of default stating the Company is in breach and requiring remedy of the breach; the notice must be sent by either the First Mortgage Trustee or holders of 25% of the principal amount of outstanding first mortgage bonds; the First Mortgage Trustee or such holders can agree to extend the 90-day period and such an agreement to extend will be automatically deemed to occur if the Company initiates corrective action within such 90-day period and the Company is diligently pursuing such action to correct the default; or

the Company files for bankruptcy or certain other events in bankruptcy, insolvency, receivership or reorganization occur.

Remedies

Acceleration of Maturity. If an *event of default* occurs and is continuing, then either the First Mortgage Trustee or the holders of not less than 25% in principal amount of the outstanding first mortgage bonds may declare the principal amount of all of the first mortgage bonds to be due and payable immediately.

Rescission of Acceleration. After the declaration of acceleration has been made and before the First Mortgage Trustee has obtained a judgment or decree for payment of the money due, such declaration and its consequences will be rescinded and annulled, if

the Company pays or deposits with the First Mortgage Trustee a sum sufficient to pay:

all overdue interest;

the principal of and premium, if any, which have become due otherwise than by such declaration of acceleration and interest thereon;

interest on overdue interest to the extent lawful; and

all amounts due to the First Mortgage Trustee under the First Mortgage Indenture; and

all *events of default*, other than the nonpayment of the principal which has become due solely by such declaration of acceleration, have been cured or waived as provided in the First Mortgage Indenture.

For more information as to waiver of defaults, see "— Waiver of Default and of Compliance" below.

Appointment of Receiver and Other Remedies. Subject to the First Mortgage Indenture, under certain circumstances and to the extent permitted by law, if an *event of default* occurs and is continuing, the First Mortgage Trustee has the power to appoint a receiver of the Mortgaged Property, and is entitled to all other remedies available to mortgagees and secured parties under the Uniform Commercial Code or any other applicable law.

Control by Holders; Limitations. Subject to the First Mortgage Indenture, if an *event of default* occurs and is continuing, the holders of a majority in principal amount of the outstanding first mortgage bonds will have the right to

> direct the time, method and place of conducting any proceeding for any remedy available to the First Mortgage Trustee, or
>
> exercise any trust or power conferred on the First Mortgage Trustee.

The rights of holders to make direction are subject to the following limitations:

> the holders' directions may not conflict with any law or the First Mortgage Indenture; and
>
> the holders' directions may not involve the First Mortgage Trustee in personal liability where the First Mortgage Trustee believes indemnity is not adequate.

The First Mortgage Trustee may also take any other action it deems proper which is not inconsistent with the holders' direction.

In addition, the First Mortgage Indenture provides that no holder of any first mortgage bond will have any right to institute any proceeding, judicial or otherwise, with respect to the First Mortgage Indenture for the appointment of a receiver or for any other remedy thereunder unless

> that holder has previously given the First Mortgage Trustee written notice of a continuing *event of default*;
>
> the holders of 25% in aggregate principal amount of the outstanding first mortgage bonds have made written request to the First Mortgage Trustee to institute proceedings in respect of that *event of default* and have offered the First Mortgage Trustee reasonable indemnity against costs, expenses and liabilities incurred in complying with such request; and
>
> for 60 days after receipt of such notice, request and offer of indemnity, the First Mortgage Trustee has failed to institute any such proceeding and no direction inconsistent with such request has been given to the First Mortgage Trustee during such 60-day period by the holders of a majority in aggregate principal amount of outstanding first mortgage bonds.

Furthermore, no holder of first mortgage bonds will be entitled to institute any such action if and to the extent that such action would disturb or prejudice the rights of other holders of first mortgage bonds.

However, each holder of first mortgage bonds has an absolute and unconditional right to receive payment when due and to bring a suit to enforce that right.

Notice of Default. The First Mortgage Trustee is required to give the holders of the first mortgage bonds notice of any default under the First Mortgage Indenture to the extent required by the Trust Indenture Act, unless such default has been cured or waived; except that in the case of an *event of default* of the character specified in the third bullet point under "— Events of Default" (regarding a breach of certain covenants continuing for 90 days after the receipt of a written notice of default), no such notice shall be given to such holders until at least 60 days after the occurrence thereof. The Trust Indenture Act currently permits the First Mortgage Trustee to withhold notices of default (except for certain payment defaults) if the First Mortgage Trustee in good faith determines the withholding of such notice to be in the interests of the holders of the first mortgage bonds.

The Company will furnish the First Mortgage Trustee with an annual statement as to its compliance with the conditions and covenants in the First Mortgage Indenture.

Waiver of Default and of Compliance. The holders of a majority in aggregate principal amount of the outstanding first mortgage bonds may waive, on behalf of the holders of all outstanding first mortgage bonds, any past default under the First Mortgage Indenture, except a default in the payment of principal, premium or interest, or with respect to compliance with certain provisions of the First Mortgage Indenture that cannot be amended without the consent of the holder of each outstanding first mortgage bond affected.

Compliance with certain covenants in the First Mortgage Indenture or otherwise provided with respect to first mortgage bonds may be waived by the holders of a majority in aggregate principal amount of the affected first mortgage bonds, considered as one class.

Consolidation, Merger and Conveyance of Assets as an Entirety

Subject to the provisions described below, the Company has agreed to preserve its corporate existence.

The Company has agreed not to consolidate with or merge with or into any other entity or convey, transfer or lease the Mortgaged Property as or substantially as an entirety to any entity unless

> the entity formed by such consolidation or into which the Company merges, or the entity which acquires or which leases the Mortgaged Property substantially as an entirety, is an entity organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia; and
>
> > expressly assumes, by supplemental indenture, the due and punctual payment of the principal of, and premium and interest on, all the outstanding first mortgage bonds and the performance of all of the Company's covenants under the First Mortgage Indenture; and
> >
> > such entity confirms the lien of the First Mortgage Indenture on the Mortgaged Property; and
>
> in the case of a lease, such lease is made expressly subject to termination by (i) the Company or by the First Mortgage Trustee and (ii) the purchaser of the property so leased at any sale thereof, at any time during the continuance of an *event of default*; and

immediately after giving effect to such transaction, no *event of default*, and no event which after notice or lapse of time or both would become an *event of default*, will have occurred and be continuing.

In the case of the conveyance or other transfer of the Mortgaged Property as or substantially as an entirety to any other person, upon the satisfaction of all the conditions described above the Company would be released and discharged from all obligations under the First Mortgage Indenture and on the first mortgage bonds then outstanding unless the Company elects to waive such release and discharge.

The First Mortgage Indenture does not prevent or restrict:

any consolidation or merger after the consummation of which the Company would be the surviving or resulting entity; or

any conveyance or other transfer, or lease, of any part of the Mortgaged Property which does not constitute the entirety or substantially the entirety thereof.

If following a conveyance or other transfer, or lease, of any part of the Mortgaged Property, the fair value of the Mortgaged Property retained by the Company exceeds an amount equal to three-halves (3/2) of the aggregate principal amount of all outstanding first mortgage bonds, then the part of the Mortgaged Property so conveyed, transferred or leased shall be deemed not to constitute the entirety or substantially the entirety of the Mortgaged Property. This *fair value* will be determined within 90 days of the conveyance or transfer by an independent expert that the Company selects and that is approved by the First Mortgage Trustee.

Modification of First Mortgage Indenture

Without Holder Consent. Without the consent of any holders of first mortgage bonds, the Company and the First Mortgage Trustee may enter into one or more supplemental indentures for any of the following purposes:

to evidence the succession of another entity to the Company;

to add one or more covenants or other provisions for the benefit of the holders of all or any series or tranche of first mortgage bonds, or to surrender any right or power conferred upon the Company;

to correct or amplify the description of any property at any time subject to the lien of the First Mortgage Indenture; or to better assure, convey and confirm unto the First Mortgage Trustee any property subject or required to be subjected to the lien of the First Mortgage Indenture; or to subject to the lien of the First Mortgage Indenture additional property (including property of others), to specify any additional Permitted Liens with respect to such additional property and to modify the provisions in the First Mortgage Indenture for dispositions of certain types of property without release in order to specify any additional items with respect to such additional property;

to add any additional *events of default*, which may be stated to remain in effect only so long as the first mortgage bonds of any one more particular series remains outstanding;

to change or eliminate any provision of the First Mortgage Indenture or to add any new provision to the First Mortgage Indenture that does not adversely affect the interests of the holders in any material respect;

to establish the form or terms of any series or tranche of first mortgage bonds;

to provide for the issuance of bearer securities;

to evidence and provide for the acceptance of appointment of a successor First Mortgage Trustee or by a co-trustee or separate trustee;

to provide for the procedures required to permit the utilization of a noncertificated system of registration for any series or tranche of first mortgage bonds;

to change any place or places where

the Company may pay principal, premium and interest,

first mortgage bonds may be surrendered for transfer or exchange, and

notices and demands to or upon the Company may be served;

to amend and restate the First Mortgage Indenture as originally executed, and as amended from time to time, with such additions, deletions and other changes that do not adversely affect the interest of the holders in any material respect;

to cure any ambiguity, defect or inconsistency or to make any other changes that do not adversely affect the interests of the holders in any material respect; or

to increase or decrease the maximum principal amount of first mortgage bonds that may be outstanding at any time.

In addition, if the Trust Indenture Act is amended after the date of the First Mortgage Indenture so as to require changes to the First Mortgage Indenture or so as to permit changes to, or the elimination of, provisions which, at the date of the First Mortgage Indenture or at any time thereafter, were required by the Trust Indenture Act to be contained in the First Mortgage Indenture, the First Mortgage Indenture will be deemed to have been amended so as to conform to such amendment or to effect such changes or elimination, and the Company and the First Mortgage Trustee may, without the consent of any holders, enter into one or more supplemental indentures to effect or evidence such amendment.

With Holder Consent. Except as provided above, the consent of the holders of at least a majority in aggregate principal amount of the first mortgage bonds of all outstanding series, considered as one class, is generally required for the purpose of adding to, or changing or eliminating any of the provisions of, the First Mortgage Indenture pursuant to a supplemental indenture. However, if less than all of the series of outstanding first mortgage bonds are directly affected by a proposed supplemental indenture, then such proposal only requires the consent of the holders of a majority in aggregate principal amount of the outstanding first mortgage bonds of all directly affected series, considered as one class. Moreover, if the first mortgage bonds of any series have been issued in more than one tranche and if the proposed supplemental indenture directly affects the rights of the holders of first mortgage bonds of one or more, but less than all, of such tranches, then such proposal only requires the consent of the holders of a

majority in aggregate principal amount of the outstanding first mortgage bonds of all directly affected tranches, considered as one class.

However, no amendment or modification may, without the consent of the holder of each outstanding first mortgage bond directly affected thereby:

- change the stated maturity of the principal or interest on any first mortgage bond (other than pursuant to the terms thereof), or reduce the principal amount, interest or premium payable (or the method of calculating such rates)or change the currency in which any first mortgage bond is payable, or impair the right to bring suit to enforce any payment;

- create any lien (not otherwise permitted by the First Mortgage Indenture) ranking prior to the lien of the First Mortgage Indenture with respect to all or substantially all of the Mortgaged Property, or terminate the lien of the First Mortgage Indenture on all or substantially all of the Mortgaged Property (other than in accordance with the terms of the First Mortgage Indenture), or deprive any holder of the benefits of the security of the lien of the First Mortgage Indenture;

- reduce the percentages of holders whose consent is required for any supplemental indenture or waiver of compliance with any provision of the First Mortgage Indenture or of any default thereunder and its consequences, or reduce the requirements for quorum and voting under the First Mortgage Indenture; or

- modify certain of the provisions of the First Mortgage Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to first mortgage bonds.

A supplemental indenture which changes, modifies or eliminates any provision of the First Mortgage Indenture expressly included solely for the benefit of holders of first mortgage bonds of one or more particular series or tranches will be deemed not to affect the rights under the First Mortgage Indenture of the holders of first mortgage bonds of any other series or tranche.

Satisfaction and Discharge

Any first mortgage bonds or any portion thereof will be deemed to have been paid and no longer outstanding for purposes of the First Mortgage Indenture and, at the Company's election, the Company's entire indebtedness with respect to those securities will be satisfied and discharged, if there shall have been irrevocably deposited with the First Mortgage Trustee or any Paying Agent (other than the Company), in trust:

- money sufficient, or

- in the case of a deposit made prior to the maturity of such first mortgage bonds, non-redeemable *eligible obligations* (as defined in the First Mortgage Indenture) sufficient, or

- a combination of the items listed in the preceding two bullet points, which in total are sufficient,

to pay when due the principal of, and any premium, and interest due and to become due on such first mortgage bonds or portions of such first mortgage bonds on and prior to their maturity.

The Company's right to cause its entire indebtedness in respect of the first mortgage bonds of any series to be deemed to be satisfied and discharged as described above will be subject to the satisfaction of any conditions specified in the instrument creating such series.

The First Mortgage Indenture will be deemed satisfied and discharged when no first mortgage bonds remain outstanding and when the Company has paid all other sums payable by it under the First Mortgage Indenture.

All moneys the Company pays to the First Mortgage Trustee or any Paying Agent on First Mortgage Bonds that remain unclaimed at the end of two years after payments have become due may be paid to or upon the Company's order. Thereafter, the holder of such First Mortgage Bond may look only to the Company for payment.

Duties of the First Mortgage Trustee; Resignation and Removal of the First Mortgage Trustee; Deemed Resignation

The First Mortgage Trustee will have, and will be subject to, all the duties and responsibilities specified with respect to an indenture trustee under the Trust Indenture Act. Subject to these provisions, the First Mortgage Trustee will be under no obligation to exercise any of the powers vested in it by the First Mortgage Indenture at the request of any holder of first mortgage bonds, unless offered reasonable indemnity by such holder against the costs, expenses and liabilities which might be incurred thereby. The First Mortgage Trustee will not be required to expend or risk its own funds or otherwise incur financial liability in the performance of its duties if the First Mortgage Trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it.

The First Mortgage Trustee may resign at any time by giving written notice to the Company.

The First Mortgage Trustee may also be removed by act of the holders of a majority in principal amount of the then outstanding first mortgage bonds.

No resignation or removal of the First Mortgage Trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the First Mortgage Indenture.

Under certain circumstances, the Company may appoint a successor trustee and if the successor accepts, the First Mortgage Trustee will be deemed to have resigned.

Evidence to be Furnished to the First Mortgage Trustee

Compliance with First Mortgage Indenture provisions is evidenced by written statements of the Company's officers or persons selected or paid by the Company. In certain cases, opinions of counsel and certifications of an engineer, accountant, appraiser or other expert (who in some cases must be independent) must be furnished. In addition, the First Mortgage Indenture requires the Company to give to the First Mortgage Trustee, not less than annually, a brief statement as to the Company's compliance with the conditions and covenants under the First Mortgage Indenture.

Miscellaneous Provisions

The First Mortgage Indenture provides that certain first mortgage bonds, including those for which payment or redemption money has been deposited or set aside in trust as described under "— Satisfaction and Discharge" above, will not be deemed to be "outstanding" in determining whether the

holders of the requisite principal amount of the outstanding first mortgage bonds have given or taken any demand, direction, consent or other action under the First Mortgage Indenture as of any date, or are present at a meeting of holders for quorum purposes.

The Company will be entitled to set any day as a record date for the purpose of determining the holders of outstanding first mortgage bonds of any series entitled to give or take any demand, direction, consent or other action under the First Mortgage Indenture, in the manner and subject to the limitations provided in the First Mortgage Indenture. In certain circumstances, the First Mortgage Trustee also will be entitled to set a record date for action by holders. If such a record date is set for any action to be taken by holders of particular first mortgage bonds, such action may be taken only by persons who are holders of such first mortgage bonds on the record date.

Governing Law

The First Mortgage Indenture and the first mortgage bonds provide that they are to be governed by and construed in accordance with the laws of the State of New York except where the Trust Indenture Act is applicable or where otherwise required by law. The effectiveness of the lien of the First Mortgage Indenture, and the perfection and priority thereof, will be governed by Kentucky law.

Summary of the Indenture

The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the Indenture. This description is only a summary and does not purport to be complete and definitive. Reference is made to the Indenture for the detailed provisions thereof.

Security

Pursuant to the Indenture, the Issuer has assigned and pledged to the Trustee its interest in and to the Loan Agreement, including payments and other amounts due the Issuer thereunder, together with all moneys, property and securities from time to time held by the Trustee under the Indenture (with certain exceptions, including moneys held in or earnings on the Rebate Fund and the Purchase Fund).

The Bonds are further secured by the First Mortgage Bonds delivered to the Trustee (see "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds"). The First Mortgage Bonds will be registered in the name of the Trustee and will be nontransferable, except to effect a transfer to any successor trustee. The Bonds will not be directly secured by the Project (although the Project is subject to the lien of the First Mortgage Indenture).

No Pecuniary Liability of the Issuer

No provision, covenant or agreement contained in the Indenture or in the Loan Agreement, nor any breach thereof, will constitute or give rise to any pecuniary liability of the Issuer or any charge upon any of its assets or its general credit or taxing powers. The Issuer has not obligated itself by making the covenants, agreements or provisions contained in the Indenture or in the Loan Agreement, except with respect to the application of the amounts assigned to payment of the principal or redemption price of and interest on the Bonds.

The Bond Fund

The payments to be made by the Company pursuant to the Loan Agreement to the Issuer and certain other amounts specified in the Indenture will be deposited into a Bond Fund established pursuant to the Indenture (the "Bond Fund") and will be maintained in trust by the Trustee. Moneys in the Bond Fund will be used solely and only for the payment of the principal or redemption price of and interest on the Bonds, and for the payment of the reasonable fees and expenses to which the Trustee, Bond Registrar, Tender Agent, Authenticating Agent, any Paying Agent and the Issuer are entitled pursuant to the Indenture or the Loan Agreement. Any moneys held in the Bond Fund will be invested by the Trustee at the specific written direction of the Company in certain Governmental Obligations, investment-grade corporate obligations and other investments permitted under the Indenture.

The Rebate Fund

A Rebate Fund has been created by the Indenture (the "Rebate Fund") and will be maintained as a separate fund free and clear of the lien of the Indenture. The Issuer, the Trustee and the Company have agreed to comply with all rebate requirements of the Code and, in particular, the Company has agreed that if necessary, it will deposit in the Rebate Fund any such amount as is required under the Code. However, the Issuer, the Trustee and the Company may disregard the Rebate Fund provisions to the extent that they receive an opinion of Bond Counsel that such failure to comply will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

Discharge of Indenture

When all the Bonds and all fees and charges accrued and to accrue of the Trustee and the Paying Agent have been paid or provided for, and when proper notice has been given to the Bondholders or the Trustee that the proper amounts have been so paid or provided for, and if the Issuer is not in default in any other respect under the Indenture, the Indenture will become null and void. The Bonds will be deemed to have been paid and discharged when there have been irrevocably deposited with the Trustee moneys sufficient to pay the principal or redemption price of and accrued interest on such Bonds to the due date (whether such date be by reason of maturity or upon redemption) or, in lieu thereof, Governmental Obligations have been deposited which mature in such amounts and at such times as will provide the funds necessary to so pay such Bonds, and when all reasonable and necessary fees and expenses of the Trustee, the Tender Agent, the Authenticating Agent, the Bond Registrar and the Paying Agent have been paid or provided for.

Surrender of First Mortgage Bonds

Upon payment of any principal or redemption price of and interest on any of the Bonds which reduces the principal amount of Bonds outstanding, or upon provision for the payment thereof having been made in accordance with the Indenture (see "Discharge of Indenture" above), First Mortgage Bonds in a principal amount equal to the principal amount of the Bonds so paid, or for the payment of which such provision has been made, shall be surrendered by the Trustee to the First Mortgage Trustee. The First Mortgage Bonds so surrendered shall be deemed fully paid and the obligations of the Company thereunder terminated.

Defaults and Remedies

Each of the following events constitutes an "Event of Default" under the Indenture:

(i) failure to make due and punctual payment of any installment of interest on any Bond within a period of five Business Days from the due date;

(ii) failure to make due and punctual payment of the principal of, or premium, if any, on any Bond on the due date, whether at the stated maturity thereof, or upon proceedings for redemption, or upon the maturity thereof by declaration or if payment of the purchase price of any Bond required to be purchased pursuant to the Indenture is not made when such payment has become due and payable, provided that no Event of Default has occurred in respect of failure to receive such purchase price for any Bond if the Company has made the payment at the opening of business on the next Business Day as described in the last paragraph under "Summary of the Bonds — Mandatory Purchase of Bonds — Remarketing and Purchase of Bonds" above;

(iii) failure by the Issuer to perform or observe any other of the covenants, agreements or conditions in the Indenture or in the Bonds which failure continues for a period of 30 days after written notice by the Trustee or by the registered owners holding not less than 25% in aggregate principal amount of all Bonds outstanding, provided, however, that if such failure is capable of being cured, but cannot be cured in such 30-day period, it will not constitute an Event of Default under the Indenture if corrective action in respect of such failure is instituted within such 30-day period and is being diligently pursued;

(iv) the occurrence of an "Event of Default" under the Loan Agreement (see "Summary of the Loan Agreement — Events of Default"); or

(v) all first mortgage bonds outstanding under the First Mortgage Indenture, if not already due, shall have become immediately due and payable, whether by declaration or otherwise, and such acceleration shall not have been rescinded by the First Mortgage Trustee.

Upon the occurrence of an Event of Default under the Indenture, the Trustee may, and upon the written request of the registered owners holding not less than 25% in aggregate principal amount of Bonds then outstanding and upon receipt of indemnity reasonably satisfactory to it, must: (i) enforce each and every right granted to the Trustee as a holder of the First Mortgage Bonds (see "Summary of the First Mortgage Bonds and the First Mortgage Indenture"), (ii) declare the principal of all Bonds and interest accrued thereon to be immediately due and payable and (iii) declare all payments under the Loan Agreement to be immediately due and payable and enforce each and every other right granted to the Issuer under the Loan Agreement for the benefit of the Bondholders. Interest on the Bonds will cease to accrue on the date of issuance of a declaration of acceleration of payment of the principal and interest on the Bonds.

In exercising such rights, the Trustee will take any action that, in the judgment of the Trustee, would best serve the interests of the registered owners, taking into account the security and remedies afforded to holders of first mortgage bonds under the First Mortgage Indenture. Upon the occurrence of an Event of Default under the Indenture, the Trustee may also proceed to pursue any available remedy by suit at law or in equity to enforce the payment of the principal or redemption price of and interest on the Bonds then outstanding.

If an Event of Default under the Indenture shall occur and be continuing and the maturity date of the Bonds has been accelerated (to the extent the Bonds are not already due and payable) as a

consequence of such event of default, the Trustee may, and upon the written request of the registered owners holding not less than 25% in principal amount of all Bonds then outstanding and upon receipt of indemnity satisfactory to it shall, exercise such rights as it shall possess under the First Mortgage Indenture as a holder of the First Mortgage Bonds and shall also issue a Redemption Demand for such First Mortgage Bonds to the First Mortgage Trustee.

If the Trustee recovers any moneys following an Event of Default, unless the principal of the Bonds has been declared due and payable, all such moneys will be applied in the following order: (i) to the payment of the fees, expenses, liabilities and advances incurred or made by the Trustee and the Paying Agent and the payment of any sums due and payable to the United States pursuant to Section 148(f) of the Code, (ii) to the payment of all interest then due on the Bonds, and (iii) to the payment of unpaid principal and premium, if any, of the Bonds. If the principal of the Bonds has become due or has been accelerated, such moneys will be applied in the following order: (i) to the payment of the fees, expenses, liabilities and advances incurred or made by the Trustee and the Paying Agent and (ii) to the payment of principal of and interest then due and unpaid on the Bonds.

No Bondholder may institute any suit or proceeding in equity or at law for the enforcement of the Indenture unless an Event of Default has occurred of which the Trustee has been notified or is deemed to have notice, and registered owners holding not less than 25% in aggregate principal amount of Bonds then outstanding have made written request to the Trustee to proceed to exercise the powers granted under the Indenture or to institute such action in their own name and the Trustee fails or refuses to exercise its powers within a reasonable time after receipt of indemnity satisfactory to it.

Any judgment against the Issuer pursuant to the exercise of rights under the Indenture will be enforceable only against specific assigned payments, funds and accounts under the Indenture in the hands of the Trustee. No deficiency judgment will be authorized against the general credit of the Issuer.

Waiver of Events of Default

Except as provided below, the Trustee may in its discretion waive any Event of Default under the Indenture and will do so upon the written request of the registered owners holding a majority in principal amount of all Bonds then outstanding. If, after the principal of all Bonds then outstanding have been declared to be due and payable as a result of a default under the Indenture and prior to any judgment or decree for the appointment of a receiver or for the payment of the moneys due has been obtained or entered, (i) the Company causes to be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of and premium, if any, on any and all Bonds which would become due otherwise than by reason of such declaration (with interest thereon as provided in the Indenture) and the expenses of the Trustee in connection with such default and (ii) all Events of Default under the Indenture (other than nonpayment of the principal of Bonds due by said declaration) have been remedied, then such Event of Default will be deemed waived and such declaration and its consequences rescinded and annulled by the Trustee. Such waiver, rescission and annulment will be binding upon all Bondholders. No such waiver, rescission and annulment will extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Upon any waiver or rescission as described above or any discontinuance or abandonment of proceedings under the Indenture, the Trustee shall immediately rescind in writing any Redemption Demand of First Mortgage Bonds previously given to the First Mortgage Trustee. The rescission under the First Mortgage Indenture of a declaration that all first mortgage bonds outstanding under the First Mortgage Indenture are immediately due and payable shall also constitute a waiver of an Event of Default described in paragraph (v) under the subheading “Defaults and Remedies” above and a waiver and

rescission of its consequences, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Notwithstanding the foregoing, nothing in the Indenture will affect the right of a registered owner to enforce the payment of principal or redemption price of and interest on the Bonds after the maturity thereof.

Voting of First Mortgage Bonds Held by Trustee

The Indenture provides that the Trustee, as the holder of the First Mortgage Bonds, will be required to attend such meeting or meetings of bondholders under the First Mortgage Indenture or, at its option, deliver its proxy in connection therewith, as relate to matters with respect to which it, as such holder, is entitled to vote or consent. The Trustee, either at any such meeting or meetings or otherwise when the consent of the holders of the First Mortgage Bonds is sought without a meeting, will be required to vote all First Mortgage Bonds then held by it, or consent with respect thereto, proportionately with the vote or consent of the holders of all other securities of the Company then outstanding under the First Mortgage Indenture eligible to vote or consent, as evidenced by, and as to be delivered to the Trustee, a certificate signed by the temporary chairman, the temporary secretary, the permanent chairman, the permanent secretary, or an inspector of votes at any meeting or meetings of security holders under the First Mortgage Indenture, or by the First Mortgage Trustee in the case of consents of such security holders which are sought without a meeting, which states what the signer thereof reasonably believes are the proportionate votes or consents of the holders of all securities (other than the First Mortgage Bonds) outstanding under the First Mortgage Indenture and counted for the purposes of determining whether such security holders have approved or consented to the matter put before them; provided, however, that the Trustee shall not so vote in favor of, or so consent to, any amendment or modification of the First Mortgage Indenture, which, if it were an amendment or modification of the Indenture, would require the consent of the Bondholders as described in the third paragraph under the heading "Summary of the Indenture – Supplemental Indenture," without the prior consent and approval of Bondholders which would be so required; provided further that as a condition to the Trustee voting or giving such consent, the Trustee shall have received a certificate of a Company representative or an opinion of counsel, at its election, stating that such voting or consent is authorized or permitted by the Indenture.

Supplemental Indentures

The Issuer and the Trustee may enter into indentures supplemental to the Indenture as shall not be inconsistent with the terms and provisions of the Indenture, without the consent of or notice to the Bondholders, in order (i) to cure any ambiguity or formal defect or omission in the Indenture, (ii) to grant to or confer upon the Trustee, as may lawfully be granted, additional rights, remedies, powers or authorities for the benefit of the Bondholders, (iii) to subject to the Indenture additional revenues, properties or collateral, (iv) to permit qualification of the Indenture under any federal statute or state blue sky law, (v) to add additional covenants and agreements of the Issuer for the protection of the Bondholders or to surrender or limit any rights, powers or authorities reserved to or conferred upon the Issuer, (vi) to make any other modification or change to the Indenture which, in the sole judgment of the Trustee, does not adversely affect the Trustee or any Bondholder, (vii) to make other amendments not otherwise permitted by (i), (ii), (iii), (iv) or (v) of this paragraph to provisions relating to federal income tax matters under the Code or other relevant provisions if, in the opinion of Bond Counsel, those amendments would not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, (viii) to make any modification or change to the Indenture necessary to provide liquidity or credit support for the Bonds, including any modifications necessary to upgrade or maintain the then applicable ratings on the Bonds or (ix) to permit the issuance of the Bonds in other than book-entry-only form or to provide changes to or for the book-entry system.

Notwithstanding the foregoing, the Company, with the consent of the Trustee, may at any time further secure the Bonds by means of a letter of credit, other credit facility or other guarantee or collateral.

Exclusive of supplemental indentures for the purposes set forth in the preceding two paragraphs, the consent of registered owners holding a majority in aggregate principal amount of all Bonds then outstanding is required to approve any supplemental indenture, except no such supplemental indenture may permit, without the consent of all of the registered owners of the Bonds then outstanding, (i) an extension of the maturity of the principal of or the interest on any Bond issued under the Indenture or a reduction in the principal amount of any Bond or the rate of interest or time of redemption or redemption premium thereon, (ii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (iii) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture or (iv) the deprivation of any registered owners of the lien of the Indenture.

If at any time the Issuer requests the Trustee to enter into any supplemental indenture requiring the consent of the registered owners of the Bonds, the Trustee, upon being satisfactorily indemnified with respect to expenses, must notify all such registered owners. Such notice must set forth the nature of the proposed supplemental indenture and must state that copies thereof are on file at the designated office of the Trustee for inspection. If, within sixty days (or such longer period as prescribed by the Issuer or the Company) following the giving of such notice, the registered owners holding the requisite amount of the Bonds outstanding have consented to the execution thereof, no Bondholder will have any right to object or question the execution thereof.

No supplemental indenture will become effective unless the Company consents to the execution and delivery of such supplemental indenture. The Company will be deemed to have consented to the execution and delivery of any supplemental indenture if the Trustee does not receive a notice of protest or objection signed by the Company on or before 4:30 p.m., local time in the city in which the designated office of the Trustee is located, on the fifteenth day after the mailing to the Company of a notice of the proposed changes and a copy of the proposed supplemental indenture.

Enforceability of Remedies

The remedies available to the Trustee, the Issuer and the owners upon an Event of Default under the Loan Agreement, the Indenture or the First Mortgage Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Loan Agreement, the Indenture and the First Mortgage Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by principles of equity, bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally.

Tax Treatment

On August 25, 2016, the date of original issuance and delivery of the Bonds, Stoll Keenon Ogden PLLC ("Prior Bond Counsel") delivered its opinion stating that under then-existing law, including statutes, regulations, administrative rulings and official interpretations, subject to the qualifications and exceptions set forth below, interest on the Bonds (i) would be excluded from the gross income of the recipients thereof for federal income tax purposes, except that no opinion was expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" of the Project or a "related person" as such terms are used in Section 147(a) of the Code and (ii) would not be an item of tax preference in determining alternative minimum taxable income under the Code. Prior Bond Counsel further opined that, subject to the assumptions stated in the preceding

sentence, (i) interest on the Bonds would be excluded from gross income of the owners thereof for Kentucky income tax purposes and (ii) the Bonds would be exempt from all ad valorem taxes in Kentucky. Such opinions have not been updated as of the date hereof and no continuing tax exemption opinions are expressed by Dinsmore & Shohl LLP ("Bond Counsel").

Bond Counsel will deliver an opinion in connection with this reoffering to the effect that the change of the Long Term Rate Period (i) is authorized or permitted by Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the "Act") and the Indenture and (ii) will not adversely affect the validity of the Bonds or any exclusion from gross income of interest on the Bonds for federal income tax purposes to which interest on the Bonds would otherwise be entitled.

The opinion of Prior Bond Counsel as to the excludability of interest from gross income for federal income tax purposes was based upon and assumed the accuracy of certain representations of facts and circumstances, including with respect to the Project, which were within the knowledge of the Company and compliance by the Company with certain covenants and undertakings set forth in the proceedings authorizing the Bonds which are intended to assure that the Bonds are and will remain obligations the interest on which is not includable in gross income of the recipients thereof under the law in effect on the date of such opinion. Prior Bond Counsel did not independently verify the accuracy of the certifications and representations made by the Company and the Issuer. On the date of the opinion and subsequent to the original delivery of the Bonds on August 25, 2016, such representations of facts and circumstances must be accurate and such covenants and undertakings must continue to be complied with in order that interest on the Bonds be and remain excludable from gross income of the recipients thereof for federal income tax purposes under existing law. Prior Bond Counsel expressed no opinion (i) regarding the exclusion of interest on any Bond from gross income for federal income tax purposes on or after the date on which any change, including any interest rate conversion, permitted by the documents other than with the approval of bond counsel is taken which adversely affects the tax treatment of the Bonds or (ii) as to the treatment for purposes of federal income taxation of interest on the Bonds upon a Determination of Taxability.

Prior Bond Counsel further opined that the Code prescribed a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which, including provisions for potential payments by the Issuer to the federal government, require future or continued compliance after issuance of the Bonds in order for the interest to be and to continue to be so excluded from the date of issuance. Noncompliance with certain of these requirements by the Company or the Issuer with respect to the Bonds could cause the interest on the Bonds to be included in gross income for federal income tax purposes and to be subject to federal income taxation retroactively to the date of their issuance. The Company and the Issuer each covenanted to take all actions required of each to assure that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

The opinion of Prior Bond Counsel as to the exclusion of interest on the Bonds from gross income for federal income tax purposes and federal tax treatment of interest on the Bonds was subject to the following exceptions and qualifications:

(i) The Code also provides for a "branch profits tax" which subjects to tax, at a rate of 30%, the effectively connected earnings and profits of a foreign corporation which engages in a United States trade or business. Interest on the Bonds would be includable in the amount of effectively connected earnings and profits and thus would increase the branch profits tax liability.

(ii) The Code also provides that passive investment income, including interest on the Bonds, may be subject to taxation for any S corporation with Subchapter C earnings and profits at the close of its taxable year if greater than 25% of its gross receipts is passive investment income.

Except as stated above, Prior Bond Counsel expressed no opinion as to any federal or Kentucky tax consequences resulting from the receipt of interest on the Bonds.

Owners of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences. For instance, the Code provides that property and casualty insurance companies will be required to reduce their loss reserve deductions by 15% of the tax-exempt interest received on certain obligations, such as the Bonds, acquired after August 7, 1986. (For purposes of the immediately preceding sentence, a portion of dividends paid to an affiliated insurance company may be treated as tax-exempt interest.) The Code further provides for the disallowance of any deduction for interest expenses incurred by banks and certain other financial institutions allocable to carrying certain tax-exempt obligations, such as the Bonds, acquired after August 7, 1986. The Code also provides that, with respect to taxpayers other than such financial institutions, such taxpayers will be unable to deduct any portion of the interest expenses incurred or continued to purchase or carry the Bonds. The Code also provides, with respect to individuals, that interest on tax-exempt obligations, including the Bonds, is included in modified adjusted gross income for purposes of determining the taxability of social security and railroad retirement benefits. Furthermore, the earned income tax credit is not allowed for individuals with an aggregate amount of disqualified income within the meaning of Section 32 of the Code, which exceeds $2,200. Interest on the Bonds will be taken into account in the calculation of disqualified income. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters and any other tax consequences of holding the Bonds.

From time to time, there are legislative proposals in Congress which, if enacted, could alter or amend one or more of the federal tax matters referred to above or could adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

A draft of the opinion of Bond Counsel relating to the change of the Long Term Rate Period for the Bonds in substantially the form in which it is expected to be delivered on the Change Date, redated to the Change Date, is attached as Appendix B-2 to this ReofferingCircular.

Legal Matters

Certain legal matters in connection with the change in the Long Term Rate Period and reoffering of the Bonds will be passed upon by Dinsmore & Shohl LLP, Louisville, Kentucky, Bond Counsel. Certain legal matters will be passed upon for the Company by Jones Day, Chicago, Illinois, and John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary for the Company. Certain legal matters will be passed upon for the Initial Co-Remarketing Agents by their counsel, McGuireWoods LLP, Chicago, Illinois.

Reoffering

Subject to the terms and conditions of the Remarketing and Bond Purchase Agreement dated August 14, 2019 (the "Remarketing Agreement"), between the Company and BofA Securities, Inc., as Representative of the Initial Co-Remarketing Agents, the Initial Co-Remarketing Agents have agreed to purchase and reoffer the Bonds delivered to the Paying Agent for purchase on September 3, 2019, at a price equal to 100% of the principal amount of the Bonds, plus accrued interest (if any), and in connection therewith will receive compensation in the amount of $408,000, plus reimbursement of certain expenses.

Under the terms of the Remarketing Agreement, the Company has agreed to indemnify the Initial Co-Remarketing Agents against certain civil liabilities, including liabilities under federal securities laws.

In the ordinary course of their business, the Initial Co-Remarketing Agents and certain of their affiliates, have engaged, and may in the future engage, in investment banking or commercial banking transactions with the Company.

The Initial Co-Remarketing Agents and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Initial Co-Remarketing Agents and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Company, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Initial Co-Remarketing Agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Company.

BofA Securities, Inc., one of the Initial Co-Remarketing Agents of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

SunTrust Robinson Humphrey, Inc. ("STRH"), one of the Initial Co-Remarketing Agents of the Bonds, has entered into an agreement (the "ST Distribution Agreement") with SunTrust Investment Services, Inc. ("STIS") for the retail distribution of certain municipal securities offerings, including the Bonds. Pursuant to the ST Distribution Agreement, STRH will share a portion of its remarketing agent compensation with respect to the Bonds with STIS. STRH and STIS are both subsidiaries of SunTrust Banks, Inc. SunTrust Robinson Humphrey is the trade name for certain capital markets and investment banking services of SunTrust Banks and its subsidiaries.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), one of the Initial Co-Remarketing Agents of the Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its remarketing agent compensation with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company. Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including WFBNA, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of

WFBNA, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Continuing Disclosure

Because the Bonds are special and limited obligations of the Issuer, the Issuer is not an "obligated person" for purposes of Rule 15c2-12 (the "Rule") promulgated by the SEC under the Exchange Act, and does not have any continuing obligations thereunder. Accordingly, the Issuer will not provide any continuing disclosure information with respect to the Bonds or the Issuer.

In order to enable the Remarketing Agents to comply with the requirements of the Rule, the Company will covenant in an amended and restated continuing disclosure undertaking agreement to be delivered to the Trustee for the benefit of the holders of the Bonds (the "Continuing Disclosure Agreement") to provide certain continuing disclosure for the benefit of the holders of the Bonds. Under the Continuing Disclosure Agreement, the Company will covenant to take the following actions:

(i) The Company will provide to the Municipal Securities Rulemaking Board ("MSRB") (in electronic format) (a) annual financial information of the type set forth in Appendix A to this Reoffering Circular (including any information incorporated by reference in Appendix A) and (b) audited financial statements prepared in accordance with generally accepted accounting principles, in each case not later than 120 days after the end of the Company's fiscal year.

(ii) The Company will file in a timely manner not in excess of 10 business days after the occurrence of the event with the MSRB notice of the occurrence of any of the following events (if applicable) with respect to the Bonds: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) any unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancement facilities reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (g) modifications to rights of the holders of the Bonds, if material; (h) the giving of notice of optional or unscheduled redemption of any Bonds, if material, and tender offers; (i) defeasance of the Bonds or any portion thereof; (j) release, substitution, or sale of property securing repayment of the Bonds, if material; (k) rating changes; (l) bankruptcy, insolvency, receivership or similar event of the Company; (m) the consummation of a merger, consolidation or acquisition involving the Company, or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (n) appointment of a successor or additional trustee or a change of name of a trustee, if material; (o) incurrence by the Company of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Company, any of which affect security holders, if material; and (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Company, any of which reflect financial difficulties.

(iii) The Company will file in a timely manner with the MSRB notice of a failure by the Company to file any of the information referred to in paragraph (i) above by the due date.

A Financial Obligation, as referred to above, is defined as (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Company may amend its Continuing Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Company that does not change the duties of the Trustee thereunder) or waive any provision thereof, but only with a change in circumstances that arises from a change in legal requirements, change in law, or change in the nature or status of the Company with respect to the Bonds or the type of business conducted by the Company; provided that the undertaking, as amended or following such waiver, would have complied with the requirements of the Rule on the date of issuance of the Bonds, after taking into account any amendments to the Rule as well as any change in circumstances, and the amendment or waiver does not materially impair the interests of the holders of the Bonds to which such undertaking relates, in the opinion of the Trustee or counsel expert in federal securities laws acceptable to both the Company and the Trustee, or is approved by the Beneficial Owners of a majority in aggregate principal amount of the outstanding Bonds. The Company acknowledges that its undertakings pursuant to the Rule described under this heading are intended to be for the benefit of the holders of the Bonds and shall be enforceable by the holders of those Bonds or by the Trustee on behalf of such holders. Any breach by the Company of these undertakings pursuant to the Rule will not constitute an event of default under the Indenture, the Loan Agreement or the Bonds.

The Company is a party to continuing disclosure agreements with respect to 5 series of pollution control bonds. The MSRB's Electronic Municipal Market Access website reflects that within the past five years the Company did not timely file certain information in connection with December 2014 and June 2016 downgrades of credit ratings for four series of Company pollution control bonds resulting from the downgrade of the bank providing the letters of credit supporting such bonds. Moody's Investors Service, Inc. downgraded the long-term rating of the four Company pollution control bonds on December 2, 2014. The Company was not aware of the downgrade until February 10, 2015 and filed the required disclosures on February 11, 2015. On May 23, 2016, S&P Global Ratings updated its methodology and assumptions for rating jointly supported financial obligations. As a result, S&P Global Ratings downgraded the long-term rating on the four Company pollution control bonds as of June 3, 2016. The Company was not aware of the downgrade until July 24, 2017 and filed the required disclosures on July 24, 2017. The Company has had, and continues to have, procedures in place in order to make material event notices and financial statement filings on an ongoing basis.

This Reoffering Circular has been duly approved, executed and delivered by the Company.

KENTUCKY UTILITIES COMPANY

By: /s/ Daniel K. Arbough
Daniel K. Arbough
Treasurer

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Appendix A

Kentucky Utilities Company

Kentucky Utilities Company ("KU"), incorporated in Kentucky in 1912 and in Virginia in 1991, is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy in Kentucky and Virginia. As of December 31, 2018, KU provided electricity to approximately 527,000 customers in 77 counties in central, southeastern and western Kentucky, approximately 28,000 customers in five counties in southwestern Virginia. KU's service area covers approximately 4,800 non-contiguous square miles. KU's coal-fired electric generating stations produce most of KU's electricity. The remainder is generated by natural gas fueled combined cycle combustion turbines, a hydroelectric power plant, natural gas and oil fueled combustion turbines and a small solar facility. In Virginia, KU operates under the name Old Dominion Power Company. As of May 1, 2019, KU also sells wholesale electric energy to 2 municipalities.

KU is a wholly-owned subsidiary of LG&E and KU Energy LLC and an indirect wholly-owned subsidiary of PPL Corporation. KU's affiliate, Louisville Gas and Electric Company ("LG&E"), is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy and natural gas in Kentucky. KU's obligations under the Loan Agreement are solely its own, and not those of any of its affiliates. None of LG&E, PPL Corporation or KU's other affiliates will be obligated to make any payment on the Loan Agreement or the Bonds.

The information above concerning KU is only a summary and does not purport to be comprehensive. Additional information regarding KU, including audited financial statements, is available in the documents listed under the heading "Documents Incorporated by Reference," which documents are incorporated by reference herein.

Selected Financial Data
(Dollars in millions)

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating revenues	$ 856	$885	$ 1,760	$ 1,744	$ 1,749
Operating income	$ 232	$236	$ 468	$ 518	$ 531
Net income	$ 142	$148	$ 286	$ 259	$ 265
Total assets	$ 8,691	$8,353	$ 8,540	$ 8,254	$ 8,085
Long-term debt obligations (including amounts due within one year)	$2,624	$2,329	$ 2,321	$ 2,328	$ 2,327

Capitalization:	June 30, 2019	% of Capitalization
Long-term debt and notes payable	$ 2,624	42.4%
Common equity	3,561	57.6%
Total capitalization	$ 6,185	100.0%

The selected financial data presented above for the three fiscal years ended December 31, 2018, and as of December 31 for each of those years, have been derived from the Company's audited financial statements. The selected financial data presented above for the six months ended June 30, 2019 and 2018 have been derived from the Company's unaudited financial statements for the six months ended June 30, 2019 and 2018. The Company's audited financial statements for the three fiscal years ended December 31, 2018, and as of December 31, 2017 and 2018, are included in the Company's Form 10-K for the year ended December 31, 2018 incorporated by reference herein. The Company's unaudited financial statements for the six months ended June 30, 2019 are included in the Company's Form 10-Q for the quarter ended June 30, 2019 incorporated by reference herein. "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-K for the year ended December 31, 2018 and "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-Q for the quarter ended June 30, 2019, as well as the Combined Notes to Financial Statements as of December 31, 2018, 2017 and 2016 and the Combined Notes to Condensed Financial Statements (Unaudited) as of June 30, 2019 and December 31, 2018 and for the six-month periods ended June 30, 2019 and 2018, should be read in conjunction with the above information. Deloitte & Touche LLP audited the Company's financial statements for the three fiscal years ended December 31, 2018.

Risk Factors

Investing in the Bonds involves risk. Please see the risk factors in KU's Annual Report on Form 10-K for the year ended December 31, 2018, which is incorporated by reference in this Appendix A. Before making an investment decision, you should carefully consider these risks as well as the other

information contained or incorporated by reference in this Appendix A. Risks and uncertainties not presently known to KU or that KU currently deems immaterial may also impair its business operations, its financial results and the value of the Bonds.

Available Information

KU is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and, accordingly, files reports and other information with the Securities and Exchange Commission (the "SEC"). Such reports and other information on file can be inspected and copied at the public reference facilities of the SEC, currently at 100 F Street, N.E., Room 1580, Washington, D.C. 20549; or from the SEC's Web Site (http://www.sec.gov). Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

Documents Incorporated by Reference

The following documents, as filed by KU with the SEC, are incorporated herein by reference:

1. Form 10-K Annual Report of KU for the year ended December 31, 2018;

2. Form 10-Q Quarterly Reports of KU for the quarters ended March 31, 2019 and June 30, 2019; and

3. Form 8-K Current Reports of KU filed with the SEC on March 1, 2019, March 8, 2019, March 19, 2019 and April 1, 2019.

All documents filed by KU with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this Reoffering Circular and prior to the termination of the offering of the Bonds shall be deemed to be incorporated by reference in this Appendix and to be made a part hereof from their respective dates of filing. Any statement contained in a document incorporated or deemed to be incorporated by reference in this Reoffering Circular shall be deemed to be modified or superseded for purposes of this Reoffering Circular to the extent that a statement contained in this Reoffering Circular or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Reoffering Circular modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Reoffering Circular.

KU hereby undertakes to provide without charge to each person (including any beneficial owner) to whom a copy of this Reoffering Circular has been delivered, on the written or oral request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Reoffering Circular by reference, other than certain exhibits to such documents. Requests for such copies should be directed to Treasurer, Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507, telephone: (859)255-2100.

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Appendix B

Opinion of Prior Bond Counsel and
Form of Opinion of Bond Counsel

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Appendix B-1

Opinion of Prior Bond Counsel dated August 25, 2016

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STOLL
KEENON
OGDEN
PLLC

2000 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KENTUCKY 40202-2828

August 25, 2016

Re: $96,000,000 County of Carroll, Kentucky, Pollution Control Revenue Refunding Bonds, 2016 Series A (Kentucky Utilities Company Project)

We hereby certify that we have examined certified copies of the proceedings of record of the County of Carroll, Kentucky (the "**County**"), acting by and through its Fiscal Court as its duly authorized governing body, preliminary to and in connection with the issuance by the County of its Pollution Control Revenue Refunding Bonds, 2016 Series A (Kentucky Utilities Company Project), dated their date of issuance, in the aggregate principal amount of $96,000,000 (the "**2016 Series A Bonds**"). The 2016 Series A Bonds are issued under the provisions of Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the "**Act**"), for the purpose of providing funds which will be used, with other funds provided by Kentucky Utilities Company (the "**Company**") for the current refunding of $96,000,000 aggregate principal amount of the County's Pollution Control Revenue Bonds, 2002 Series C (Kentucky Utilities Company Project), dated October 3, 2002 (the "**Refunded 2002 Series C Bonds**"), which were issued for the purpose of currently refunding a portion of the costs of construction of air and water pollution control facilities and solid waste disposal facilities serving certain electric generating units of the Company located in Carroll County, Kentucky (the "**Project**"), as provided by the Act.

The 2016 Series A Bonds mature on September 1, 2042 and bear interest initially at the Long Term Rate, as defined in the Indenture, hereinafter described, subject to change as provided in such Indenture. The 2016 Series A Bonds will be subject to optional and mandatory redemption prior to maturity at the times, in the manner, and upon the terms set forth in the 2016 Series A Bonds. From such examination of the proceedings of the Fiscal Court of the County referred to above and from an examination of the Act, we are of the opinion that the County is duly authorized and empowered to issue the 2016 Series A Bonds under the laws of the Commonwealth of Kentucky now in force.

We have examined an executed counterpart of a certain Loan Agreement, dated as of August 1, 2016 (the "**Loan Agreement**"), by and between the County and the Company and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Loan Agreement, pursuant to which the

County has agreed to issue the 2016 Series A Bonds and to lend the proceeds thereof to the Company to provide funds to pay and discharge, with other funds provided by the Company, the Refunded 2002 Series C Bonds. The Company has agreed to make loan payments to the Trustee at times and in amounts fully adequate to pay maturing principal of, interest on, and redemption premium, if any, on the 2016 Series A Bonds as same become due and payable. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Loan Agreement; that the Loan Agreement has been duly authorized, executed, and delivered by the County; and that the Loan Agreement is a legal, valid, and binding obligation of the County, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

We have also examined an executed counterpart of a certain Indenture of Trust, dated as of August 1, 2016 (the "**Indenture**"), by and between the County and U.S. Bank National Association, as trustee (the "**Trustee**"), securing the 2016 Series A Bonds and setting forth the covenants and undertakings of the County in connection with the 2016 Series A Bonds and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Indenture. Pursuant to the Indenture, certain of the County's rights under the Loan Agreement, including the right to receive payments thereunder, and all moneys and securities held by the Trustee in accordance with the Indenture (except moneys and securities in the Rebate Fund created thereby) have been assigned to the Trustee, as security for the holders of the 2016 Series A Bonds. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Indenture; that the Indenture has been duly authorized, executed, and delivered by the County; and that the Indenture is a legal, valid, and binding obligation upon the parties thereto according to its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

In our opinion the 2016 Series A Bonds have been validly authorized, executed, and issued in accordance with the laws of the Commonwealth of Kentucky now in full force and effect, and constitute legal, valid, and binding special and limited obligations of the County entitled to the benefit of the security provided by the Indenture and enforceable in accordance with their terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought. The 2016 Series A Bonds are payable by the County solely and only from payments and other amounts derived from the Loan Agreement and as provided in the Indenture.

In our opinion, under existing laws, including current statutes, regulations, administrative rulings, and official interpretations by the Internal Revenue Service, subject to the exceptions and qualifications contained in the succeeding paragraphs, (i) interest on the 2016 Series A Bonds is excluded from the gross income of the recipients thereof for federal income tax

purposes, except that no opinion is expressed regarding such exclusion from gross income with respect to any 2016 Series A Bond during any period in which it is held by a "substantial user" of the Project or a "related person," as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"); and (ii) interest on the 2016 Series A Bonds is not a separate item of tax preference in determining alternative minimum taxable income for individuals and corporations under the Code. In arriving at this opinion, we have relied upon representations, factual statements, and certifications of the Company with respect to certain material facts which are solely within the Company's knowledge in reaching our conclusion, among other things, that all of the proceeds of the Refunded 2002 Series C Bonds were used to refinance air and water pollution control facilities and solid waste disposal facilities qualified for financing under Section 103(b)(4)(E) and (F) of the Internal Revenue Code of 1954, as amended, and Section 1313(a) of the Tax Reform Act of 1986. Further, in arriving at the opinion set forth in this paragraph as to the exclusion from gross income of interest on the 2016 Series A Bonds, we have assumed and this opinion is conditioned on, the accuracy of and continuing compliance by the Company and the County with representations and covenants set forth in the Loan Agreement and the Indenture which are intended to assure compliance with certain tax-exempt interest provisions of the Code. Such representations and covenants must be accurate and must be complied with after the issuance of the 2016 Series A Bonds in order that interest on the 2016 Series A Bonds be excluded from gross income for federal income tax purposes. Failure to comply with certain of such representations and covenants in respect of the 2016 Series A Bonds after the issuance of the 2016 Series A Bonds could cause the interest thereon to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2016 Series A Bonds. We express no opinion (i) regarding the exclusion of interest on any 2016 Series A Bond from gross income for federal income tax purposes on or after the date on which any change, including any interest rate conversion, permitted by the documents (other than with approval of this firm) is taken which adversely affects the tax treatment of the 2016 Series A Bonds; or (ii) as to the treatment for purposes of federal income taxation of interest on the 2016 Series A Bonds upon a Determination of Taxability. We are further of the opinion that interest on the 2016 Series A Bonds is excluded from gross income of the recipients thereof for Kentucky income tax purposes and that the 2016 Series A Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and all political subdivisions thereof.

Our opinion as to the exclusion of interest on the 2016 Series A Bonds from gross income for federal income tax purposes and federal tax treatment of interest on the 2016 Series A Bonds is further subject to the following exceptions and qualifications:

(a) Provisions of the Code applicable to corporations (as defined for federal income tax purposes) which impose an alternative minimum tax on a portion of the excess of adjusted current earnings over other alternative minimum taxable income may subject a portion of the interest on the 2016 Series A Bonds earned by certain corporations to such corporate alternative minimum tax. Such corporate alternative minimum tax does not apply to any S corporation, regulated investment company, real estate investment trust, or REMIC.

(b) The Code provides for a "branch profits tax" which subjects to tax, at a rate of 30%, the effectively connected earnings and profits of a foreign corporation which engages in a

United States trade or business. Interest on the 2016 Series A Bonds would be includable in the amount of effectively connected earnings and profits and thus would increase the branch profits tax liability.

(c) The Code also provides that passive investment income, including interest on the 2016 Series A Bonds, may be subject to taxation for any S corporation with Subchapter C earnings and profits at the close of its taxable year if greater than 25% of its gross receipts is passive investment income.

Except as stated above, we express no opinion as to any federal or Kentucky tax consequences resulting from the receipt of interest on the 2016 Series A Bonds.

Holders of the 2016 Series A Bonds should be aware that the ownership of the 2016 Series A Bonds may result in collateral federal income tax consequences. For instance, the Code provides that, for taxable years beginning after December 31, 1986, property and casualty insurance companies will be required to reduce their loss reserve deductions by 15% of the tax-exempt interest received on certain obligations, such as the 2016 Series A Bonds, acquired after August 7, 1986. (For purposes of the immediately preceding sentence, a portion of dividends paid to an affiliated insurance company may be treated as tax-exempt interest.) The Code further provides for the disallowance of any deduction for interest expenses incurred by banks and certain other financial institutions allocable to carrying certain tax-exempt obligations, such as the 2016 Series A Bonds, acquired after August 7, 1986. The Code also provides that, with respect to taxpayers other than such financial institutions, such taxpayers will be unable to deduct any portion of the interest expenses incurred or continued to purchase or carry the 2016 Series A Bonds. The Code also provides, with respect to individuals, that interest on tax-exempt obligations, including the 2016 Series A Bonds, is included in modified adjusted gross income for purposes of determining the taxability of social security and railroad retirement benefits. Furthermore, the earned income credit is not allowed for individuals with an aggregate amount of disqualified income within the meaning of Section 32 of the Code, which exceeds $2,200. Interest on the 2016 Series A Bonds will be taken into account in the calculation of disqualified income.

We have received opinions of Gerald A. Reynolds, General Counsel, Chief Compliance Officer, and Corporate Secretary of the Company and Jones Day, Chicago, Illinois, counsel to the Company, of even date herewith. In rendering this opinion, we have relied upon said opinions with respect to the matters therein. We have also received an opinion of even date herewith of Hon. Nicholas Marsh, County Attorney of Carroll County, Kentucky, and relied upon said opinion with respect to the matters therein. The opinions are in forms satisfactory to us as to both scope and content.

We express no opinion as to the title to, the description of, or the existence or priority of any liens, charges, or encumbrances on the Project.

In rendering the foregoing opinions, we are passing upon only those matters specifically set forth in such opinions and are not passing upon the investment quality of the 2016 Series A Bonds or the accuracy or completeness of any statements made in connection with any offer or

sale thereof. The opinions herein are expressed as of the date hereof and we assume no obligation to supplement or update such opinions to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We are members of the Bar of the Commonwealth of Kentucky and do not purport to be experts on the laws of any jurisdiction other than the Commonwealth of Kentucky and the United States of America, and we express no opinion as to the laws of any jurisdiction other than those specified.

Respectfully submitted,

STOLL KEENON OGDEN PLLC

Stoll Keenon Ogden PLLC

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Appendix B-2

Form of Opinion of Bond Counsel

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Dinsmore

September 3, 2019

County of Carroll, Kentucky
Carrollton, Kentucky 41008

U.S. Bank National Association
Louisville, Kentucky 40202

Re: Change in Long Term Rate Period of $96,000,000 County of Carroll, Kentucky, Pollution Control Revenue Refunding Bonds, 2016 Series A (Kentucky Utilities Company Project)

Ladies and Gentlemen:

This opinion is being furnished in accordance with the requirements of the Indenture of Trust, dated as of August 1, 2016 (the "**Indenture**"), between the County of Carroll, Kentucky (the "**Issuer**") and U.S. Bank National Association, as Trustee, Bond Registrar, Paying Agent, and Tender Agent (the "**Trustee**"), pertaining to $96,000,000 principal amount of County of Carroll, Kentucky, Pollution Control Revenue Refunding Bonds, 2016 Series A (Kentucky Utilities Company Project), dated August 25, 2016 (the "**2016 Series A Bonds**"), in order to satisfy certain requirements of Section 2.08(b) of the Indenture. Pursuant to Section 2.08(b) of the Indenture, the Company has elected to change the existing Long Term Rate Period applicable to the 2016 Series A Bonds expiring on September 2, 2019 to a new Long Term Rate Period applicable to the 2016 Series A Bonds commencing on and effective as of September 3, 2019 and ending August 31, 2026. The 2016 Series A Bonds mature on September 1, 2042. The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Indenture and related documents, and upon representations made to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, as of the date hereof, we are of the opinion that the change in the Long Term Rate Period applicable to the 2016 Series A Bonds expiring on September 2, 2019 to a new Long Term Rate Period commencing on and effective as of September 3, 2019 and ending August 31, 2026 as described herein (a) is authorized or permitted by the Act and is authorized by the Indenture and (b) will not adversely affect the validity of the 2016 Series A Bonds or any exclusion from gross income of the interest on the 2016 Series A Bonds for federal income tax purposes to which interest on the 2016 Series A Bonds would otherwise be entitled. Interest on the 2016 Series A Bonds is not and will not be excluded from gross income during any period when the 2016 Series A Bonds are held by the Company or a "related person" of the Company as defined in Section 147(a) of the Internal Revenue Code of 1986, as amended.

In rendering this opinion, we assume, without verifying, that the Issuer and the Company have complied and will comply with all covenants contained in the Indenture, the Loan Agreement between the Issuer and the Company, dated as of August 1, 2016, and other documents relating to the 2016 Series A Bonds. Stoll Keenon Ogden PLLC rendered its approving opinion at the time of the issuance of the 2016 Series A Bonds relating to, among other things, the validity of the 2016 Series A Bonds and the exclusion from federal income taxation of interest on the 2016 Series A Bonds. We have not been requested to update or continue such opinion and have not undertaken to do so. Accordingly, we do not express any opinion with respect to the 2016 Series A Bonds except as set forth above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We express no opinion herein as to the investment quality of the 2016 Series A Bonds or the adequacy, accuracy, or completeness of any information furnished to any person in connection with any offer or sale of the 2016 Series A Bonds.

Respectfully submitted,

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NOT A NEW ISSUE **BOOK-ENTRY ONLY**

On February 23, 2007 and October 17, 2008, the dates on which the Bonds were originally issued, Stoll Keenon Ogden PLLC, as bond counsel, delivered its opinions that stated that, subject to the conditions and exceptions set forth under the caption "Tax Treatment," under then current law, interest on each series of Bonds would be excludable from the gross income of the recipients thereof for federal income tax purposes, except that no opinion was expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" or a "related person" of the related Project as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on each series of Bonds will be an item of tax preference in determining alternative minimum taxable income under the Code. Such interest may be subject to certain federal income taxes imposed on certain corporations, including imposition of the branch profits tax on a portion of such interest. Stoll Keenon Ogden PLLC, as bond counsel, was further of the opinion that interest on each series of Bonds would be excludable from the gross income of the recipients thereof for Kentucky income tax purposes and that, under then current law, the principal of each series of Bonds would be exempt from ad valorem taxes in Kentucky. Such opinions have not been updated as of the date hereof and no continuing tax exemption opinions are expressed by Dinsmore & Shohl LLP, as bond counsel. However, in connection with the conversion of the interest rate mode to a Long Term Rate Period, as more fully described herein, Dinsmore & Shohl, as bond counsel, will deliver its opinion to the effect that the conversion of the interest rate on each series of Bonds (a) is authorized or permitted by the Act and the related Indenture and (b) will not adversely affect the validity of the Bonds or any exclusion of the interest thereon from the gross income of the owners of the Bonds for federal income tax purposes. See "Tax Treatment" in this Reoffering Circular.

$54,000,000
COUNTY OF CARROLL, KENTUCKY
Environmental Facilities Revenue Refunding Bonds
2006 Series B
(Kentucky Utilities Company Project)

Due: October 1, 2034
Long Term Rate Period: 2 years
Mandatory Purchase Date: June 1, 2021
Interest Payment Dates: June 1 and December 1
Interest Rate: 1.20%

$77,947,405
COUNTY OF CARROLL, KENTUCKY
Environmental Facilities Revenue Bonds
2008 Series A
(Kentucky Utilities Company Project)

Due: February 1, 2032
Long Term Rate Period: 2 years
Mandatory Purchase Date: June 1, 2021
Interest Payment Dates: June 1 and December 1
Interest Rate: 1.20%

The Bonds of each series (individually, the "2006 Series B Bonds" and the "2008 Series A Bonds" and, collectively, the "Bonds") are special and limited obligations of the County of Carroll, Kentucky (the "Issuer"), payable by the Issuer solely from and secured by payments to be received by the Issuer pursuant to separate Loan Agreements with Kentucky Utilities Company (the "Company"), except as payable from proceeds of such Bonds or investment earnings thereon. The Bonds do not constitute general obligations of the Issuer or a charge against the general credit or taxing powers thereof or of the Commonwealth of Kentucky or any other political subdivision of Kentucky. **The Bonds will not be entitled to the benefits of any financial guaranty insurance policies or any other form of credit enhancement.** Principal of, and interest on, the Bonds of each series are secured by the delivery to U.S. Bank National Association, as successor Trustee, of First Mortgage Bonds of

KENTUCKY UTILITIES COMPANY

The 2006 Series B Bonds were originally issued on February 23, 2007 and the 2008 Series A Bonds were originally issued on October 17, 2008, each as a separate series, and each series currently bears interest at Weekly Rates. Pursuant to the Indentures under which each series of the Bonds were issued, the Company has elected to exercise its option to convert the interest rate mode on each series of Bonds to a Long Term Rate Period, effective as of September 3, 2019 (the "Conversion Date"). Each series of Bonds is subject to mandatory purchase on the Conversion Date and are being reoffered hereby. BofA Securities, Inc., SunTrust Robinson Humphrey, Inc. and Wells Fargo Bank, National Association will serve as Initial Co-Remarketing Agents for purposes of this conversion and reoffering of the Bonds. Following this conversion and reoffering, BofA Securities, Inc. will serve as the sole Remarketing Agent for the Bonds.

The Bonds of each series are separate series, and the sale and delivery of one series is not dependent on the sale and delivery of the other series. The 2006 Series B Bonds will accrue interest from the Conversion Date, payable on June 1 and December 1, commencing on December 1, 2019 to and including May 31, 2021, and will be subject to mandatory purchase following this Long Term Rate Period on June 1, 2021 (the "2006 Series B Mandatory Purchase Date"). The 2008 Series A Bonds will accrue interest from the Conversion Date, payable on June 1 and December 1, commencing on December 1, 2019 to and including May 31, 2021, and will be subject to mandatory purchase following this Long Term Rate Period on June 1, 2021 (the "2008 Series A Mandatory Purchase Date"). **Failure to pay the purchase price of a series of Bonds on the applicable Mandatory Purchase Date will constitute an Event of Default under the applicable Indenture (as defined herein). See the information contained under the caption "Summary of the Bonds — Mandatory Purchase of Bonds — Remarketing and Purchase of Bonds" below.** The interest rate period, interest rate and Interest Rate Mode for each series of Bonds will be subject to change under certain conditions, as described in this Reoffering Circular. Prior to the applicable Mandatory Purchase Date, a series of Bonds will not be subject to optional redemption, but will be subject to extraordinary optional redemption and mandatory redemption as described in this Reoffering Circular.

The Bonds are registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository. Except as described herein, purchases of beneficial ownership interests in the Bonds will be made in book-entry-only form in denominations of $5,000 and multiples thereof; provided that one 2008 Series A Bond may be in the denomination of, or include an additional, $2,405. Purchasers will not receive certificates representing their beneficial interests in the Bonds. See the information contained under the caption "Summary of the Bonds — Book-Entry-Only System" below. The principal of, premium, if any, and interest on the Bonds will be paid by U.S. Bank National Association, as Trustee, to Cede & Co., as long as Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to the purchasers of beneficial ownership interests is the responsibility of DTC's Direct and Indirect Participants, as described below.

Price: 100%

Each series of Bonds is reoffered, subject to prior sale, withdrawal or modification of the offer without notice (provided, however, that any such notice of withdrawal must be given on the Business Day prior to the Conversion Date) and to the approval of legality by Dinsmore & Shohl LLP, Louisville, Kentucky, as Bond Counsel, and upon satisfaction of certain conditions. Certain legal matters will be passed upon for the Company by its counsel, Jones Day, Chicago, Illinois, and John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary of the Company and for the Remarketing Agent by its counsel, McGuireWoods LLP, Chicago, Illinois. It is expected that the Bonds will be available for redelivery to DTC in New York, New York on or about September 3, 2019.

BofA Merrill Lynch **SunTrust Robinson Humphrey** **Wells Fargo Securities**

Dated: August 14, 2019

No dealer, broker, salesman or other person has been authorized by the Issuer, the Company or the Remarketing Agents to give any information or to make any representation with respect to the Bonds, other than those contained in this Reoffering Circular, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. The Remarketing Agents have provided the following sentence for inclusion in this Reoffering Circular. The Remarketing Agents have reviewed the information in this Reoffering Circular in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agents do not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Reoffering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. The information set forth herein with respect to the Issuer has been obtained from the Issuer, and all other information has been obtained from the Company and from other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Remarketing Agents.

In connection with the reoffering of the Bonds, the Remarketing Agents may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE REOFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Table of Contents

Introductory Statement 1
Concurrent Offerings 3
The Projects 4
Separate Series 4
The Issuer 5
Summary of the Bonds 5
Summary of the Loan Agreement 16
Summary of the First Mortgage Bonds and the First Mortgage Indenture 20
Summary of the Indenture 32
Enforceability of Remedies 37
Reoffering 37
Tax Treatment 39
Legal Matters 40
Continuing Disclosure 41

Appendix A – Kentucky Utilities Company A-1
Appendix B – Opinions of Prior Bond Counsel and Form of Conversion Opinions of Bond Counsel B-1

REOFFERING CIRCULAR

$54,000,000	**$77,947,405**
County of Carroll, Kentucky	**County of Carroll, Kentucky**
Environmental Facilities Revenue Refunding Bonds, 2006 Series B	**Environmental Facilities Revenue Bonds 2008 Series A**
(Kentucky Utilities Company Project)	**(Kentucky Utilities Company Project)**
Due: October 1, 2034	**Due: February 1, 2032**

Introductory Statement

This Reoffering Circular, including the cover page and appendices, is provided to furnish information in connection with the reoffering by the County of Carroll, Kentucky (the "Issuer") of its (i) Environmental Facilities Revenue Refunding Bonds, 2006 Series B (Kentucky Utilities Company Project, in the aggregate principal amount of $54,000,000 (the "2006 Series B Bonds"), issued pursuant to an Indenture of Trust dated as of October 1, 2006 (the "2006 Series B Indenture") between the Issuer and U.S. Bank National Association (the "2006 Series B Trustee"), as successor Trustee, Paying Agent and Bond Registrar, as the same has been amended and restated as of September 1, 2008, and as further amended and supplemented pursuant to the Supplemental Indenture No. 1 to Amended and Restated Indenture of Trust dated as of September 1, 2010, and (ii) Environmental Facilities Revenue Bonds, 2008 Series A (Kentucky Utilities Company Project), in the aggregate principal amount of $77,947,405 (the "2008 Series A Bonds" and collectively with the 2006 Series B Bonds, the "Bonds") issued pursuant to an Indenture of Trust dated as of August 1, 2008, as amended and supplemented pursuant to the Supplemental Indenture No. 1 to Indenture of Trust dated as of September 1, 2010 (the "2008 Series A Indenture" and, collectively with the 2006 Series B Indenture, the "Indentures") between the Issuer and U.S. Bank National Association (the "2008 Series A Trustee" and, collectively with the 2006 Series B Trustee, the "Trustee"), as successor Trustee, Paying Agent and Bond Registrar.

Pursuant to separate Loan Agreements by and between Kentucky Utilities Company (the "Company") and the Issuer, dated as of October 1, 2006 (as the same have been amended and restated as of September 1, 2008 and as further amended and supplemented pursuant to the Amendment No. 1 to Amended and Restated Loan Agreement dated as of September 1, 2010), with respect to the 2006 Series B Bonds (the "2006 Series B Loan Agreement"), and August 1, 2008 (as amended and supplemented pursuant to the Amendment No. 1 to Loan Agreement dated as of September 1, 2010) with respect to the 2008 Series A Bonds (the "2008 Series A Loan Agreement" and, collectively with the 2006 Series B Loan Agreement, the "Loan Agreements"), proceeds from the sale of the Bonds, other than accrued interest, if any, paid by the initial purchasers thereof, were loaned by the Issuer to the Company. The Loan Agreements are separate undertakings by and between the Company and the Issuer.

The Company will continue to repay the loans under the 2006 Series B Loan Agreement and the 2008 Series A Loan Agreement by making payments to the applicable Trustee in sufficient amounts to pay the principal of and interest and any premium on, and purchase price of, the applicable series of Bonds. See "Summary of the Loan Agreement — General." Pursuant to the applicable Indenture, the Issuer's rights under the applicable Loan Agreement (other than with respect to certain indemnification and expense payments and notification rights) were assigned to the applicable Trustee as security for the applicable series of Bonds.

For the purpose of further securing the Bonds, the Company has issued and delivered to each of the Trustees a separate tranche of the Company's First Mortgage Bonds, Collateral Series 2010 (the "First Mortgage Bonds"). The principal amount, maturity date and interest rate (or method of determining interest rates) of each such tranche of First Mortgage Bonds is identical to the principal amount, maturity

date and interest rate (or method of determining interest rates) of the related series of Bonds. The First Mortgage Bonds will only be payable, and interest thereon will only accrue, as described herein. See "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds" and "Summary of the First Mortgage Bonds and the First Mortgage Indenture." The First Mortgage Bonds will not provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase in accordance with the Indenture.

The First Mortgage Bonds have been issued under, and are secured by, an Indenture, dated as of October 1, 2010, as supplemented by a supplemental indenture dated as of October 15, 2010 relating to the Bonds (the "Supplemental Indenture"), (the Indenture, as so supplemented, the "First Mortgage Indenture"), between the Company and The Bank of New York Mellon, as trustee (the "First Mortgage Trustee").

The proceeds of the 2006 Series B Bonds were applied to pay and discharge all of the $54,000,000 outstanding principal amount of County of Carroll, Kentucky, Collateralized Solid Waste Disposal Facilities Revenue Bonds (Kentucky Utilities Company Project) 1994 Series A," dated November 23, 1994, previously issued by the Issuer to finance certain solid waste disposal facilities owned by the Company (the "2006 Series B Project"). The proceeds of the 2008 Series A Bonds were applied to (i) finance the acquisition, construction, installation and equipping of certain solid waste disposal facilities owned by the Company in the amount of $18,026,265 and (ii) pay and discharge all of the $13,266,950 outstanding principal amount of County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2005 Series A (Kentucky Utilities Company Project), $13,266,950 outstanding principal amount of County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2005 Series B (Kentucky Utilities Company Project), $16,693,620 outstanding principal amount of County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2006 Series A (Kentucky Utilities Company Project) and $16,693,620 outstanding principal amount of County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2006 Series C (Kentucky Utilities Company Project), all previously issued by the Issuer to finance certain solid waste disposal facilities (collectively, the "2008 Series A Project" and, together with the 2006 Series B Project, the "Projects") owned by the Company. For information regarding the Projects, see "The Projects."

The Company is a wholly-owned subsidiary of LG&E and KU Energy LLC and an indirect wholly-owned subsidiary of PPL Corporation. The Company's obligations under the Loan Agreement are solely its own, and not those of any of its affiliates. None of PPL Corporation or the Company's other affiliates will be obligated to make any payments due under the Loan Agreement or First Mortgage Bonds or any other payments of principal, interest, redemption price or purchase price of the Bonds.

The Bonds currently bear interest at a Weekly Rate. Pursuant to the Indentures, the Company has elected to exercise its option to convert the interest rate mode on each series of Bonds to a Long Term Rate Period commencing the date appearing on the cover of this Reoffering Circular. On the 2006 Series B Mandatory Purchase Date of June 1, 2021, the 2006 Series B Bonds may be subsequently converted to a new Interest Rate Mode or the Long Term Rate Period may be changed at its expiration to another Long Term Rate Period. On the 2008 Series A Mandatory Purchase Date of June 1, 2021, the 2008 Series A Bonds may be subsequently converted to a new Interest Rate Mode or the Long Term Rate Period may be changed at its expiration to another Long Term Rate Period. ***This Reoffering Circular pertains only to the Bonds during such period of time that they bear interest at the Long Term Rate established on the Conversion Date of September 3, 2019. In the event of a remarketing of a series of Bonds on or after the applicable Mandatory Purchase Date, a supplement to this Reoffering Circular or a new reoffering circular will be prepared to describe the new terms and provisions then applicable to such series of Bonds.***

The Bonds are secured by payments made by the Company under the Loan Agreements, and are further secured by the First Mortgage Bonds. The Bonds are not entitled to the benefits of any financial guaranty insurance policy or any other form of credit enhancement.

The Bonds are special and limited obligations of the Issuer, and the Issuer's obligation to pay the principal of and interest and any premium on, and purchase price of, each series of the Bonds is limited solely to the revenues and other amounts received by the applicable Trustee under the applicable Indenture pursuant to the applicable Loan Agreement and amounts payable under the First Mortgage Bonds. The Bonds do not constitute an indebtedness, general obligation or pledge of the faith and credit or taxing power of the Issuer, the Commonwealth of Kentucky or any political subdivision thereof.

BofA Securities, Inc., SunTrust Robinson Humphrey, Inc. and Wells Fargo Bank, National Association (each, a "Remarketing Agent" and collectively, the "Remarketing Agents") will serve as Initial Co-Remarketing Agents for purposes of this conversion of the interest rate mode to a Long Term Rate Period and reoffering of the Bonds. Following this conversion and reoffering, BofA Securities, Inc. will serve as the sole Remarketing Agent. Any Remarketing Agent may resign or be removed and a successor Remarketing Agent may be appointed in accordance with the terms of the Indenture and the Remarketing Agreement for the Bonds between such Remarketing Agent and the Company.

Brief descriptions of the Company, the Issuer, the Bonds, the First Mortgage Bonds (including the Supplemental Indenture and the First Mortgage Indenture), the Loan Agreements and the Indentures are included in this Reoffering Circular. Appendix A to this Reoffering Circular has been furnished by the Company. The Issuer and Bond Counsel assume no responsibility for the accuracy or completeness of such Appendix A or such information. Appendix B to this Reoffering Circular contains the opinions of Bond Counsel delivered on the dates on which each series of the Bonds were initially issued, and the proposed form of opinions of Bond Counsel to be delivered in connection with the conversion of each series of the Bonds to the Long Term Rate. Such descriptions and information do not purport to be complete, comprehensive or definitive and are not to be construed as a representation or a guaranty of accuracy or completeness. All references herein to the documents are qualified in their entirety by reference to such documents, and references herein to a series of Bonds are qualified in their entirety by reference to the definitive form thereof included in the applicable Indenture. Copies of the Loan Agreements and the Indentures will be available for inspection at the principal corporate trust office of the Trustee. The First Mortgage Indenture is available for inspection at the office of the Company in Lexington, Kentucky, and at the corporate trust office of the First Mortgage Trustee in Pittsburgh, Pennsylvania. Certain information relating to The Depository Trust Company ("DTC") and the book-entry-only system has been furnished by DTC. All statements herein are qualified in their entirety by reference to each such document and, with respect to the enforceability of certain rights and remedies, to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights.

Concurrent Offerings

The Company is concurrently engaged in separate reofferings for three other issues of tax-exempt environmental facilities revenue refunding bonds totaling, in the aggregate, $158,900,000 in principal amount, for which the Company is the primary obligor. Of these issues, $146,000,000 in principal amount were issued by the Issuer and $12,900,000 were issued by another issuer.

The Projects

2006 Series B Project

The 2006 Series B Project has been completed, placed in operation and is the property of the Company and consists of certain solid waste disposal facilities at the Company's Ghent Generating Station located in Carroll County, Kentucky for the collection, storage, treatment processing and final disposal of solid wastes.

2008 Series A Project

The 2008 Series A Project has been completed, placed in operation and is the property of the Company and consists of certain solid waste disposal facilities at the Company's Ghent Generating Station located in Carroll County, Kentucky for the collection, storage, treatment processing and final disposal of solid wastes.

Separate Series

The 2006 Series B Bonds and the 2008 Series A Bonds are separate series and optional or mandatory redemption of any series may be made in the manner described below without the redemption of the other series. Similarly, a default under one of the series of Bonds or one of the Loan Agreements will not necessarily constitute a default under the other series of Bonds or Loan Agreements. Each series of Bonds can bear interest at an Interest Rate Mode different from the Interest Rate Mode borne by the other series of Bonds. Unless specifically otherwise noted, any discussion herein and under the captions "Summary of the Bonds," "Summary of the Loan Agreement," "Summary of the First Mortgage Bonds and the First Mortgage Indenture," "Summary of the Indenture," "Enforceability of Remedies" and "Tax Treatment" applies equally, but separately, to the 2006 Series B Bonds and the 2008 Series A Bonds.

As used herein under such captions with respect to the 2006 Series B Bonds, the term "Project" shall mean the 2006 Series B Project, the term "Bonds" shall mean the 2006 Series B Bonds, the term "First Mortgage Bonds" shall mean the Carroll County Tranche 5 of the First Mortgage Bonds delivered to the 2006 Series B Trustee, the term "Loan Agreement" shall mean the 2006 Series B Loan Agreement pursuant to which the Issuer loaned the proceeds from the sale of the 2006 Series B Bonds to the Company, the term "Indenture" shall mean the 2006 Series B Indenture, the term "Mandatory Purchase Date" shall mean the 2006 Series B Mandatory Purchase Date, the term "Remarketing Agent" shall mean BofA Securities, Inc., and the terms "Trustee" and "Tender Agent" shall mean the 2006 Series B Trustee.

As used herein under such captions with respect to the 2008 Series A Bonds, the term "Project" shall mean the 2008 Series A Project, the term "Bonds" shall mean the 2008 Series A Bonds, the term "First Mortgage Bonds" shall mean the Carroll County Tranche 7 of the First Mortgage Bonds delivered to the 2008 Series A Trustee the term "Loan Agreement" shall mean the 2008 Series A Loan Agreement pursuant to which the Issuer loaned the proceeds from the sale of the 2008 Series A Bonds to the Company, the term "Indenture" shall mean the 2008 Series A Indenture, the term "Mandatory Purchase Date" shall mean the 2008 Series A Mandatory Purchase Date, the term "Remarketing Agent" shall mean BofA Securities, Inc., and the terms "Trustee" and "Tender Agent" shall mean the 2008 Series A Trustee.

The Issuer

The Issuer is a public body corporate and politic duly created and existing as a county and political subdivision under the Constitution and laws of the Commonwealth of Kentucky. The Issuer is authorized by Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (collectively, the "Act") to (a) convert the Bonds to a Long Term Rate Period and reoffer the Bonds and (b) continue to perform its obligations under the Loan Agreement and the Indenture. The Issuer, through its legislative body, the Fiscal Court, has adopted one or more ordinances authorizing the issuance of the Bonds and the execution and delivery of the related documents.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS PAYABLE SOLELY AND ONLY FROM CERTAIN SOURCES, INCLUDING AMOUNTS TO BE RECEIVED BY THE TRUSTEE BY OR ON BEHALF OF THE ISSUER UNDER THE APPLICABLE LOAN AGREEMENT AND OTHER AMOUNTS RECEIVED FROM PAYMENTS MADE UNDER THE FIRST MORTGAGE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, GENERAL OBLIGATION OR PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR ANY POLITICAL SUBDIVISION THEREOF, AND DO NOT GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

Summary of the Bonds

Although each series of Bonds is an entirely separate issue and has been issued under a separate Indenture, each Indenture contains substantially the same terms and provisions except as otherwise noted below.

General

The Bonds will be reoffered in the aggregate principal amounts set forth on the cover page of this Reoffering Circular. The 2006 Series B Bonds will mature on October 1, 2034. The 2008 Series A Bonds will mature on February 1, 2032. The Bonds are not subject to optional redemption prior to the Mandatory Purchase Date, but will be subject to extraordinary optional redemption, in whole or in part, and mandatory redemption prior to maturity as described in this Reoffering Circular.

The Bonds currently bear interest at the Weekly Rate. Pursuant to the terms and provisions of the Indenture summarized below, the Company has exercised its option, effective the Conversion Date, to convert the interest rate mode to a Long Term Rate Period. The 2006 Series B Bonds will bear interest at the Long Term Rate of 1.20% per annum from September 3, 2019, and, following the expiration of this Long Term Rate Period, will be subject to mandatory purchase on June 1, 2021 (the "2006 Series B Mandatory Purchase Date"). The 2008 Series A Bonds will bear interest at the Long Term Rate of 1.20% per annum from September 3, 2019, and, following the expiration of this Long Term Rate Period, will be subject to mandatory purchase on June 1, 2021 (the "2008 Series A Mandatory Purchase Date"). Interest on the Bonds is payable on each June 1 and December 1, commencing December 1, 2019, to the persons who are the registered owners of the Bonds as of the Record Date preceding such interest payment date. Interest also will be payable on the day following the end of the new Long Term Rate Period to the persons who are registered owners of the Bonds on the last day of such Long Term Rate Period.

The Bonds will continue to bear interest at a Long Term Rate until a Conversion to another Interest Rate Mode is specified by the Company or until the redemption or maturity of the Bonds. Also, following the expiration of the new Long Term Rate Period, the Company may elect to change the Long Term Rate Period to a different Long Term Rate Period. The permitted Interest Rate Modes for the

Bonds are (i) the "Flexible Rate," (ii) the "Daily Rate," (iii) the "Weekly Rate," (iv) the "Semi‑Annual Rate," (v) the "Annual Rate," (vi) the "Long Term Rate" and (vii) with respect to the 2006 Series B Bonds, the "Dutch Auction Rate."

This Reoffering Circular pertains only to the Bonds during such period of time that they bear interest at the Long Term Rate established on the Conversion Date of September 3, 2019. In the event of a remarketing of the Bonds on or after the Mandatory Purchase Date, a supplement to this Reoffering Circular or a new reoffering circular will be prepared describing the new terms and provisions then applicable to such Bonds.

Interest on the Bonds will be computed on the basis of a 360-day year, consisting of twelve 30-day months. Interest payable on any Interest Payment Date will be payable to the registered owner of the Bond as of the Record Date for such payment. The Record Date will be the close of business on the fifteenth day (whether or not a Business Day) of the month preceding each Interest Payment Date.

The Bonds initially will be issued solely in book-entry-only form through DTC (or its nominee, Cede & Co.). So long as the Bonds are held in the book-entry-only system, DTC or its nominee will be the registered owner or holder of the Bonds for all purposes of the Indenture, the Bonds and this Reoffering Circular. See "— Book-Entry-Only System" below. Individual purchases of book-entry interests in the Bonds will be made in book-entry-only form in denominations of $5,000 and integral multiples thereof; provided, that with respect to the 2008 Series A Bonds, one 2008 Series A Bond may be in the denomination of, or include an additional $2,405.

Except as otherwise described below for Bonds held in DTC's book-entry-only system, the principal or redemption price of the Bonds is payable at the designated corporate trust office in New York, New York, of the Trustee, as paying agent (the "Paying Agent"). Except as otherwise described below for Bonds held in DTC's book-entry-only system, interest on the Bonds is payable by check mailed to the owner of record; provided that interest payable on each Bond will be payable in immediately available funds by wire transfer within the continental United States or by deposit into a bank account maintained with the Trustee or a Paying Agent at the written request of any owner of record holding at least $1,000,000 aggregate principal amount of the Bonds received by the Trustee, as bond registrar (the "Bond Registrar"), at least one Business Day prior to any Record Date.

Bonds may be transferred or exchanged for an equal total amount of Bonds of other authorized denominations upon surrender of such Bonds at the principal office of the Bond Registrar, accompanied by a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's duly authorized attorney. Except as provided in the Indenture, the Bond Registrar will not be required to register the transfer or exchange of any Bond (i) during the fifteen days before any mailing of a notice of redemption of Bonds, (ii) after such Bond has been called for redemption or (iii) which has been purchased (see "— Mandatory Purchase of Bonds — Payment of Purchase Price" below). Registration of transfers and exchanges will be made without charge to the registered owners of Bonds, except that the Bond Registrar may require any registered owner requesting registration of transfer or exchange to pay any required tax or governmental charge.

Security

Payment of the principal of and interest and any premium on the Bonds is secured by an assignment by the Issuer to the Trustee of the Issuer's interest in and to the Loan Agreement and all payments to be made pursuant thereto (other than certain indemnification and expense payments). Pursuant to the Loan Agreement, the Company has agreed to pay, among other things, amounts sufficient

to pay the aggregate principal amount of and premium, if any, on the Bonds, together with interest thereon as and when the same become due. The Company further will agree to make payments of the purchase price of the Bonds tendered for purchase to the extent that funds are not otherwise available therefor under the provisions of the Indenture.

The payment of the principal of and interest and any premium on the Bonds is further secured by a principal amount of First Mortgage Bonds that equals the principal amount of the Bonds. If the Bonds become immediately due and payable as a result of a default in payment of the principal of, premium, if any, or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement and upon receipt by the First Mortgage Trustee of a written demand from the Trustee for redemption of the First Mortgage Bonds, or if all first mortgage bonds outstanding under the First Mortgage Indenture shall have been immediately due and payable, such First Mortgage Bonds will bear interest at the same interest rate or rates borne by the Bonds and the principal of such First Mortgage Bonds, together with interest accrued thereon from the last date or dates to which interest on the Bonds has been paid in full, will be payable in accordance with the Supplemental Indenture. See "Summary of the First Mortgage Bonds and the First Mortgage Indenture."

The First Mortgage Bonds are not intended to provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase in accordance with the Indenture. The Company is not required under the Loan Agreement or Indenture to provide any letter of credit or liquidity support for the Bonds. The First Mortgage Bonds are secured by a lien on certain property owned by the Company. In certain circumstances, the Company is permitted to reduce the aggregate principal amount of its First Mortgage Bonds held by the Trustee, but in no event to an amount lower than the aggregate outstanding principal amount of the Bonds.

The Bonds Are Not Insured or Entitled to any Other Form of Credit Enhancement

The Bonds described in this Reoffering Circular are not insured or entitled to any other form of credit enhancement, and holders thereof will have no recourse to, under or against any bond insurance policy or bond insurer, or under any other credit enhancement.

Tender Agent

Owners will be required to tender their Bonds to the Tender Agent for purchase at the times and in the manner described herein under "— Mandatory Purchase of Bonds." So long as the Bonds are held in DTC's book-entry-only system, the Trustee will act as Tender Agent under the Indenture. Any successor Tender Agent appointed pursuant to the Indenture will also be a Paying Agent.

Remarketing Agents

BofA Securities, Inc., SunTrust Robinson Humphrey, Inc. and Wells Fargo Bank, National Association will serve as Initial Co-Remarketing Agents for purposes of this conversion to the Long Term Rate Period and reoffering of the Bonds. Following this conversion to the Long Term Rate Period and reoffering, BofA Securities, Inc. will serve as sole Remarketing Agent. The Remarketing Agent may resign or be removed and a successor Remarketing Agent may be appointed in accordance with the terms of the applicable Indenture and the applicable Remarketing Agreement for the Bonds between the Remarketing Agent and the Company.

Certain Definitions

As used herein, each of the following terms will have the meaning indicated. Certain capitalized terms used herein and not otherwise defined will have the meanings set forth in the Indenture.

" *Beneficial Owner*" means the person in whose name a Bond is recorded as such by the respective systems of DTC and each DTC Participant (as defined herein) or the registered holder of such Bond if such Bond is not then registered in the name of Cede & Co.

"*Business Day*" means any day other than a Saturday or Sunday or legal holiday or a day on which banking institutions located in the City of New York, New York, or the New York Stock Exchange or banking institutions in the city in which the principal office of the Trustee, the Bond Registrar, the Tender Agent, the Paying Agent, the Auction Agent with respect to the 2006 Series B Bonds, the Company, or the Remarketing Agent is located are authorized by law or executive order to close.

"*Conversion*" means any conversion from time to time in accordance with the terms of the Indenture of the Bonds from one Interest Rate Mode to another Interest Rate Mode.

" *Interest Payment Date*" means June 1 and December 1 and also the Conversion Date or the effective date of a change to a new Long Term Rate Period. In any case, the final Interest Payment Date will be the maturity date of the Bonds.

"*Interest Period*" means the period from and including each Interest Payment Date to and including the day immediately preceding the next Interest Payment Date, provided, however that the first Interest Period for the Bonds will begin on (and include) the date of issuance of the Bonds and the final Interest Period will end on September 30, 2034, with respect to the 2006 Series B Bonds, or January 31, 2032, with respect to the 2008 Series A Bonds.

"*Interest Rate Mode*" means the Flexible Rate, the Daily Rate, the Weekly Rate, theSemi-Annual Rate, the Annual Rate, the Long Term Rate for each series of the Bonds and, with respect to the 2006 Series B Bonds, the Dutch Auction Rate.

"*Long Term Rate Period*" means any period established by the Company and beginning on,and including, the Conversion Date to the Long Term Rate and ending on, and including, the day preceding the last Interest Payment Date for such period and, thereafter, each successive period of the same duration as the Long Term Rate Period previously established until the day preceding the earliest of the change to a different Long Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Bonds.

Mandatory Purchase of Bonds

General. The Bonds will be subject to mandatory purchase on the Mandatory Purchase Date at a purchase price equal to the principal amount thereof, plus accrued and unpaid interest. Notice to owners of a mandatory purchase of Bonds will be given by the Bond Registrar, by first class mail at least 30 days but not more than 45 days before the Purchase Date; provided, however, as an alternative to the foregoing, if DTC or its nominee is the registered owner of the Bonds, notice may be given to DTC not less than five days before the Purchase Date. The notice of mandatory purchase will state those matters required to be set forth therein under the Indenture.

Remarketing and Purchase of Bonds. The Indenture provides that, subject to the terms of a Remarketing Agreement with the Company, unless otherwise instructed by the Company,the Remarketing Agent will use its reasonable best efforts to offer for sale Bonds purchased on the Mandatory Purchase Date. Each such sale will be at a price equal to the principal amount thereof, plus interest accrued to the date of sale. The Remarketing Agent, the Trustee, the Paying Agent, the Bond Registrar or the Tender Agent each may purchase any Bonds offered for sale for its own account.

The purchase price of Bonds tendered for purchase will be paid by the Tender Agent from moneys derived from the remarketing of such Bonds by the Remarketing Agent and, if such remarketing proceeds are insufficient, from moneys made available by the Company. The Company is obligated to purchase any Bonds tendered for purchase to the extent such Bonds have not been remarketed. Any such purchases by the Company will not result in the extinguishment of the purchased Bonds. The Company currently maintains lines of credit or other liquidity facilities in amounts determined by it to be sufficient to meet its current needs and expects to continue to maintain such lines of credit or other liquidity facilities from time to time to the extent determined by it to be necessary to meet its then-current needs. The Trustee, any Paying Agent, the Tender Agent and the owners of the Bonds have no right to draw under any line of credit or other liquidity facility maintained by the Company. There is no provision in the Indenture or the Loan Agreement requiring the Company to maintain such financing arrangements which may be discontinued at any time without notice. The First Mortgage Bonds are not intended to provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase pursuant to the Indenture.

Any deficiency in purchase price payments resulting from the Remarketing Agent's failure to deliver remarketing proceeds of all Bonds with respect to which the Remarketing Agent notified the Tender Agent were remarketed will not result in an Event of Default under the Indenture until the opening of business on the next succeeding Business Day unless the Company fails to provide sufficient funds to pay such purchase price by the opening of business on such next succeeding Business Day. If sufficient funds are not available for the purchase of all tendered Bonds, no purchase of Bonds will be consummated, but failure to consummate such purchase will not be deemed to be an Event of Default under the Indenture if sufficient funds have been provided in a timely manner by the Company to the Tender Agent for such purpose.

Payment of Purchase Price. Payment of the purchase price of any Bond will be payable on the Mandatory Purchase Date upon delivery of such Bond to the Tender Agent on such Mandatory Purchase Date; provided that such Bond must be delivered to the Tender Agent at or prior to 11:00 a.m. (New York City time). When a book-entry-only system is in effect, the requirement for physical delivery of the Bonds will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on the records of DTC to the participant account of the Tender Agent. If the Mandatory Purchase Date is not a Business Day, the purchase price will be payable on the next succeeding Business Day.

Any Bond delivered for payment of the purchase price must be accompanied by an instrument of transfer thereof in form satisfactory to the Tender Agent executed in blank by the registered owner thereof and with all signatures guaranteed. The Tender Agent may refuse to accept delivery of any Bond for which an instrument of transfer satisfactory to it has not been provided and has no obligation to pay the purchase price of such Bond until a satisfactory instrument is delivered.

If the registered owner of any Bond (or portion thereof) that is subject to purchase pursuant to the Indenture fails to deliver such Bond with an appropriate instrument of transfer to the Tender Agent for purchase on the Mandatory Purchase Date, and if the Tender Agent is in receipt of the purchase price therefor, such Bond (or portion thereof) nevertheless will be deemed purchased on the Mandatory Purchase Date. Any owner who so fails to deliver such Bond for purchase on (or before) the Mandatory Purchase Date will have no further rights thereunder, except the right to receive the purchase price thereof from those moneys deposited with the Tender Agent in the Purchase Fund pursuant to the Indenture upon presentation and surrender of such Bond to the Tender Agent properly endorsed for transfer in blank with all signatures guaranteed.

Redemptions

Optional Redemption. Except as described below under the subheadings "--- Extraordinary Optional Redemption in Whole" and "--- Extraordinary Optional Redemption in Whole or in Part," the Bonds are not subject to optional redemption prior to the Mandatory Purchase Date.

Extraordinary Optional Redemption in Whole. The Bonds may be redeemed by the Issuer in whole at any time at 100% of the principal amount thereof plus accrued interest to the redemption date upon the exercise by the Company of an option under the Loan Agreement to prepay the loan if any of the following events occurs within 180 days preceding the giving of written notice by the Company to the Trustee of such election:

(i) if the Project or a portion thereof or other property of the Company in connection with which the Project is used has been damaged or destroyed to such an extent so as, in the judgment of the Company, to render the Project or such other property of the Company in connection with which the Project is used unsatisfactory to the Company for its intended use, and such condition continues for a period of six months;

(ii) there has occurred condemnation of all or substantially all of the Project or the taking by eminent domain of such use or control of the Project or other property of the Company in connection with which the Project is used so as, in the judgment of the Company, to render the Project or such other property of the Company unsatisfactory to the Company for its intended use;

(iii) the Loan Agreement has become void or unenforceable or impossible of performance by reason of any changes in the Constitution of the Commonwealth of Kentucky or the Constitution of the United States of America or by reason of legislative or administrative action (whether state or federal) or any final decree, judgment or order of any court or administrative body, whether state or federal; or

(iv) a final order or decree of any court or administrative body after the issuance of the Bonds requires the Company to cease a substantial part of its operation at the generating station where the Project is located to such extent that the Company will be prevented from carrying on its normal operations at such generating station for a period of six months.

As a result of a Company Letter Agreement between the Issuer and the Company, to be dated as of September 3, 2019, the Company will agree that it will not, prior to the Mandatory Purchase Date, exercise the rights under the Loan Agreement it would otherwise have to redeem the Bonds under the following circumstances:

(i) if in the judgment of the Company, unreasonable burdens or excessive liabilities have been imposed upon the Company after the issuance of the Bonds with respect to the Project or the operation thereof, including without limitation federal, state or other ad valorem property, income or other taxes not imposed on the date of the Loan Agreement, other than ad valorem taxes levied upon privately owned property used for the same general purpose as the Project; or

(ii) in the event changes, which the Company cannot reasonably control, in the economic availability of materials, supplies, labor, equipment or other properties or things necessary for the efficient operation of the generating station where the Project is located have occurred, which, in the judgment of the Company, render the continued operation of such generating station or any generating unit at such station uneconomical; or changes in circumstances after the issuance of the Bonds, including but not limited to changes in solid waste abatement, control and disposal requirements, have occurred such that the Company determines that use of the Project is no longer required or desirable.

Extraordinary Optional Redemption in Whole or in Part. The Bonds are also subject to redemption in whole or in part at 100% of the principal amount thereof plus accrued interest to the redemption date at the option of the Company in an amount not to exceed the net proceeds received from insurance or any condemnation award received by the Issuer, the Company or the First Mortgage Trustee in the event of damage, destruction or condemnation of all or a portion of the Project, subject to receipt of an opinion of Bond Counsel that such redemption will not adversely affect the exclusion of interest on any of the Bonds from gross income for federal income tax purposes. See "Summary of the Loan Agreement — Maintenance; Damage, Destruction and Condemnation."

Mandatory Redemption; Determination of Taxability. The Bonds are required to be redeemed by the Issuer, in whole, or in such part as described below, at a redemption price equal to 100% of the principal amount thereof, without redemption premium, plus accrued interest, if any, to the redemption date, within 180 days following a "Determination of Taxability." As used herein, a "Determination of Taxability" means the receipt by the Trustee of written notice from a current or former registered owner of a Bond or from the Company or the Issuer of (i) the issuance of a published or private ruling or a technical advice memorandum by the Internal Revenue Service in which the Company participated or has been given the opportunity to participate, and which ruling or memorandum the Company, in its discretion, does not contest or from which no further right of administrative or judicial review or appeal exists, or (ii) a final determination from which no further right of appeal exists of any court of competent jurisdiction in the United States in a proceeding in which the Company has participated or has been a party, or has been given the opportunity to participate or be a party, in each case, to the effect that as a result of a failure by the Company to perform or observe any covenant or agreement or the inaccuracy of any representation contained in the Loan Agreement or any other agreement or certificate delivered in connection with the Bonds, the interest on the Bonds is included in the gross income of the owners thereof for federal income tax purposes, other than with respect to a person who is a "substantial user" or a "related person" of a substantial user of the Project within the meaning of the Section 147 of Internal Revenue Code of 1986, as amended (the "Code"); provided, however, that no such Determination of Taxability shall be considered to exist as a result of the Trustee receiving notice from a current or former registered owner of a Bond or from the Issuer unless (i) the Issuer or the registered owner or former registered owner of the Bond involved in such proceeding or action (A) gives the Company and the Trustee prompt notice of the commencement thereof, and (B) (if the Company agrees to pay all expenses

in connection therewith) offers the Company the opportunity to control unconditionally the defense thereof, and (ii) either (A) the Company does not agree within 30 days of receipt of such offer to pay such expenses and liabilities and to control such defense, or (B) the Company shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action which the Company determines to be appropriate. No Determination of Taxability described above will result from the inclusion of interest on any Bond in the computation of minimum or indirect taxes. All of the Bonds are required to be redeemed upon a Determination of Taxability as described above unless, in the opinion of Bond Counsel, redemption of a portion of such Bonds would have the result that interest payable on the remaining Bonds outstanding after the redemption would not be so included in any such gross income.

In the event any of the Issuer, the Company or the Trustee has been put on notice or becomes aware of the existence or pendency of any inquiry, audit or other proceedings relating to the Bonds being conducted by the Internal Revenue Service, the party so put on notice is required to give immediate written notice to the other parties of such matters. Promptly upon learning of the occurrence of a Determination of Taxability (whether or not the same is being contested), or any of the events described above, the Company is required to give notice thereof to the Trustee and the Issuer.

If the Internal Revenue Service or a court of competent jurisdiction determines that the interest paid or to be paid on any Bond (except to a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code) is or was includable in the gross income of the recipient for federal income tax purposes for reasons other than as a result of a failure by the Company to perform or observe any of its covenants, agreements or representations in the Loan Agreement or any other agreement or certificate delivered in connection therewith, the Bonds are not subject to redemption. In such circumstances, Bondholders would continue to hold their Bonds, receiving principal and interest at the applicable rate as and when due, but would be required to include such interest payments in gross income for federal income tax purposes. Also, if the lien of the Indenture is discharged or defeased prior to the occurrence of a final Determination of Taxability, Bonds will not be redeemed as described herein.

General Redemption Terms. Notice of redemption will be given by mailing a redemption notice conforming to the provisions and requirements of the Indenture by first class mail to the registered owners of the Bonds to be redeemed not less than 30 days but not more than 45 days prior to the redemption date. Any notice mailed as provided in the Indenture will be conclusively presumed to have been given, irrespective of whether the owner receives the notice. Failure to give any such notice by mailing or any defect therein in respect of any Bond will not affect the validity of any proceedings for the redemption of any other Bond. No further interest will accrue on the principal of any Bond called for redemption after the redemption date if funds sufficient for such redemption have been deposited with the Paying Agent as of the redemption date. If the provisions for discharging the Indenture set forth below under the caption, "Summary of the Indenture — Discharge of Indenture" have not been complied with, any redemption notice will state that it is conditional on there being sufficient moneys to pay the full redemption price for the Bonds to be redeemed. So long as the Bonds are held in book-entry-only form, all redemption notices will be sent only to Cede & Co.

Conversion of Interest Rate Modes

The Interest Rate Mode for the Bonds is subject to Conversion from time to time, including on the Mandatory Purchase Date following the end of the initial Long Term Rate Period, at the option of the Company in accordance with the terms of the Indenture, upon notice from the Bond Registrar to the registered owners of the Bonds. With any notice of Conversion, the Company must also deliver to the Bond Registrar an opinion of Bond Counsel stating that such Conversion is authorized or permitted by the Act and is authorized by the Indenture and will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Book-Entry-Only System

Portions of the following information concerning DTC and DTC's book entry only system have been obtained from DTC. The Issuer, the Company and the Remarketing Agent make no representation as to the accuracy of such information.

Initially, DTC will act as securities depository for the Bonds and the Bonds initially will be issued solely in book-entry-only form to be held under DTC's book-entry-only system, registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered bond in the aggregate principal amount of the Bonds will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934 (the "Exchange Act"). DTC holds and provides asset servicing for U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, the National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with "Direct Participants," "Participants"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on

behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Company or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The requirement for physical delivery of Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer, the Company, the Tender Agent and the Trustee, or the Issuer, at the request of the Company, may remove DTC as the securities depository for the Bonds. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be delivered as described in the Indenture (see "— Revision of Book Entry Only System; Replacement Bonds" below). The Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners. Under the Indenture, payments made by the Trustee to DTC or its nominee will satisfy the Issuer's obligations under the Indenture and the Company's obligations under the Loan Agreement and the First Mortgage Bonds, to the extent of the payments so made. Beneficial Owners will not be, and will not be considered by the Issuer or the Trustee to be, and will not have any rights as, owners of Bonds under the Indenture.

The Trustee and the Issuer, so long as a book entry only system is used for the Bonds, will send any notice of redemption or of proposed document amendments requiring consent of registered owners and any other notices required by the document (including notices of Conversion and mandatory purchase) to be sent to registered owners only to DTC (or any successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant, or of any Direct Participant or Indirect Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption, the document amendment, the Conversion, the mandatory purchase or any other action premised on that notice.

The Issuer, the Company, the Trustee and the Remarketing Agents cannot and do not give any assurances that DTC will distribute payments on the Bonds made to DTC or its nominee as the registered owner or any redemption or other notices, to the Participants, or that the Participants or others will distribute such payments or notices to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Reoffering Circular.

THE ISSUER, THE COMPANY, THE REMARKETING AGENTS AND THE TRUSTEE WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A REGISTERED OWNER WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT OF ANY AMOUNT DUE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION OR PURCHASE PRICE OF OR INTEREST ON THE BONDS; (3) THE DELIVERY OF ANY NOTICE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED TO BE GIVEN TO REGISTERED OWNERS UNDER THE TERMS OF THE INDENTURE; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER.

Revision of Book-Entry-Only System; Replacement Bonds. In the event that DTC determines not to continue as securities depository or is removed by the Issuer, at the direction of the Company, as securities depository, the Issuer, at the direction of the Company, may appoint a successor securities depository reasonably acceptable to the Trustee. If the Issuer does not or is unable to appoint a successor securities depository, the Issuer will issue and the Trustee will authenticate and deliver fully registered Bonds, in authorized denominations, to the assignees of DTC or their nominees.

In the event that the book-entry-only system is discontinued, the following provisions will apply. The Bonds may be issued in denominations of $5,000 and multiples thereof; provided, that one 2008 Series A Bond may be in the denomination of, or include an additional $2,405. Bonds may be transferred or exchanged for an equal total amount of Bonds of other authorized denominations upon surrender of such Bonds at the principal office of the Bond Registrar, accompanied by a written instrument of transfer

or authorization for exchange in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's duly authorized attorney. Except as provided in the Indenture, the Bond Registrar will not be required to register the transfer or exchange of any Bond during the fifteen days before any mailing of a notice of redemption, after such Bond has been called for redemption in whole or in part, or after such Bond has been tendered or deemed tendered for mandatory purchase as described under "Mandatory Purchase of Bonds." Registration of transfers and exchanges will be made without charge to the owners of Bonds, except that the Bond Registrar may require any owner requesting registration of transfer or exchange to pay any required tax or governmental charge.

Summary of the Loan Agreement

The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the Loan Agreement. This description is only a summary and does not purport to be complete and definitive. Reference is made to the Loan Agreement for the detailed provisions thereof.

General

The Loan Agreement initially commenced as of its initial date, and, with respect to the 2006 Series A Bonds, is amended and restated as of September 1, 2008, and, with respect to each Loan Agreement, is further amended and supplemented pursuant to the Amendment No. 1 dated as of September 1, 2010, and will end on the earliest to occur of October 1, 2034, with respect to the 2006 Series B Bonds, or February 1, 2032, with respect to the 2008 Series A Bonds, or the date on which all of the Bonds have been fully paid or provision has been made for such payment pursuant to the Indenture. See "Summary of the Indenture — Discharge of Indenture."

The Company has agreed to repay the loan pursuant to the Loan Agreement by making timely payments to the Trustee in sufficient amounts to pay the principal of, premium, if any, and interest required to be paid on the Bonds on each date upon which any such payments are due. The Company has also agreed to pay (a) the agreed upon fees and expenses of the Trustee, the Bond Registrar, the Tender Agent and the Paying Agent and all other amounts which may be payable to the Trustee, the Bond Registrar, the Paying Agent, the Auction Agent with respect to the 2006 Series B Bonds, and the Tender Agent, as may be applicable, under the Indenture, (b) the expenses in connection with any redemption of the Bonds and (c) the reasonable expenses of the Issuer.

The Company covenants and agrees with the Issuer that it will cause the purchase of tendered Bonds that are not remarketed in accordance with the Indenture and, to that end, the Company will cause funds to be made available to the Tender Agent at the times and in the manner required to effect such purchases in accordance with the Indenture; provided, however, that the obligation of the Company to make any such payment will be reduced by the amount of (A) moneys paid by the Remarketing Agent as proceeds of the remarketing of such Bonds by the Remarketing Agent and (B) other moneys made available by the Company for the purpose of paying such purchase price (see "Summary of the Bonds — Mandatory Purchase of Bonds — Remarketing and Purchase of Bonds").

All payments to be made by the Company to the Issuer pursuant to the Loan Agreement (except the fees and reasonable out-of-pocket expenses of the Issuer, the Trustee, the Paying Agent, the Bond Registrar, the Auction Agent with respect to the 2006 Series B Bonds and the Tender Agent, and amounts related to indemnification) have been assigned by the Issuer to the Trustee, and the Company will pay

such amounts directly to the Trustee. The obligations of the Company to make the payments pursuant to the Loan Agreement are absolute and unconditional.

Maintenance of Tax Exemption

The Company and the Issuer have agreed not to take any action that would result in the interest paid on the Bonds being included in gross income of any Bondholder (other than a holder who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code) for federal income tax purposes or that adversely affects the validity of the Bonds.

Issuance and Delivery of First Mortgage Bonds

For the purpose of providing security for the Bonds, the Company has executed and delivered to the Trustee the First Mortgage Bonds. The principal amount of the First Mortgage Bonds executed and delivered to the Trustee equals the aggregate principal amount of the Bonds. If the Bonds become immediately due and payable as a result of a default in payment of the principal of, premium, if any, or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement and upon receipt by the First Mortgage Trustee of a written demand from the Trustee for redemption of the First Mortgage Bonds, or if all first mortgage bonds outstanding under the First Mortgage Indenture shall have been immediately due and payable, such First Mortgage Bonds will bear interest at the same interest rate or rates borne by the Bonds and the principal of such First Mortgage Bonds, together with interest accrued thereon from the last date to which interest on the Bonds shall have been paid in full, will then be payable. See, however, "Summary of the Indenture — Waiver of Events of Default."

Upon payment of the principal of, premium, if any, and interest on any of the Bonds, and the surrender to and cancellation thereof by the Trustee, or upon provision for the payment thereof having been made in accordance with the Indenture, First Mortgage Bonds with corresponding principal amounts equal to the aggregate principal amount of the Bonds so surrendered and canceled or for the payment of which provision has been made, will be surrendered by the Trustee to the First Mortgage Trustee and will be canceled by the First Mortgage Trustee. The First Mortgage Bonds are registered in the name of the Trustee and will be nontransferable, except to effect transfers to any successor trustee under the Indenture.

Payment of Taxes

The Company has agreed to pay certain taxes and other governmental charges that may be lawfully assessed, levied or charged against or with respect to the Project (see, however, subparagraph (i) under "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole"). The Company may contest such taxes or other governmental charges unless the security provided by the Indenture would be materially endangered.

Maintenance; Damage, Destruction and Condemnation

So long as any Bonds are outstanding, the Company will maintain the Project or cause the Project to be maintained in good working condition and will make or cause to be made all proper repairs, replacements and renewals necessary to continue to constitute the Project as solid waste disposal facilities under Section 142(a)(6) of the Code and the Act. However, the Company will have no obligation to maintain, repair, replace or renew any portion of the Project, the maintenance, repair, replacement or renewal of which becomes uneconomical to the Company because of certain events, including damage or destruction by a cause not within the Company's control, condemnation of the Project, change in

government standards and regulations, economic or other obsolescence or termination of operation of generating facilities to the Project.

The Company, at its own expense, may remodel the Project or make substitutions, modifications and improvements to the Project as it deems desirable, which remodeling, substitutions, modifications and improvements will be deemed, under the terms of the Loan Agreement to be a part of the Project. The Company may not, however, change or alter the basic nature of the Project or cause it to lose its status under Section 142(a)(6) of the Code and the Act.

If, prior to the payment of all Bonds outstanding, the Project or any portion thereof is destroyed, damaged or taken by the exercise of the power of eminent domain and the Issuer, the Company or the First Mortgage Trustee receives net proceeds from insurance or a condemnation award in connection therewith, the Company must (i) cause such net proceeds to be used to repair or restore the Project or (ii) take any other action, including the redemption of the Bonds in whole or in part at their principal amount, which, by the opinion of Bond Counsel, will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. See "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole or in Part."

Insurance

The Company has agreed to insure the Project in accordance with the provisions of the First Mortgage Indenture.

Assignment, Merger and Release of Obligations of the Company

The Company may assign the Loan Agreement, pursuant to an opinion of Bond Counsel that such assignment will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, without obtaining the consent of either the Issuer or the Trustee. Such assignment, however, will not relieve the Company from primary liability for any of its obligations under the Loan Agreement and performance and observance of the other covenants and agreements to be performed by the Company. The Company may dispose of all or substantially all of its assets or consolidate with or merge into another corporation, provided the acquirer of the Company's assets or the corporation with which it will consolidate with or merge into is a corporation or other business organization organized and existing under the laws of the United States of America or one of the states of the United States of America or the District of Columbia, is qualified and admitted to do business in the Commonwealth of Kentucky, assumes in writing all of the obligations and covenants of the Company under the Loan Agreement and delivers a copy of such assumption to the Issuer and Trustee.

Release and Indemnification Covenant

The Company will indemnify and hold the Issuer harmless against any expense or liability incurred, including attorneys' fees, resulting from any loss or damage to property or any injury to or death of any person occurring on or about or resulting from any defect in the Project or from any action commenced in connection with the financing thereof.

Events of Default

Each of the following events constitutes an "event of default" under the Loan Agreement:

(1) failure by the Company to pay the amounts required for payment of the principal of, including purchase price for tendered Bonds and redemption and acceleration prices, and

interest accrued, on the Bonds, at the times specified therein taking into account any periods of grace provided in the Indenture and the Bonds for the applicable payment of interest on the Bonds (see "Summary of the Indenture — Defaults and Remedies");

(2) failure by the Company to observe and perform any covenant, condition or agreement, other than as referred to in paragraph (1) above, for a period of thirty days after written notice by the Issuer or Trustee, provided, however, that if such failure is capable of being corrected, but cannot be corrected in such 30-day period, it will not constitute an event of default under the Loan Agreement if corrective action with respect thereto is instituted within such period and is being diligently pursued;

(3) certain events of bankruptcy, dissolution, liquidation, reorganization or insolvency of the Company;

(4) the occurrence of an event of default under the Indenture; or

(5) all first mortgage bonds outstanding under the First Mortgage Indenture, if not already due, shall have become immediately due and payable, whether by declaration or otherwise, and such acceleration shall not have been rescinded or annulled by the First Mortgage Trustee.

Under the Loan Agreement, certain of the Company's obligations (other than the Company's obligations, among others, (i) not to permit any action which would result in interest paid on the Bonds being included in gross income for federal and Kentucky income taxes; (ii) to maintain its corporate existence and good standing, and to neither dispose of all or substantially all of its assets or consolidate with or merge into another corporation unless certain provisions of the Loan Agreement are satisfied; and (iii) to make loan payments and certain other payments under the provisions of the Loan Agreement) may be suspended if by reason of force majeure (as defined in the Loan Agreement) the Company is unable to carry out such obligations.

Remedies

Upon the happening of an event of default under the Loan Agreement, the Trustee, on behalf of the Issuer, may, among other things, take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Company, under the Loan Agreement, including any remedies available in respect of the First Mortgage Bonds.

In the event of a default in payment of the principal of, premium, if any, or interest on the Bonds, or a default in the payment of the purchase price of the Bonds tendered for purchase, and the acceleration of the maturity date of the Bonds (to the extent not already due and payable) as a consequence of such event of default, the Trustee may demand redemption of the First Mortgage Bonds. See "Summary of the First Mortgage Bonds and the First Mortgage Indenture" and "Summary of the Indenture — Defaults and Remedies." Any amounts collected upon the happening of any such event of default will be applied in accordance with the Indenture or, if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the Indenture) and all other liabilities of the Company accrued under the Indenture and the Loan Agreement have been paid or satisfied, made available to the Company.

Options to Prepay, Obligation to Prepay

The Company may prepay the loan pursuant to the Loan Agreement, in whole or in part, on certain dates, at the prepayment prices as shown under the captions "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole" and "— Extraordinary Optional Redemption in Whole or in Part." Upon the occurrence of the event described under the caption "Summary of the Bonds — Redemptions — Mandatory Redemption; Determination of Taxability," the Company will be obligated to prepay the loan in an aggregate amount sufficient to redeem the required principal amount of the Bonds.

In each instance, the loan prepayment price must be a sum sufficient, together with other funds deposited with the Trustee and available for such purpose, to redeem the requisite amount of the Bonds at a price equal to the applicable redemption price plus accrued interest to the redemption date, and to pay all reasonable and necessary fees and expenses of the Trustee, the Paying Agent and, with respect to the 2008 Series A Bonds, the Bond Registrar and the Tender Agent and all other liabilities of the Company under the Loan Agreement accrued to the redemption date.

Amendments and Modifications

No amendment or modification of the Loan Agreement is permissible without the written consent of the Trustee. The Issuer and the Trustee may, however, without the consent of or notice to any Bondholders, enter into any amendment or modification of the Loan Agreement (i) which may be required by the provisions of the Loan Agreement or the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) in connection with any modification or change necessary to conform the Loan Agreement with changes and modifications in the Indenture or (iv) in connection with any other change which, in the judgment of the Trustee, does not adversely affect the Trustee or the Bondholders. Except for such amendments, the Loan Agreement may be amended or modified only with the consent of the Bondholders holding a majority in principal amount of the Bonds then outstanding (see "Summary of the Indenture — Supplemental Indentures" for an explanation of the procedures necessary for Bondholder consent); provided, however, that the approval of the Bondholders holding 100% in principal amount of the Bonds then outstanding is necessary to effectuate an amendment or modification with respect to the Loan Agreement of the type described in clauses (i) through (iv) of the first sentence of the second paragraph of "Summary of the Indenture — Supplemental Indentures."

Summary of the First Mortgage Bonds and the First Mortgage Indenture

The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the First Mortgage Bonds and the First Mortgage Indenture. This description is only a summary and does not purport to be complete and definitive. Reference is made to the First Mortgage Indenture and to the form of the First Mortgage Bonds for the detailed provisions thereof.

General

The First Mortgage Bonds, in a principal amount equal to the principal amount of the Bonds, were issued as a new tranche from a new series of first mortgage bonds under the First Mortgage Indenture (see "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds"). The statements herein made (being for the most part summaries of certain provisions of the First Mortgage Indenture) are subject to the detailed provisions of the First Mortgage Indenture, which is

incorporated herein by this reference. Words or phrases italicized are defined in the First Mortgage Indenture.

The First Mortgage Bonds will mature on the same date and bear interest at the same rate or rates as the Bonds; however, the principal of and interest on the First Mortgage Bonds will not be payable other than upon the occurrence of an event of default under the Loan Agreement. If the Bonds become immediately due and payable as a result of a default in payment of the principal or redemption price of or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement, and if all first mortgage bonds outstanding under the First Mortgage Indenture shall not have become immediately due and payable following an *event of default* under the First Mortgage Indenture, the Company will be obligated to redeem the First Mortgage Bonds upon receipt by the First Mortgage Trustee of a Redemption Demand from the Trustee for redemption, at a redemption price equal to the principal amount thereof plus accrued interest at the rates borne by the Bonds from the last date to which interest on the Bonds has been paid.

The First Mortgage Bonds at all times will be in fully registered form registered in the name of the Trustee, will be nonnegotiable, and will be nontransferable except to any successor trustee under the Indenture. Upon payment and cancellation of Bonds by the Trustee or the Paying Agent (other than any Bond or portion thereof that was canceled by the Trustee or the Paying Agent and for which one or more Bonds were delivered and authenticated pursuant to the Indenture), whether at maturity, by redemption or otherwise, or upon provision for the payment of the Bonds having been made in accordance with the Indenture, an equal principal amount of First Mortgage Bonds will be deemed fully paid and the obligations of the Company thereunder will cease.

Security; Lien of the First Mortgage Indenture

General. Except as described below under this heading and under "— Issuance of Additional First Mortgage Bonds," and subject to the exceptions described under "— Satisfaction and Discharge," all first mortgage bonds issued under the First Mortgage Indenture, including the First Mortgage Bonds, will be secured, equally and ratably, by the lien of the First Mortgage Indenture, which constitutes, subject to permitted liens and exclusions as described below, a first mortgage lien on substantially all of the Company's real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity (other than property duly released from the lien of the First Mortgage Indenture in accordance with the provisions thereof and other than excepted property, as described below). Property that is subject to the lien of the First Mortgage Indenture is referred to below as "Mortgaged Property."

The Company may obtain the release of property from the lien of the First Mortgage Indenture from time to time, upon the bases provided for such release in the First Mortgage Indenture. See "— Release of Property."

The Company may enter into supplemental indentures with the First Mortgage Trustee, without the consent of the holders of the first mortgage bonds, in order to subject additional property (including property that would otherwise be excepted from such lien) to the lien of the First Mortgage Indenture. This property would constitute *property additions* and would be available as a basis for the issuance of additional first mortgage bonds. See "— Issuance of Additional First Mortgage Bonds."

The First Mortgage Indenture provides that after-acquired property (other than *excepted property*) will be subject to the lien of the First Mortgage Indenture. However, in the case of consolidation or merger (whether or not the Company is the surviving company) or transfer of the Mortgaged Property as or substantially as an entirety, the First Mortgage Indenture will not be required to be a lien upon any of

the properties either owned or subsequently acquired by the successor company except properties acquired from the Company in or as a result of such transfer, as well as improvements, extensions and additions (as defined in the First Mortgage Indenture) to such properties and renewals, replacements and substitutions of or for any part or parts thereof. See "— Consolidation, Merger and Conveyance of Assets as an Entirety."

Excepted Property. The lien of the First Mortgage Indenture does not cover, among other things, the following types of property: property located outside of Kentucky and not specifically subjected or required to be subjected to the lien of the First Mortgage Indenture; property not used by the Company in its electric generation, transmission and distribution business; cash and securities not paid, deposited or held under the First Mortgage Indenture or required so to be; contracts, leases and other agreements of all kinds, contract rights, bills, notes and other instruments, revenues, accounts receivable, claims, demands and judgments; governmental and other licenses, permits, franchises, consents and allowances; intellectual property rights and other general intangibles; vehicles, movable equipment, aircraft and vessels; all goods, stock in trade, wares, merchandise and inventory held for the purpose of sale or lease in the ordinary course of business; materials, supplies, inventory and other personal property consumable in the operation of the Company's business; fuel; tools and equipment; furniture and furnishings; computers and data processing, telecommunications and other facilities used primarily for administrative or clerical purposes or otherwise not used in connection with the operation or maintenance of electric generation, transmission and distribution facilities; coal, ore, gas, oil and other minerals and timber rights; electric energy and capacity, gas, steam, water and other products generated, produced, manufactured, purchased or otherwise acquired; real property and facilities used primarily for the production or gathering of natural gas; property which has been released from the lien of the First Mortgage Indenture; and leasehold interests. Property of the Company not covered by the lien of the First Mortgage Indenture is referred to herein as excepted property. Properties held by any of the Company's subsidiaries, as well as properties leased from others, would not be subject to the lien of the First Mortgage Indenture.

Permitted Liens. The lien of the First Mortgage Indenture is subject to permitted liens described in the First Mortgage Indenture. Such *permitted liens* include liens existing at the execution date of the First Mortgage Indenture, purchase money liens and other liens placed or otherwise existing on property acquired by the Company after the execution date of the First Mortgage Indenture at the time the Company acquires it, tax liens and other governmental charges which are not delinquent or which are being contested in good faith, mechanics', construction and materialmen's liens, certain judgment liens, easements, reservations and rights of others (including governmental entities) in, and defects of title to, the Company's property, certain leases and leasehold interests, liens to secure public obligations, rights of others to take minerals, timber, electric energy or capacity, gas, water, steam or other products produced by the Company or by others on the Company's property, rights and interests of persons other than the Company arising out of agreements relating to the common ownership or joint use of property, and liens on the interests of such persons in such property and liens which have been bonded or for which other security arrangements have been made.

The First Mortgage Indenture also provides that the First Mortgage Trustee will have a lien, prior to the lien on behalf of the holders of the first mortgage bonds, including the First Mortgage Bonds, upon the Mortgaged Property as security for the Company's payment of its reasonable compensation and expenses and for indemnity against certain liabilities. Any such lien would be a *permitted lien* under the First Mortgage Indenture.

Issuance of Additional First Mortgage Bonds

The maximum principal amount of first mortgage bonds that may be authenticated and delivered under the First Mortgage Indenture is subject to the issuance restrictions described below; provided,

however, that the maximum principal amount of first mortgage bonds outstanding at any one time shall not exceed One Quintillion Dollars($1,000,000,0 00,000,000,000), which amount may be changed by supplemental indenture. As of June 30, 2019, first mortgage bonds in an aggregate principal amount of $2,641,852,405 were outstanding under the First Mortgage Indenture, of which $341,852,405 were issued to secure the Company's payment obligations with respect to its outstanding pollution control and environmental facilities revenue bonds, including the Bonds.

First mortgage bonds of any series may be issued from time to time on the basis of, and in an aggregate principal amount not exceeding:

> 66 2/3% of the *cost*or *fair value* to the Company (whichever is less) of *property additions* (as described below) which do not constitute *funded property*(generally, *property additions* which have been made the basis of the authentication and delivery of first mortgage bonds, the release of Mortgaged Property or the withdrawal of cash, which have been substituted for retired *funded property* or which have been used for other specified purposes) after certain deductions and additions, primarily including adjustments to offset property retirements;
>
> the aggregate principal amount of *retired securities* (as described below); or
>
> an amount of cash deposited with the First Mortgage Trustee.

Property additions generally include any property which is owned by the Company and is subject to the lien of the First Mortgage Indenture except (with certain exceptions) goodwill, going concern value rights or intangible property, or any property the acquisition or construction of which is properly chargeable to one of the Company's operating expense accounts in accordance with U.S. generally accepted accounting principles.

Retired securities means, generally, first mortgage bonds which are no longer outstanding under the First Mortgage Indenture, which have not been retired by the application of *funded cash* and which have not been used as the basis for the authentication and delivery of first mortgage bonds, the release of property or the withdrawal of cash.

At June 30, 2019, approximately $1.9 billion of *property additions* and $258.9 million of *retired securities* were available to be used as the basis for the authentication and delivery of first mortgage bonds.

Release of Property

Unless an *event of default* has occurred and is continuing, the Company may obtain the release from the lien of the First Mortgage Indenture of any Mortgaged Property, except for cash held by the First Mortgage Trustee, upon delivery to the First Mortgage Trustee of an amount in cash equal to the amount, if any, by which sixty-six and two-thirds percent (66-2/3%) of the cost of the property to be released (or, if less, the *fair value* to the Company of such property at the time it became *funded property*) exceeds the aggregate of:

> an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by *purchase money* liens upon the property to be released and delivered to the First Mortgage Trustee;

an amount equal to 66 2/3% of the *cost*or *fair value* to the Company (whichever is less) of certified *property additions* not constituting *funded property* after certain deductions and additions, primarily including adjustments to offset property retirements (except that such adjustments need not be made if such *property additions* were acquired or made within the 90-day period preceding the release);

the aggregate principal amount of first mortgage bonds the Company would be entitled to issue on the basis of *retired securities* (with such entitlement being waived by operation of such release);

the aggregate principal amount of first mortgage bonds delivered to the First Mortgage Trustee (with such first mortgage bonds to be canceled by the First Mortgage Trustee);

any amount of cash and/or an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by *purchase money liens* upon the property released that is delivered to the trustee or other holder of a lien prior to the lien of the First Mortgage Indenture, subject to certain limitations described in the First Mortgage Indenture; and

any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released.

As used in the First Mortgage Indenture, the term *purchase money lien* means, generally, a lien on the property being released which is retained by the transferor of such property or granted to one or more other persons in connection with the transfer or release thereof, or granted to or held by a trustee or agent for any such persons, and may include liens which cover property in addition to the property being released and/or which secure indebtedness in addition to indebtedness to the transferor of such property.

Unless an *event of default* has occurred and is continuing, property which is not *funded property* may generally be released from the lien of the First Mortgage Indenture without depositing any cash or property with the First Mortgage Trustee as long as (a) the aggregate amount of *cost*or *fair value* to the Company (whichever is less) of all *property additions* which do not constitute *funded property*(excluding the property to be released) after certain deductions and additions, primarily including adjustments to offset property retirements, is not less than zero or (b) the *cost*or *fair value* (whichever is less) of property to be released does not exceed the aggregate amount of the *cost*or *fair value* to the Company (whichever is less) of *property additions* acquired or made within the 90-day period preceding the release.

The First Mortgage Indenture provides simplified procedures for the release of minor properties and property taken by eminent domain, and provides for dispositions of certain obsolete property and grants or surrender of certain rights without any release or consent by the First Mortgage Trustee.

If the Company retains any interest in any property released from the lien of the First Mortgage Indenture, the First Mortgage Indenture will not become a lien on such property or such interest therein or any improvements, extensions or additions to such property or renewals, replacements or substitutions of or for such property or any part or parts thereof.

Withdrawal of Cash

Unless an *event of default* has occurred and is continuing, and subject to certain limitations, cash held by the First Mortgage Trustee may, generally, (1) be withdrawn by the Company (a) to the extent of sixty-six and two-thirds percent (66-2/3%) of the cost or *fair value* to the Company (whichever is less) of *property additions* not constituting *funded property*, after certain deductions and additions, primarily

including adjustments to offset retirements (except that such adjustments need not be made if such *property additions* were acquired or made within the 90-day period preceding the withdrawal) or (b) in an amount equal to the aggregate principal amount of first mortgage bonds that the Company would be entitled to issue on the basis of *retired securities* (with the entitlement to such issuance being waived by operation of such withdrawal) or (c) in an amount equal to the aggregate principal amount of any outstanding first mortgage bonds delivered to the First Mortgage Trustee; or (2) upon the Company's request, be applied to (a) the purchase of first mortgage bonds in a manner and at a price approved by the Company or (b) the payment (or provision for payment) at stated maturity of any first mortgage bonds or the redemption (or provision for payment) of any first mortgage bonds which are redeemable; provided, however, that cash deposited with the First Mortgage Trustee as the basis for the authentication and delivery of first mortgage bonds may, in addition, be withdrawn in an amount not exceeding the aggregate principal amount of cash delivered to the First Mortgage Trustee for such purpose.

Events of Default

An "*event of default*" occurs under the First Mortgage Indenture if

the Company does not pay any interest on any first mortgage bonds within 30 days of the due date;

the Company does not pay principal or premium, if any, on any first mortgage bonds on the due date;

the Company remains in breach of any other covenant (excluding covenants specifically dealt with elsewhere in this section) in respect of any first mortgage bonds for 90 days after the Company receives a written notice of default stating the Company is in breach and requiring remedy of the breach; the notice must be sent by either the First Mortgage Trustee or holders of 25% of the principal amount of outstanding first mortgage bonds; the First Mortgage Trustee or such holders can agree to extend the 90-day period and such an agreement to extend will be automatically deemed to occur if the Company initiates corrective action within such 90-day period and the Company is diligently pursuing such action to correct the default; or

the Company files for bankruptcy or certain other events in bankruptcy, insolvency, receivership or reorganization occur.

Remedies

Acceleration of Maturity. If an *event of default* occurs and is continuing, then either the First Mortgage Trustee or the holders of not less than 25% in principal amount of the outstanding first mortgage bonds may declare the principal amount of all of the first mortgage bonds to be due and payable immediately.

Rescission of Acceleration. After the declaration of acceleration has been made and before the First Mortgage Trustee has obtained a judgment or decree for payment of the money due, such declaration and its consequences will be rescinded and annulled, if

the Company pays or deposits with the First Mortgage Trustee a sum sufficient to pay:

all overdue interest;

the principal of and premium, if any, which have become due otherwise than by such declaration of acceleration and interest thereon;

interest on overdue interest to the extent lawful; and

all amounts due to the First Mortgage Trustee under the First Mortgage Indenture; and

all *events of default*, other than the nonpayment of the principal which has become due solely by such declaration of acceleration, have been cured or waived as provided in the First Mortgage Indenture.

For more information as to waiver of defaults, see "— Waiver of Default and of Compliance" below.

Appointment of Receiver and Other Remedies. Subject to the First Mortgage Indenture, under certain circumstances and to the extent permitted by law, if an *event of default* occurs and is continuing, the First Mortgage Trustee has the power to appoint a receiver of the Mortgaged Property, and is entitled to all other remedies available to mortgagees and secured parties under the Uniform Commercial Code or any other applicable law.

Control by Holders; Limitations. Subject to the First Mortgage Indenture, if an *event of default* occurs and is continuing, the holders of a majority in principal amount of the outstanding first mortgage bonds will have the right to

direct the time, method and place of conducting any proceeding for any remedy available to the First Mortgage Trustee, or

exercise any trust or power conferred on the First Mortgage Trustee.

The rights of holders to make direction are subject to the following limitations:

the holders' directions may not conflict with any law or the First Mortgage Indenture; and

the holders' directions may not involve the First Mortgage Trustee in personal liability where the First Mortgage Trustee believes indemnity is not adequate.

The First Mortgage Trustee may also take any other action it deems proper which is not inconsistent with the holders' direction.

In addition, the First Mortgage Indenture provides that no holder of any first mortgage bond will have any right to institute any proceeding, judicial or otherwise, with respect to the First Mortgage Indenture for the appointment of a receiver or for any other remedy thereunder unless

that holder has previously given the First Mortgage Trustee written notice of a continuing *event of default*;

the holders of 25% in aggregate principal amount of the outstanding first mortgage bonds have made written request to the First Mortgage Trustee to institute proceedings in respect of that *event of default* and have offered the First Mortgage Trustee reasonable

indemnity against costs, expenses and liabilities incurred in complying with such request; and

for 60 days after receipt of such notice, request and offer of indemnity, the First Mortgage Trustee has failed to institute any such proceeding and no direction inconsistent with such request has been given to the First Mortgage Trustee during such 60-day period by the holders of a majority in aggregate principal amount of outstanding first mortgage bonds.

Furthermore, no holder of first mortgage bonds will be entitled to institute any such action if and to the extent that such action would disturb or prejudice the rights of other holders of first mortgage bonds.

However, each holder of first mortgage bonds has an absolute and unconditional right to receive payment when due and to bring a suit to enforce that right.

Notice of Default. The First Mortgage Trustee is required to give the holders of the first mortgage bonds notice of any default under the First Mortgage Indenture to the extent required by the Trust Indenture Act, unless such default has been cured or waived; except that in the case of an *event of default* of the character specified in the third bullet point under "— Events of Default" (regarding a breach of certain covenants continuing for 90 days after the receipt of a written notice of default), no such notice shall be given to such holders until at least 60 days after the occurrence thereof. The Trust Indenture Act currently permits the First Mortgage Trustee to withhold notices of default (except for certain payment defaults) if the First Mortgage Trustee in good faith determines the withholding of such notice to be in the interests of the holders of the first mortgage bonds.

The Company will furnish the First Mortgage Trustee with an annual statement as to its compliance with the conditions and covenants in the First Mortgage Indenture.

Waiver of Default and of Compliance. The holders of a majority in aggregate principal amount of the outstanding first mortgage bonds may waive, on behalf of the holders of all outstanding first mortgage bonds, any past default under the First Mortgage Indenture, except a default in the payment of principal, premium or interest, or with respect to compliance with certain provisions of the First Mortgage Indenture that cannot be amended without the consent of the holder of each outstanding first mortgage bond affected.

Compliance with certain covenants in the First Mortgage Indenture or otherwise provided with respect to first mortgage bonds may be waived by the holders of a majority in aggregate principal amount of the affected first mortgage bonds, considered as one class.

Consolidation, Merger and Conveyance of Assets as an Entirety

Subject to the provisions described below, the Company has agreed to preserve its corporate existence.

The Company has agreed not to consolidate with or merge with or into any other entity or convey, transfer or lease the Mortgaged Property as or substantially as an entirety to any entity unless

the entity formed by such consolidation or into which the Company merges, or the entity which acquires or which leases the Mortgaged Property substantially as an entirety, is an

entity organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia; and

expressly assumes, by supplemental indenture, the due and punctual payment of the principal of, and premium and interest on, all the outstanding first mortgage bonds and the performance of all of the Company's covenants under the First Mortgage Indenture; and

such entity confirms the lien of the First Mortgage Indenture on the Mortgaged Property; and

in the case of a lease, such lease is made expressly subject to termination by (i) the Company or by the First Mortgage Trustee and (ii) the purchaser of the property so leased at any sale thereof, at any time during the continuance of an *event of default*; and

immediately after giving effect to such transaction, no *event of default*, and no event which after notice or lapse of time or both would become an *event of default*, will have occurred and be continuing.

In the case of the conveyance or other transfer of the Mortgaged Property as or substantially as an entirety to any other person, upon the satisfaction of all the conditions described above the Company would be released and discharged from all obligations under the First Mortgage Indenture and on the first mortgage bonds then outstanding unless the Company elects to waive such release and discharge.

The First Mortgage Indenture does not prevent or restrict:

any consolidation or merger after the consummation of which the Company would be the surviving or resulting entity; or

any conveyance or other transfer, or lease, of any part of the Mortgaged Property which does not constitute the entirety or substantially the entirety thereof.

If following a conveyance or other transfer, or lease, of any part of the Mortgaged Property, the fair value of the Mortgaged Property retained by the Company exceeds an amount equal to three-halves (3/2) of the aggregate principal amount of all outstanding first mortgage bonds, then the part of the Mortgaged Property so conveyed, transferred or leased shall be deemed not to constitute the entirety or substantially the entirety of the Mortgaged Property. This *fair value* will be determined within 90 days of the conveyance or transfer by an independent expert that the Company selects and that is approved by the First Mortgage Trustee.

Modification of First Mortgage Indenture

Without Holder Consent. Without the consent of any holders of first mortgage bonds, the Company and the First Mortgage Trustee may enter into one or more supplemental indentures for any of the following purposes:

to evidence the succession of another entity to the Company;

to add one or more covenants or other provisions for the benefit of the holders of all or any series or tranche of first mortgage bonds, or to surrender any right or power conferred upon the Company;

to correct or amplify the description of any property at any time subject to the lien of the First Mortgage Indenture; or to better assure, convey and confirm unto the First Mortgage Trustee any property subject or required to be subjected to the lien of the First Mortgage Indenture; or to subject to the lien of the First Mortgage Indenture additional property (including property of others), to specify any additional Permitted Liens with respect to such additional property and to modify the provisions in the First Mortgage Indenture for dispositions of certain types of property without release in order to specify any additional items with respect to such additional property;

to add any additional *events of default*, which may be stated to remain in effect only so long as the first mortgage bonds of any one more particular series remains outstanding;

to change or eliminate any provision of the First Mortgage Indenture or to add any new provision to the First Mortgage Indenture that does not adversely affect the interests of the holders in any material respect;

to establish the form or terms of any series or tranche of first mortgage bonds;

to provide for the issuance of bearer securities;

to evidence and provide for the acceptance of appointment of a successor First Mortgage Trustee or by a co-trustee or separate trustee;

to provide for the procedures required to permit the utilization of a noncertificated system of registration for any series or tranche of first mortgage bonds;

to change any place or places where

the Company may pay principal, premium and interest,

first mortgage bonds may be surrendered for transfer or exchange, and

notices and demands to or upon the Company may be served;

to amend and restate the First Mortgage Indenture as originally executed, and as amended from time to time, with such additions, deletions and other changes that do not adversely affect the interest of the holders in any material respect;

to cure any ambiguity, defect or inconsistency or to make any other changes that do not adversely affect the interests of the holders in any material respect; or

to increase or decrease the maximum principal amount of first mortgage bonds that may be outstanding at any time.

In addition, if the Trust Indenture Act is amended after the date of the First Mortgage Indenture so as to require changes to the First Mortgage Indenture or so as to permit changes to, or the elimination of, provisions which, at the date of the First Mortgage Indenture or at any time thereafter, were required by the Trust Indenture Act to be contained in the First Mortgage Indenture, the First Mortgage Indenture will be deemed to have been amended so as to conform to such amendment or to effect such changes or elimination, and the Company and the First Mortgage Trustee may, without the consent of any holders, enter into one or more supplemental indentures to effect or evidence such amendment.

With Holder Consent. Except as provided above, the consent of the holders of at least a majority in aggregate principal amount of the first mortgage bonds of all outstanding series, considered as one class, is generally required for the purpose of adding to, or changing or eliminating any of the provisions of, the First Mortgage Indenture pursuant to a supplemental indenture. However, if less than all of the series of outstanding first mortgage bonds are directly affected by a proposed supplemental indenture, then such proposal only requires the consent of the holders of a majority in aggregate principal amount of the outstanding first mortgage bonds of all directly affected series, considered as one class. Moreover, if the first mortgage bonds of any series have been issued in more than one tranche and if the proposed supplemental indenture directly affects the rights of the holders of first mortgage bonds of one or more, but less than all, of such tranches, then such proposal only requires the consent of the holders of a majority in aggregate principal amount of the outstanding first mortgage bonds of all directly affected tranches, considered as one class.

However, no amendment or modification may, without the consent of the holder of each outstanding first mortgage bond directly affected thereby:

> change the stated maturity of the principal or interest on any first mortgage bond (other than pursuant to the terms thereof), or reduce the principal amount, interest or premium payable (or the method of calculating such rates)or change the currency in which any first mortgage bond is payable, or impair the right to bring suit to enforce any payment;
>
> create any lien (not otherwise permitted by the First Mortgage Indenture) ranking prior to the lien of the First Mortgage Indenture with respect to all or substantially all of the Mortgaged Property, or terminate the lien of the First Mortgage Indenture on all or substantially all of the Mortgaged Property (other than in accordance with the terms of the First Mortgage Indenture), or deprive any holder of the benefits of the security of the lien of the First Mortgage Indenture;
>
> reduce the percentages of holders whose consent is required for any supplemental indenture or waiver of compliance with any provision of the First Mortgage Indenture or of any default thereunder and its consequences, or reduce the requirements for quorum and voting under the First Mortgage Indenture; or
>
> modify certain of the provisions of the First Mortgage Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to first mortgage bonds.

A supplemental indenture which changes, modifies or eliminates any provision of the First Mortgage Indenture expressly included solely for the benefit of holders of first mortgage bonds of one or more particular series or tranches will be deemed not to affect the rights under the First Mortgage Indenture of the holders of first mortgage bonds of any other series or tranche.

Satisfaction and Discharge

Any first mortgage bonds or any portion thereof will be deemed to have been paid and no longer outstanding for purposes of the First Mortgage Indenture and, at the Company's election, the Company's entire indebtedness with respect to those securities will be satisfied and discharged, if there shall have been irrevocably deposited with the First Mortgage Trustee or any Paying Agent (other than the Company), in trust:

> money sufficient, or

- in the case of a deposit made prior to the maturity of such first mortgage bonds, non-redeemable *eligible obligations* (as defined in the First Mortgage Indenture) sufficient, or

- a combination of the items listed in the preceding two bullet points, which in total are sufficient,

to pay when due the principal of, and any premium, and interest due and to become due on such first mortgage bonds or portions of such first mortgage bonds on and prior to their maturity.

The Company's right to cause its entire indebtedness in respect of the first mortgage bonds of any series to be deemed to be satisfied and discharged as described above will be subject to the satisfaction of any conditions specified in the instrument creating such series.

The First Mortgage Indenture will be deemed satisfied and discharged when no first mortgage bonds remain outstanding and when the Company has paid all other sums payable by it under the First Mortgage Indenture.

All moneys the Company pays to the First Mortgage Trustee or any Paying Agent on First Mortgage Bonds that remain unclaimed at the end of two years after payments have become due may be paid to or upon the Company's order. Thereafter, the holder of such First Mortgage Bond may look only to the Company for payment.

Duties of the First Mortgage Trustee; Resignation and Removal of the First Mortgage Trustee; Deemed Resignation

The First Mortgage Trustee will have, and will be subject to, all the duties and responsibilities specified with respect to an indenture trustee under the Trust Indenture Act. Subject to these provisions, the First Mortgage Trustee will be under no obligation to exercise any of the powers vested in it by the First Mortgage Indenture at the request of any holder of first mortgage bonds, unless offered reasonable indemnity by such holder against the costs, expenses and liabilities which might be incurred thereby. The First Mortgage Trustee will not be required to expend or risk its own funds or otherwise incur financial liability in the performance of its duties if the First Mortgage Trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it.

The First Mortgage Trustee may resign at any time by giving written notice to the Company.

The First Mortgage Trustee may also be removed by act of the holders of a majority in principal amount of the then outstanding first mortgage bonds.

No resignation or removal of the First Mortgage Trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the First Mortgage Indenture.

Under certain circumstances, the Company may appoint a successor trustee and if the successor accepts, the First Mortgage Trustee will be deemed to have resigned.

Evidence to be Furnished to the First Mortgage Trustee

Compliance with First Mortgage Indenture provisions is evidenced by written statements of the Company's officers or persons selected or paid by the Company. In certain cases, opinions of counsel and certifications of an engineer, accountant, appraiser or other expert (who in some cases must be

independent) must be furnished. In addition, the First Mortgage Indenture requires the Company to give to the First Mortgage Trustee, not less than annually, a brief statement as to the Company's compliance with the conditions and covenants under the First Mortgage Indenture.

Miscellaneous Provisions

The First Mortgage Indenture provides that certain first mortgage bonds, including those for which payment or redemption money has been deposited or set aside in trust as described under "— Satisfaction and Discharge" above, will not be deemed to be "outstanding" in determining whether the holders of the requisite principal amount of the outstanding first mortgage bonds have given or taken any demand, direction, consent or other action under the First Mortgage Indenture as of any date, or are present at a meeting of holders for quorum purposes.

The Company will be entitled to set any day as a record date for the purpose of determining the holders of outstanding first mortgage bonds of any series entitled to give or take any demand, direction, consent or other action under the First Mortgage Indenture, in the manner and subject to the limitations provided in the First Mortgage Indenture. In certain circumstances, the First Mortgage Trustee also will be entitled to set a record date for action by holders. If such a record date is set for any action to be taken by holders of particular first mortgage bonds, such action may be taken only by persons who are holders of such first mortgage bonds on the record date.

Governing Law

The First Mortgage Indenture and the first mortgage bonds provide that they are to be governed by and construed in accordance with the laws of the State of New York except where the Trust Indenture Act is applicable or where otherwise required by law. The effectiveness of the lien of the First Mortgage Indenture, and the perfection and priority thereof, will be governed by Kentucky law.

Summary of the Indenture

The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the Indenture. This description is only a summary and does not purport to be complete and definitive. Reference is made to the Indenture for the detailed provisions thereof.

Security

Pursuant to the Indenture, the Issuer has assigned and pledged to the Trustee its interest in and to the Loan Agreement, including payments and other amounts due the Issuer thereunder, together with all moneys, property and securities from time to time held by the Trustee under the Indenture (with certain exceptions, including moneys held in or earnings on the Rebate Fund and the Purchase Fund). The Bonds have been further secured by the First Mortgage Bonds delivered to the Trustee (see "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds"). The First Mortgage Bonds will be registered in the name of the Trustee and will be nontransferable, except to effect a transfer to any successor trustee. The Bonds will not be directly secured by the Project (although the Project is subject to the lien of the First Mortgage Indenture).

No Pecuniary Liability of the Issuer

No provision, covenant or agreement contained in the Indenture or in the Loan Agreement, nor any breach thereof, will constitute or give rise to any pecuniary liability of the Issuer or any charge upon any of its assets or its general credit or taxing powers. The Issuer has not obligated itself by making the covenants, agreements or provisions contained in the Indenture or in the Loan Agreement, except with respect to the Project and the application of the amounts assigned to payment of the principal of, premium, if any, and interest on the Bonds.

The Bond Fund

The payments to be made by the Company pursuant to the Loan Agreement to the Issuer and certain other amounts specified in the Indenture will be deposited into a Bond Fund established pursuant to the Indenture (the "Bond Fund") and will be maintained in trust by the Trustee. Moneys in the Bond Fund will be used for the payment of the principal of, premium, if any, and interest on the Bonds, for the redemption of Bonds prior to maturity and for the payment of the reasonable fees and expenses to which the Issuer, Trustee, Registrar and Paying Agent are entitled to under the Indenture or the Loan Agreement. Any moneys held in the Bond Fund will be invested by the Trustee at the specific written direction of the Company in certain Governmental Obligations, investment-grade corporate obligations and other investments permitted under the Indenture.

The Rebate Fund

A Rebate Fund has been created by the Indenture (the "Rebate Fund") and will be maintained as a separate fund free and clear of the lien of the Indenture. The Issuer, the Trustee and the Company have agreed to comply with all rebate requirements of the Code and, in particular, the Company has agreed that if necessary, it will deposit in the Rebate Fund any such amount as is required under the Code. However, the Issuer, the Trustee and the Company may disregard the Rebate Fund provisions to the extent that they receive an opinion of Bond Counsel that such failure to comply will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

Discharge of Indenture

When all the Bonds and all fees and charges accrued and to accrue of the Trustee and the Paying Agent have been paid or provided for, and when proper notice has been given to the Bondholders or the Trustee that the proper amounts have been so paid or provided for, and if the Issuer is not in default in any other respect under the Indenture, the Indenture will become null and void. The Bonds will be deemed to have been paid and discharged when there have been irrevocably deposited with the Trustee moneys sufficient to pay the principal, premium, if any, and accrued interest on such Bonds to the due date (whether such date be by reason of maturity or upon redemption) or, in lieu thereof, Governmental Obligations have been deposited which mature in such amounts and at such times as will provide the funds necessary to so pay such Bonds, and when all reasonable and necessary fees and expenses of the Trustee, the Tender Agent, the Authenticating Agent, the Bond Registrar and the Paying Agent have been paid or provided for.

Notwithstanding anything to the contrary, if any Bonds are rated by a rating service, no such Bonds will be deemed to have been paid and discharged by reason of any deposit pursuant to the Indenture, unless each such rating service has confirmed in writing to the Trustee that its rating will not be withdrawn or lowered as a result of any such deposit.

Surrender of First Mortgage Bonds

Upon payment of any principal of, premium, if any, and interest on any of the Bonds which reduces the principal amount of Bonds outstanding, or upon provision for the payment thereof having been made in accordance with the Indenture, First Mortgage Bonds in a principal amount equal to the principal amount of the Bonds so paid, or for the payment of which such provision has been made, shall be surrendered by the Trustee to the First Mortgage Trustee. The First Mortgage Bonds so surrendered shall be deemed fully paid and the obligations of the Company thereunder terminated.

Defaults and Remedies

Each of the following events constitutes an "Event of Default" under the Indenture:

(1) Failure to make payment of any installment of interest on any Bond, within a period of five Business Days from the date due;

(2) Failure to make punctual payment of the principal of, or premium, if any, on any Bond on the due date, whether at the stated maturity thereof, or upon proceedings for redemption, or upon the maturity thereof by declaration or if payment of the purchase price of any Bond required to be purchased pursuant to the Indenture is not made when such payment has become due and payable;

(3) Failure of the Issuer to perform or observe any other of the covenants, agreements or conditions in the Indenture or in the Bonds which failure continues for a period of 30 days after written notice by the Trustee, provided, however, that if such failure is capable of being cured, but cannot be cured in such 30-day period, it will not constitute an event of default under the Indenture if corrective action in respect of such failure is instituted within such 30-day period and is being diligently pursued;

(4) The occurrence of an "event of default" under the Loan Agreement (see "Summary of the Loan Agreement — Events of Default");

(5) All first mortgage bonds outstanding under the First Mortgage Indenture, if not already due, shall have become due and payable, whether by declaration or otherwise, and such acceleration shall not have been rescinded by the First Mortgage Trustee.

Upon the occurrence of an Event of Default under clauses (1), (2) or (5) above, the Trustee must: (i) enforce each and every right granted to the Trustee as a holder of the First Mortgage Bonds (see "Summary of the First Mortgage Bonds and the First Mortgage Indenture"), (ii) declare the principal of all Bonds and interest accrued thereon to be immediately due and payable, and (iii) declare all payments under the Loan Agreement to be immediately due and payable and enforce each and every other right granted to the Issuer under the Loan Agreement for the benefit of the Bondholders.

Interest on the Bonds will cease to accrue on the date of issuance of the declaration of acceleration of payment of principal and interest on the Bonds.

In exercising such rights, the Trustee shall take any action that, in the judgment of the Trustee, would best serve the interests of the registered owners. Upon the occurrence of an Event of Default under the Indenture, the Trustee may also proceed to pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then outstanding.

If an Event of Default under the Indenture shall occur and be continuing and the maturity date of the Bonds has been accelerated (to the extent the Bonds are not already due and payable) as a consequence of such event of default, the Trustee may, and upon the written request of the registered owners holding not less than 25% in principal amount of all Bonds then outstanding and upon receipt of indemnity satisfactory to it shall, exercise such rights as it shall possess under the First Mortgage Indenture as a holder of the First Mortgage Bonds and shall also issue a Redemption Demand for such First Mortgage Bonds to the First Mortgage Trustee.

If the Trustee recovers any moneys following an Event of Default, unless the principal of the Bonds shall have been declared due and payable, all such moneys shall be applied in the following order: (i) to the payment of the fees, expenses, liabilities and advances incurred or made by the Trustee and the Paying Agent and the payment of any sums due and payable to the United States pursuant to Section 148(f) of the Code, (ii) to the payment of all interest then due on the Bonds and (iii) to the payment of unpaid principal and premium, if any, of the Bonds. If the principal of the Bonds has become due or has been accelerated, such moneys shall be applied in the following order: (i) to the payment of the fees, expenses, liabilities and advances incurred or made by the Trustee and the Paying Agent and (ii) to the payment of principal of and interest then due and unpaid on theBonds.

No Bondholder may institute any suit or proceeding in equity or at law for the enforcement of the Indenture unless an Event of Default has occurred of which the Trustee has been notified or is deemed to have notice, and registered owners holding not less than 25% in aggregate principal amount of Bonds then outstanding shall have made written request to the Trustee to proceed to exercise the powers granted under the Indenture or to institute such action in their own name and the Trustee shall fail or refuse to exercise its powers within a reasonable time after receipt of indemnity satisfactory to it.

Any judgment against the Issuer pursuant to the exercise of rights under the Indenture shall be enforceable only against specific assigned payments, funds and accounts under the Indenture in the hands of the Trustee. No deficiency judgment shall be authorized against the general credit of the Issuer.

No default under paragraph (3) above shall constitute an Event of Default until actual notice is given to the Issuer and the Company by the Trustee or to the Issuer, the Company and the Trustee by the registered owners holding not less than 25% in aggregate principal amount of all Bonds outstanding and the Issuer and the Company shall have had thirty days after such notice to correct the default and failed to do so. If the default is such that it cannot be corrected within the applicable period but is capable of being cured, it will not constitute an Event of Default if corrective action is instituted by the Issuer or the Company within the applicable period and diligently pursued until the default is corrected.

Waiver of Events of Default

Except as provided below, the Trustee may in its discretion waive any Event of Default under the Indenture and shall do so upon the written request of the registered owners holding a majority in principal amount of all Bonds then outstanding. If, after the principal of all Bonds then outstanding shall have been declared to be due and payable as a result of a default under the Indenture and prior to any judgment or decree for the appointment of a receiver or for the payment of the moneys due shall have been entered, (i) the Company has caused to be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of and premium, if any, on any and all Bonds which shall have become due otherwise than by reason of such declaration and the expenses of the Trustee in connection with such default (with interest thereon as provided in the Indenture) and (ii) all Events of Default under the Indenture (other than nonpayment of the principal of Bonds due by said declaration) shall have been remedied, then such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled by the Trustee. Such waiver, rescission and annulment shall be

binding upon all Bondholders. No such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Upon any waiver or rescission as described above or any discontinuance or abandonment of proceedings under the Indenture, the Trustee shall immediately rescind in writing any Redemption Demand of First Mortgage Bonds previously given to the First Mortgage Trustee. The rescission under the First Mortgage Indenture of a declaration that all first mortgage bonds outstanding under the First Mortgage Indenture are immediately due and payable shall also constitute a waiver of an Event of Default described in paragraph (6) under the subcaption "— Defaults and Remedies" above and a waiver and rescission of its consequences, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Notwithstanding the foregoing, nothing in the Indenture shall affect the right of a registered owner to enforce the payment of principal of, premium, if any, and interest on the Bonds after the maturity thereof.

Voting of First Mortgage Bonds Held by Trustee

The Trustee, as holder of the First Mortgage Bonds, shall attend any meeting of holders of first mortgage bonds outstanding under the First Mortgage Indenture as to which it receives due notice. The Trustee shall vote the First Mortgage Bonds held by it, or shall consent with respect thereto, proportionally in the way in which the Trustee reasonably believes will be the vote or consent of all other holders of first mortgage bonds outstanding under the First Mortgage Indenture then eligible to vote or consent.

Notwithstanding the foregoing, the Trustee may not vote the First Mortgage Bonds in favor of, or give consent to, any action which, in the Trustee's opinion, would materially adversely affect the First Mortgage Bonds in a manner not generally shared by all other series of first mortgage bonds, except upon notification by the Trustee to the registered owners of all Bonds then outstanding of such proposal and consent thereto of the registered owners of at least 66 2/3% in aggregate principal amount of all Bonds then outstanding.

Supplemental Indentures

The Issuer and the Trustee may enter into indentures supplemental to the Indenture without the consent of or notice to the Bondholders in order (i) to cure any ambiguity or formal defect or omission in the Indenture, (ii) to grant to or confer upon the Trustee, as may lawfully be granted, additional rights, remedies, powers or authorities for the benefit of the Bondholders, (iii) to subject to the Indenture additional revenues, properties or collateral, (iv) to permit qualification of the Indenture under any federal statute or state blue sky law, (v) to add additional covenants and agreements of the Issuer for the protection of the Bondholders or to surrender or limit any rights, powers or authorities reserved to or conferred upon the Issuer, (vi) to make any other modification or change to the Indenture which, in the sole judgment of the Trustee, does not adversely affect the Trustee or any Bondholder, (vii) to make other amendments not otherwise permitted by (i), (ii), (iii), (iv) or (vi) of this paragraph to provisions relating to federal income tax matters under the Code or other relevant provisions if, in the opinion of Bond Counsel, those amendments would not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, (viii) to make any modifications or changes to the Indenture necessary to provide any liquidity or credit support of any kind for the security of the Bonds (including without limitation any line of credit, letter of credit, guaranty agreement or insurance coverage), including any modifications of the Indenture or the Agreement necessary to upgrade or maintain the then applicable

ratings on the Bonds or (ix) to permit the issuance of the Bonds in other than book-entry-only form or to provide changes to or for the book-entry system.

Exclusive of supplemental indentures for the purposes set forth in the preceding paragraph, the consent of registered owners holding a majority in aggregate principal amount of all Bonds then outstanding is required to approve any supplemental indenture, except no such supplemental indenture may permit, without the consent of all of the registered owners of the Bonds then outstanding, (i) an extension of the maturity of the principal of or the interest on any Bond issued under the Indenture or a reduction in the principal amount of any Bond or the rate of interest or time of redemption or redemption premium thereon, (ii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (iii) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture or (iv) the deprivation of any registered owners of the lien of the Indenture.

If at any time the Issuer requests the Trustee to enter into any supplemental indenture requiring the consent of the registered owners of the Bonds, the Trustee, upon being satisfactorily indemnified with respect to expenses, must notify all such registered owners. Such notice must set forth the nature of the proposed supplemental indenture and must state that copies thereof are on file at the principal office of the Trustee for inspection. If, within sixty days (or such longer period as prescribed by the Issuer or the Company) following the mailing of such notice, the registered owners holding the requisite amount of the Bonds outstanding have consented to the execution thereof, no Bondholder will have any right to object or question the execution thereof.

No supplemental indenture will become effective unless the Company consents to the execution and delivery of such supplemental indenture. The Company will be deemed to have consented to the execution and delivery of any supplemental indenture if the Trustee does not receive a notice of protest or objection signed by the Company on or before 4:30 p.m., local time in the city in which the principal office of the Trustee is located, on the fifteenth day after the mailing to the Company of a notice of the proposed changes and a copy of the proposed supplemental indenture.

Enforceability of Remedies

The remedies available to the Trustee, the Issuer and the owners upon an event of default under the Loan Agreement, the Indenture or the First Mortgage Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Loan Agreement, the Indenture or the First Mortgage Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by principles of equity, bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally.

Reoffering

Subject to the terms and conditions of the Remarketing and Bond Purchase Agreement dated August 14, 2019 (the "Remarketing Agreement"), between the Company and BofA Securities, Inc., as Representative of the Initial Co-Remarketing Agents, the Initial Co-Remarketing Agents have agreed to purchase and reoffer the Bonds delivered to the Paying Agent for purchase on September 3, 2019, at a price equal to 100% of the principal amount of the Bonds, plus accrued interest (if any), and in connection therewith will receive compensation in the amount of $395,842.22, plus reimbursement of certain expenses. Under the terms of the Remarketing Agreement, the Company has agreed to indemnify the Initial Co-Remarketing Agents against certain civil liabilities, including liabilities under federal securities laws.

In the ordinary course of their business, the Initial Co-Remarketing Agents and certain of their affiliates, have engaged, and may in the future engage, in investment banking or commercial banking transactions with the Company.

The Initial Co-Remarketing Agents and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Initial Co-Remarketing Agents and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Company, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Initial Co-Remarketing Agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Company.

BofA Securities, Inc., one of the Initial Co-Remarketing Agents of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

SunTrust Robinson Humphrey, Inc. ("STRH"), one of the Initial Co-Remarketing Agents of the Bonds, has entered into an agreement (the "ST Distribution Agreement") with SunTrust Investment Services, Inc. ("STIS") for the retail distribution of certain municipal securities offerings, including the Bonds. Pursuant to the ST Distribution Agreement, STRH will share a portion of its remarketing agent compensation with respect to the Bonds with STIS. STRH and STIS are both subsidiaries of SunTrust Banks, Inc. SunTrust Robinson Humphrey is the trade name for certain capital markets and investment banking services of SunTrust Banks and its subsidiaries.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), one of the Initial Co-Remarketing Agents of the Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its remarketing agent compensation with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company. Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including WFBNA, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of WFBNA, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Tax Treatment

On each of February 23, 2007, the date of original issuance and delivery of the 2006 Series B Bonds, and October 17, 2008, the date of original issuance and delivery of the 2008 Series A Bonds, Stoll Keenon Ogden PLLC ("Prior Bond Counsel") delivered its opinions stating that under then-existing law, including statutes, regulations, administrative rulings and official interpretations, subject to the qualifications and exceptions set forth below, interest on the Bonds would be excluded from the gross income of the recipients thereof for federal income tax purposes, except that no opinion was expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" of the applicable Project or a "related person" as such terms are used in Section 147(a) of the Code. Interest on the Bonds will be an item of tax preference in determining alternative minimum taxable income under the Code. Prior Bond Counsel further opined that, subject to the assumptions stated in the preceding sentence, (i) interest on the Bonds would be excluded from gross income of the owners thereof for Kentucky income tax purposes and (ii) the Bonds would be exempt from all ad valorem taxes in Kentucky. Such opinions have not been updated as of the date hereof and no continuing tax exemption opinions are expressed by Dinsmore & Shohl LLP ("Bond Counsel").

Bond Counsel will deliver an opinion in connection with this reoffering to the effect that the conversion of the interest rate on the Bonds to the Long Term Rate (i) is authorized or permitted by Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the "Act") and the Indenture and (ii) will not adversely affect the validity of the Bonds or any exclusion from gross income of interest on the Bonds for federal income tax purposes to which interest on the Bonds would otherwise be entitled.

The opinions of Prior Bond Counsel as to the excludability of interest from gross income for federal income tax purposes were based upon and assumed the accuracy of certain representations of facts and circumstances, including with respect to the Projects, which were within the knowledge of the Company and compliance by the Company with certain covenants and undertakings set forth in the proceedings authorizing the Bonds which are intended to assure that the Bonds are and will remain obligations the interest on which is not includable in gross income of the recipients thereof under the law in effect on the date of such opinion. Prior Bond Counsel did not independently verify the accuracy of the certifications and representations made by the Company and the Issuer. On the date of the applicable opinions and subsequent to the original delivery of the 2006 Series B Bonds on February 23, 2007 and the 2008 Series A Bonds on October 17, 2008, as applicable, such representations of facts and circumstances must be accurate and such covenants and undertakings must continue to be complied with in order that interest on the Bonds be and remain excludable from gross income of the recipients thereof for federal income tax purposes under existing law. Prior Bond Counsel expressed no opinion (i) regarding the exclusion of interest on any Bond from gross income for federal income tax purposes on or after the date on which any change, including any interest rate conversion, permitted by the documents other than with the approval of bond counsel is taken which adversely affects the tax treatment of the Bonds or (ii) as to the treatment for purposes of federal income taxation of interest on the Bonds upon a Determination of Taxability.

Prior Bond Counsel further opined that the Code prescribed a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which, including provisions for potential payments by the Issuer to the federal government, require future or continued compliance after issuance of the Bonds in order for the interest to be and to continue to be so excluded from the date of issuance. Noncompliance with certain of these requirements by the Company or the Issuer with respect to the Bonds could cause the interest on the Bonds to be included in gross income for federal income tax purposes and to be subject to federal income taxation retroactively to the date of their issuance. The Company and the Issuer each covenanted to take all actions required of each to assure that the interest on

the Bonds shall be and remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

The opinions of Prior Bond Counsel as to the exclusion of interest on the Bonds from gross income for federal income tax purposes and federal tax treatment of interest on the Bonds were subject to the following exceptions and qualifications:

(a) The Code provides for a "branch profits tax" which subjects to tax, at a rate of 30%, the effectively connected earnings and profits of a foreign corporation which engages in a United States trade or business. Interest on the Bonds would be includable in the amount of effectively connected earnings and profits and thus would increase the branch profits tax liability.

(b) The Code also provides that passive investment income, including interest on the Bonds, may be subject to taxation for any S corporation with Subchapter C earnings and profits at the close of its taxable year if greater than 25% of its gross receipts is passive investment income.

Except as stated above, Prior Bond Counsel expressed no opinion as to any federal or Kentucky tax consequences resulting from the receipt of interest on the Bonds.

Owners of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences. For instance, the Code provides that property and casualty insurance companies will be required to reduce their loss reserve deductions by 15% of the tax-exempt interest received on certain obligations, such as the Bonds, acquired after August 7, 1986. (For purposes of the immediately preceding sentence, a portion of dividends paid to an affiliated insurance company may be treated as tax-exempt interest.) The Code further provides for the disallowance of any deduction for interest expenses incurred by banks and certain other financial institutions allocable to carrying certain tax-exempt obligations, such as the Bonds, acquired after August 7, 1986. The Code also provides that, with respect to taxpayers other than such financial institutions, such taxpayers will be unable to deduct any portion of the interest expenses incurred or continued to purchase or carry the Bonds. The Code also provides, with respect to individuals, that interest on tax-exempt obligations, including the Bonds, is included in modified adjusted gross income for purposes of determining the taxability of social security and railroad retirement benefits. Furthermore, the earned income tax credit is not allowed for individuals with an aggregate amount of disqualified income within the meaning of Section 32 of the Code, which exceeds $2,200. Interest on the Bonds will be taken into account in the calculation of disqualified income. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters and any other tax consequences of holding the Bonds.

From time to time, there are legislative proposals in Congress which, if enacted, could alter or amend one or more of the federal tax matters referred to above or could adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The opinions of Bond Counsel relating to the conversion of the interest rate mode on the Bonds to a Long Term Rate Period in substantially the forms in which they are expected to be delivered on the Conversion Date, redated to the Conversion Date are attached as Appendices B-3 and B-4.

Legal Matters

Certain legal matters in connection with the conversion of the interest rate mode to a Long Term Rate Period and reoffering of the Bonds will be passed upon by Dinsmore & Shohl LLP, Louisville, Kentucky, Bond Counsel. Certain legal matters pertaining to the Company will be passed upon by Jones

Day, Chicago, Illinois, and John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary for the Company. Certain legal matters will be passed upon for the Remarketing Agents by their counsel, McGuireWoods LLP, Chicago, Illinois.

Continuing Disclosure

Because the Bonds are special and limited obligations of the Issuer, the Issuer is not an "obligated person" for purposes of Rule 15c2-12 (the "Rule") promulgated by the SEC under the Exchange Act, and does not have any continuing obligations thereunder. Accordingly, the Issuer will not provide any continuing disclosure information with respect to the Bonds or the Issuer.

In order to enable the Remarketing Agents to comply with the requirements of the Rule, the Company will covenant in separate continuing disclosure undertaking agreements to be delivered to the Trustee for the benefit of the holders of the Bonds (each, a "Continuing Disclosure Agreement") to provide certain continuing disclosure for the benefit of the holders of the Bonds. Under each Continuing Disclosure Agreement, the Company will covenant to take the following actions:

(i) The Company will provide to the Municipal Securities Rulemaking Board ("MSRB") (in electronic format) (a) annual financial information of the type set forth in Appendix A to this Reoffering Circular (including any information incorporated by reference in Appendix A) and (b) audited financial statements prepared in accordance with generally accepted accounting principles, in each case not later than 120 days after the end of the Company's fiscal year.

(ii) The Company will file in a timely manner not in excess of 10 business days after the occurrence of the event with the MSRB notice of the occurrence of any of the following events (if applicable) with respect to the Bonds: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) any unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancement facilities reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (g) modifications to rights of the holders of the Bonds, if material; (h) the giving of notice of optional or unscheduled redemption of any Bonds, if material, and tender offers; (i) defeasance of the Bonds or any portion thereof; (j) release, substitution, or sale of property securing repayment of the Bonds, if material; (k) rating changes; (l) bankruptcy, insolvency, receivership or similar event of the Company; (m) the consummation of a merger, consolidation or acquisition involving the Company, or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (n) appointment of a successor or additional trustee or a change of name of a trustee, if material; (o) incurrence by the Company of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Company, any of which affect security holders, if material; and (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Company, any of which reflect financial difficulties.

(iii) The Company will file in a timely manner with the MSRB notice of a failure by the Company to file any of the information referred to in paragraph (i) above by the due date.

A Financial Obligation, as referred to above, is defined as (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Company may amend each Continuing Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Company that does not change the duties of the Trustee thereunder) or waive any provision thereof, but only with a change in circumstances that arises from a change in legal requirements, change in law, or change in the nature or status of the Company with respect to the respective series of the Bonds or the type of business conducted by the Company; provided that the undertaking, as amended or following such waiver, would have complied with the requirements of the Rule on the date of issuance of the respective series of the Bonds, after taking into account any amendments to the Rule as well as any change in circumstances, and the amendment or waiver does not materially impair the interests of the holders of the Bonds to which such undertaking relates, in the opinion of the Trustee or counsel expert in federal securities laws acceptable to both the Company and the Trustee, or is approved by the Beneficial Owners of a majority in aggregate principal amount of the outstanding Bonds of the respective series. The Company acknowledges that its undertakings pursuant to the Rule described under this heading are intended to be for the benefit of the holders of each respective series of the Bonds and shall be enforceable by the holders of those Bonds or by the Trustee on behalf of such holders. Any breach by the Company of these undertakings pursuant to the Rule will not constitute an event of default under the respective Indenture, Loan Agreement or Bonds.

The Company is a party to continuing disclosure agreements with respect to 5 series of pollution control bonds. The MSRB's Electronic Municipal Market Access website reflects that within the past five years the Company did not timely file certain information in connection with December 2014 and June 2016 downgrades of credit ratings for four series of Company pollution control bonds resulting from the downgrade of the bank providing the letters of credit supporting such bonds. Moody's Investors Service, Inc. downgraded the long-term rating of the four Company pollution control bonds on December 2, 2014. The Company was not aware of the downgrade until February 10, 2015 and filed the required disclosures on February 11, 2015. On May 23, 2016, S&P Global Ratings updated its methodology and assumptions for rating jointly supported financial obligations. As a result, S&P Global Ratings downgraded the long-term rating on the four Company pollution control bonds as of June 3, 2016. The Company was not aware of the downgrade until July 24, 2017 and filed the required disclosures on July 24, 2017. The Company has had, and continues to have, procedures in place in order to make material event notices and financial statement filings on an ongoing basis.

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This Reoffering Circular has been duly approved, executed and delivered by the Company.

KENTUCKY UTILITIES COMPANY

By: /s/ Daniel K. Arbough
Daniel K. Arbough
Treasurer

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Appendix A

Kentucky Utilities Company

Kentucky Utilities Company ("KU"), incorporated in Kentucky in 1912 and in Virginia in 1991, is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy in Kentucky and Virginia. As of December 31, 2018, KU provided electricity to approximately 527,000 customers in 77 counties in central, southeastern and western Kentucky, approximately 28,000 customers in five counties in southwestern Virginia. KU's service area covers approximately 4,800 non-contiguous square miles. KU's coal-fired electric generating stations produce most of KU's electricity. The remainder is generated by natural gas fueled combined cycle combustion turbines, a hydroelectric power plant, natural gas and oil fueled combustion turbines and a small solar facility. In Virginia, KU operates under the name Old Dominion Power Company. As of May 1, 2019, KU also sells wholesale electric energy to 2 municipalities.

KU is a wholly-owned subsidiary of LG&E and KU Energy LLC and an indirect wholly-owned subsidiary of PPL Corporation. KU's affiliate, Louisville Gas and Electric Company ("LG&E"), is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy and natural gas in Kentucky. KU's obligations under the Loan Agreement are solely its own, and not those of any of its affiliates. None of LG&E, PPL Corporation or KU's other affiliates will be obligated to make any payment on the Loan Agreement or the Bonds.

The information above concerning KU is only a summary and does not purport to be comprehensive. Additional information regarding KU, including audited financial statements, is available in the documents listed under the heading "Documents Incorporated by Reference," which documents are incorporated by reference herein.

Selected Financial Data
(Dollars in millions)

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating revenues	$ 856	$885	$ 1,760	$ 1,744	$ 1,749
Operating income	$ 232	$236	$ 468	$ 518	$ 531
Net income	$ 142	$148	$ 286	$ 259	$ 265
Total assets	$ 8,691	$8,353	$ 8,540	$ 8,254	$ 8,085
Long-term debt obligations (including amounts due within one year)	$2,624	$2,329	$ 2,321	$ 2,328	$ 2,327

Capitalization:	June 30, 2019	% of Capitalization
Long-term debt and notes payable	$ 2,624	42.4%
Common equity	3,561	57.6%
Total capitalization	$ 6,185	100.0%

The selected financial data presented above for the three fiscal years ended December 31, 2018, and as of December 31 for each of those years, have been derived from the Company's audited financial statements. The selected financial data presented above for the six months ended June 30, 2019 and 2018 have been derived from the Company's unaudited financial statements for the six months ended June 30, 2019 and 2018. The Company's audited financial statements for the three fiscal years ended December 31, 2018, and as of December 31, 2017 and 2018, are included in the Company's Form 10-K for the year ended December 31, 2018 incorporated by reference herein. The Company's unaudited financial statements for the six months ended June 30, 2019 are included in the Company's Form 10-Q for the quarter ended June 30, 2019 incorporated by reference herein. "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-K for the year ended December 31, 2018 and "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-Q for the quarter ended June 30, 2019, as well as the Combined Notes to Financial Statements as of December 31, 2018, 2017 and 2016 and the Combined Notes to Condensed Financial Statements (Unaudited) as of June 30, 2019 and December 31, 2018 and for the six-month periods ended June 30, 2019 and 2018, should be read in conjunction with the above information. Deloitte & Touche LLP audited the Company's financial statements for the three fiscal years ended December 31, 2018.

Risk Factors

Investing in the Bonds involves risk. Please see the risk factors in KU's Annual Report on Form 10-K for the year ended December 31, 2018, which is incorporated by reference in this Appendix A. Before making an investment decision, you should carefully consider these risks as well as the other information contained or incorporated by reference in this Appendix A. Risks and uncertainties not presently known to KU or that KU currently deems immaterial may also impair its business operations, its financial results and the value of the Bonds.

Available Information

KU is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and, accordingly, files reports and other information with the Securities and Exchange Commission (the "SEC"). Such reports and other information on file can be inspected and copied at the public reference facilities of the SEC, currently at 100 F Street, N.E., Room 1580, Washington, D.C. 20549; or from the SEC's Web Site (http://www.sec.gov). Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

Documents Incorporated by Reference

The following documents, as filed by KU with the SEC, are incorporated herein by reference:

1. Form 10-K Annual Report of KU for the year ended December 31, 2018;

2. Form 10-Q Quarterly Reports of KU for the quarters ended March 31, 2019 and June 30, 2019; and

3. Form 8-K Current Reports of KU filed with the SEC on March 1, 2019, March 8, 2019, March 19, 2019 and April 1, 2019.

All documents filed by KU with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this Reoffering Circular and prior to the termination of the offering of the Bonds shall be deemed to be incorporated by reference in this Appendix and to be made a part hereof from their respective dates of filing. Any statement contained in a document incorporated or deemed to be incorporated by reference in this Reoffering Circular shall be deemed to be modified or superseded for purposes of this Reoffering Circular to the extent that a statement contained in this Reoffering Circular or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Reoffering Circular modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Reoffering Circular.

KU hereby undertakes to provide without charge to each person (including any beneficial owner) to whom a copy of this Reoffering Circular has been delivered, on the written or oral request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Reoffering Circular by reference, other than certain exhibits to such documents. Requests for such copies should be directed to Treasurer, Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507, telephone: (859)255-2100.

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APPENDIX B

Opinions of Prior Bond Counsel and
Forms of Conversion Opinions of Bond Counsel

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APPENDIX B-1

Opinion of Prior Bond Counsel dated February 23, 2007 relating to the 2006 Series B Bonds

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STOLL·KEENON·OGDEN
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February 23, 2007

Re: $54,000,000 County of Carroll, Kentucky, Environmental Facilities Revenue Refunding Bonds, 2006 Series B (Kentucky Utilities Company Project)

We hereby certify that we have examined certified copies of the proceedings of record of the County of Carroll, Kentucky (the "County"), acting by and through its Fiscal Court as its duly authorized governing body, preliminary to and in connection with the issuance by the County of its Environmental Facilities Revenue Refunding Bonds, 2006 Series B (Kentucky Utilities Company Project), dated their date of issuance, in the aggregate principal amount of $54,000,000 (the "Bonds"). The Bonds are issued under the provisions of Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the "Act"), for the purpose of providing funds which will be used, with other funds provided by Kentucky Utilities Company (the "Company") for the current refunding of $54,000,000 aggregate principal amount of the County's Collateralized Solid Waste Disposal Facilities Revenue Bonds (Kentucky Utilities Company Project) 1994 Series A, dated November 23, 1994 (the "Prior Bonds"), which were issued for the purpose of financing a portion of the costs of construction, acquisition, installation and equipping of certain solid waste disposal facilities to serve the Ghent Generating Station of the Company in Carroll County, Kentucky (the "Project") in order to provide for the collection, storage, treatment, processing and final disposal of solid wastes, as provided by the Act.

The Bonds mature on October 1, 2034 and bear interest initially at the Dutch Auction Rate, as defined in the Indenture, hereinafter described, subject to change as provided in such Indenture. The Bonds will be subject to optional and mandatory redemption prior to maturity at the times, in the manner and upon the terms set forth in the Bonds. From such examination of the proceedings of the Fiscal Court of the County referred to above and from an examination of the Act, we are of the opinion that the County is duly authorized and empowered to issue the Bonds under the laws of the Commonwealth of Kentucky now in force.

We have examined an executed counterpart of a certain Loan Agreement, dated as of October 1, 2006 (the "Loan Agreement"), between the County and the Company and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Loan Agreement, pursuant to which the County has agreed to issue the Bonds and to lend the proceeds thereof to the Company to provide funds to pay and discharge, with other funds provided by the Company, the Prior Bonds.

The Company has agreed to make Loan payments to the Trustee at times and in amounts fully adequate to pay maturing principal of, interest on and redemption premium, if any, on the Bonds as same become due and payable. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Loan Agreement; that the Loan Agreement has been duly authorized, executed and delivered by the County; and that the Loan Agreement is a legal, valid and binding obligation of the County, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

We have also examined an executed counterpart of a certain Indenture of Trust, dated as of October 1, 2006 (the "Indenture"), by and between the County and Deutsche Bank Trust Company Americas, as trustee (the "Trustee"), securing the Bonds and setting forth the covenants and undertakings of the County in connection with the Bonds and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Indenture. Pursuant to the Indenture, certain of the County's rights under the Loan Agreement, including the right to receive payments thereunder, and all moneys and securities held by the Trustee in accordance with the Indenture (except moneys and securities in the Rebate Fund created thereby) have been assigned to the Trustee, as security for the holders of the Bonds. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Indenture; that the Indenture has been duly authorized, executed and delivered by the County; and that the Indenture is a legal, valid and binding obligation upon the parties thereto according to its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

In our opinion the Bonds have been validly authorized, executed and issued in accordance with the laws of the Commonwealth of Kentucky now in full force and effect, and constitute legal, valid and binding special obligations of the County entitled to the benefit of the security provided by the Indenture and enforceable in accordance with their terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought. The Bonds are payable by the County solely and only from payments and other amounts derived from the Loan Agreement and as provided in the Indenture.

In our opinion, under existing laws, including current statutes, regulations, administrative rulings and official interpretations by the Internal Revenue Service, subject to the exceptions and qualifications contained in the succeeding paragraphs, interest on the Bonds is excluded from the gross income of the recipients thereof for federal income tax purposes, except that no opinion is expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" of the Project or a "related person," as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is a separate item of tax preference in determining alternative

minimum taxable income for individuals and corporations under the Code. In arriving at this opinion, we have relied upon representations, factual statements and certifications of the Company with respect to certain material facts which are solely within the Company's knowledge in reaching our conclusion, inter alia, that not less than 95% of the net proceeds of the Prior Bonds were used to finance solid waste disposal facilities qualified for financing under Section 142(a)(6) of the Code and the Act. Further, in arriving at the opinion set forth in this paragraph as to the exclusion from gross income of interest on the Bonds, we have assumed and this opinion is conditioned on, the accuracy of and continuing compliance by the Company and the County with representations and covenants set forth in the Loan Agreement and the Indenture which are intended to assure compliance with certain tax-exempt interest provisions of the Code. Such representations and covenants must be accurate and must be complied with subsequent to the issuance of the Bonds in order that interest on the Bonds be excluded from gross income for federal income tax purposes. Failure to comply with certain of such representations and covenants in respect of the Bonds subsequent to the issuance of the Bonds could cause the interest thereon to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion (i) regarding the exclusion of interest on any Bond from gross income for federal income tax purposes on or after the date on which any change, including any interest rate conversion, permitted by the documents (other than with approval of this firm) is taken which adversely affects the tax treatment of the Bonds or (ii) as to the treatment for purposes of federal income taxation of interest on the Bonds upon a Determination of Taxability. We are further of the opinion that interest on the Bonds is excluded from gross income of the recipients thereof for Kentucky income tax purposes and that the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and all political subdivisions thereof.

Our opinion as to the exclusion of interest on the Bonds from gross income for federal income tax purposes and federal tax treatment of interest on the Bonds is further subject to the following exceptions and qualifications:

(a) The Code provides for a "branch profits tax" which subjects to tax, at a rate of 30%, the effectively connected earnings and profits of a foreign corporation which engages in a United States trade or business. Interest on the Bonds would be includable in the amount of effectively connected earnings and profits and thus would increase the branch profits tax liability.

(b) The Code also provides that passive investment income, including interest on the Bonds, may be subject to taxation for any S corporation with Subchapter C earnings and profits at the close of its taxable year if greater than 25% of its gross receipts is passive investment income.

Except as stated above, we express no opinion as to any federal or Kentucky tax consequences resulting from the receipt of interest on the Bonds.

Holders of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences. For instance, the Code provides that, for taxable years beginning after December 31, 1986, property and casualty insurance companies will be

required to reduce their loss reserve deductions by 15% of the tax-exempt interest received on certain obligations, such as the Bonds, acquired after August 7, 1986. (For purposes of the immediately preceding sentence, a portion of dividends paid to an affiliated insurance company may be treated as tax-exempt interest.) The Code further provides for the disallowance of any deduction for interest expenses incurred by banks and certain other financial institutions allocable to carrying certain tax-exempt obligations, such as the Bonds, acquired after August 7, 1986. The Code also provides that, with respect to taxpayers other than such financial institutions, such taxpayers will be unable to deduct any portion of the interest expenses incurred or continued to purchase or carry the Bonds. The Code also provides, with respect to individuals, that interest on tax-exempt obligations, including the Bonds, is included in modified adjusted gross income for purposes of determining the taxability of social security and railroad retirement benefits. Furthermore, the earned income credit is not allowed for individuals with an aggregate amount of disqualified income within the meaning of section 32 of the Code, which exceeds $2,200. Interest on the Bonds will be taken into account in the calculation of disqualified income.

We have received opinions of John R. McCall, Esq., General Counsel of the Company and Jones Day, Chicago, Illinois, counsel to the Company, of even date herewith. In rendering this opinion, we have relied upon said opinions with respect to the matters therein. We have also received an opinion of even date herewith of Hon. James C. Monk, County Attorney of the County and relied upon said opinion with respect to the matters therein. Said opinions are in forms satisfactory to us as to both scope and content.

We express no opinion as to the title to, the description of, or the existence or priority of any liens, charges or encumbrances on, the Project.

In rendering the foregoing opinions, we are passing upon only those matters specifically set forth in such opinions and are not passing upon the investment quality of the Bonds or the accuracy or completeness of any statements made in connection with any offer or sale thereof. The opinions herein are expressed as of the date hereof and we assume no obligation to supplement or update such opinions to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We are members of the Bar of the Commonwealth of Kentucky and do not purport to be experts on the laws of any jurisdiction other than the Commonwealth of Kentucky and the United States of America, and we express no opinion as to the laws of any jurisdiction other than those specified.

Respectfully submitted,

Stoll Keenon Ogden PLLC

STOLL KEENON OGDEN PLLC

APPENDIX B-2

Opinion of Prior Bond Counsel dated October 17, 2008 relating to the 2008 Series A Bonds

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October 17, 2008

Re: $77,947,405 "County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2008 Series A (Kentucky Utilities Company Project)"

We hereby certify that we have examined certified copies of the proceedings of record of the County of Carroll, Kentucky (the "County"), acting by and through its Fiscal Court as its duly authorized governing body, preliminary to and in connection with the issuance by the County of its Environmental Facilities Revenue Bonds, 2008 Series A (Kentucky Utilities Company Project), dated their date of issuance, in the aggregate principal amount of $77,947,405 (the "Bonds"). The Bonds are issued under the provisions of Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the "Act"), for the purpose of providing funds which will be used, with other funds provided by Kentucky Utilities Company (the "Company") for the purposes of (i) financing a portion of the costs of construction, acquisition, installation and equipping of certain solid waste disposal facilities to serve the Ghent Generating Station of the Company in Carroll County, Kentucky (the "Construction Project") in order to provide for the collection, storage, treatment and final disposal of solid wastes, as provided by the Act in the principal amount of $18,026,265, and (ii) currently refunding (a) $13,266,950 outstanding principal amount of County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2005 Series A (Kentucky Utilities Company Project) (the "2005 Series A Bonds"), (b) $13,266,950 outstanding principal amount of County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2005 Series B (Kentucky Utilities Company Project) (the "2005 Series B Bonds"), (c) $16,693,620 outstanding principal amount of County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2006 Series A (Kentucky Utilities Company Project) (the "2006 Series A Bonds") and (d) $16,693,620 outstanding principal amount of County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2006 Series C (Kentucky Utilities Company Project) (the "2006 Series C Bonds" and, together with the 2005 Series A Bonds, the 2005 Series B Bonds and the 2006 Series A Bonds, the "Refunded Bonds"), which were issued for the purpose of financing all or a portion of the qualified costs of acquisition, construction, installation and equipping of certain solid waste disposal facilities to serve the Ghent Generating Station of Company in Carroll County, Kentucky (the "Refunding Project" and, together with the Construction Project, the "Project"), as provided by the Act.

The Bonds mature on February 1, 2032, and bear interest initially at the Flexible Rate, as defined in the Indenture, hereinafter described, subject to change as provided in such Indenture. The Bonds will be subject to optional and mandatory redemption prior to maturity at the times, in the manner and upon the terms set forth in the Bonds. From such examination of the proceedings of the Fiscal Court of the County referred to above and from an examination of the Act, we are of the opinion that the County is duly authorized and empowered to issue the Bonds under the laws of the Commonwealth of Kentucky now in force.

We have examined an executed counterpart of a certain Loan Agreement, dated as of August 1, 2008 (the "Loan Agreement"), between the County and the Company and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Loan Agreement, pursuant to which the County has agreed to issue the Bonds and to lend the proceeds thereof to the Company to provide funds to finance a portion of the costs of the acquisition, construction, installation and equipping of the Construction Project and to pay and discharge with other funds provided by the Company, the Refunded Bonds. The Company has agreed to make Loan payments to the Trustee at times and in amounts fully adequate to pay maturing principal of, interest on and redemption premium, if any, on the Bonds as same become due and payable. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Loan Agreement; that the Loan Agreement has been duly authorized, executed and delivered by the County; and that the Loan Agreement is a legal, valid and binding obligation of the County, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

We have also examined an executed counterpart of a certain Indenture of Trust, dated as of August 1, 2008 (the "Indenture"), by and between the County and Deutsche Bank Trust Company Americas, as trustee (the "Trustee"), securing the Bonds and setting forth the covenants and undertakings of the County in connection with the Bonds and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Indenture. Pursuant to the Indenture, certain of the County's rights under the Loan Agreement, including the right to receive payments thereunder, and all moneys and securities held by the Trustee in accordance with the Indenture (except moneys and securities in the Rebate Fund created thereby) have been assigned to the Trustee, as security for the holders of the Bonds. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Indenture; that the Indenture has been duly authorized, executed and delivered by the County; and that the Indenture is a legal, valid and binding obligation upon the parties thereto according to its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

In our opinion the Bonds have been validly authorized, executed and issued in accordance with the laws of the Commonwealth of Kentucky now in full force and effect, and constitute legal, valid and binding special obligations of the County entitled to the benefit of the security provided by the Indenture and enforceable in accordance with their terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought. The Bonds are payable by the County solely and only from payments and other amounts derived from the Loan Agreement and as provided in the Indenture.

In our opinion, under existing laws, including current statutes, regulations, administrative rulings and official interpretations by the Internal Revenue Service, subject to the exceptions and qualifications contained in the succeeding paragraphs, (i) interest on the Bonds is excluded from the gross income of the recipients thereof for federal income tax purposes, except that no opinion is expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" of the Project or a "related person," as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Bonds is a separate item of tax preference in determining alternative minimum taxable income for individuals and corporations under the Code. In arriving at this opinion, we have relied upon representations, factual statements and certifications of the Company with respect to certain material facts which are solely within the Company's knowledge in reaching our conclusion, inter alia, that not less than 95% of the proceeds of the Bonds will be used to finance or refinance solid waste disposal facilities qualified for financing under Section 142(a)(6) of the Code and the Act. Further, in arriving at the opinion set forth in this paragraph as to the exclusion from gross income of interest on the Bonds, we have assumed and this opinion is conditioned on, the accuracy of and continuing compliance by the Company and the County with representations and covenants set forth in the Loan Agreement and the Indenture which are intended to assure compliance with certain tax-exempt interest provisions of the Code. Such representations and covenants must be accurate and must be complied with subsequent to the issuance of the Bonds in order that interest on the Bonds be excluded from gross income for federal income tax purposes. Failure to comply with certain of such representations and covenants in respect of the Bonds subsequent to the issuance of the Bonds could cause the interest thereon to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion (i) regarding the exclusion of interest on any Bond from gross income for federal income tax purposes on or after the date on which any change, including any interest rate conversion, permitted by the documents (other than with approval of this firm) is taken which adversely affects the tax treatment of the Bonds or (ii) as to the treatment for purposes of federal income taxation of interest on the Bonds upon a Determination of Taxability. We are further of the opinion that interest on the Bonds is excluded from gross income of the recipients thereof for Kentucky income tax purposes and that the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and all political subdivisions thereof.

Our opinion as to the exclusion of interest on the Bonds from gross income for federal income tax purposes and federal tax treatment of interest on the Bonds is further subject to the following exceptions and qualifications:

(a) The Code provides for a "branch profits tax" which subjects to tax, at a rate of 30%, the effectively connected earnings and profits of a foreign corporation which engages in a United States trade or business. Interest on the Bonds would be includable in the amount of effectively connected earnings and profits and thus would increase the branch profits tax liability.

(b) The Code also provides that passive investment income, including interest on the Bonds, may be subject to taxation for any S corporation with Subchapter C earnings and profits at the close of its taxable year if greater than 25% of its gross receipts is passive investment income.

Except as stated above, we express no opinion as to any federal or Kentucky tax consequences resulting from the receipt of interest on the Bonds.

Holders of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences. For instance, the Code provides that, for taxable years beginning after December 31, 1986, property and casualty insurance companies will be required to reduce their loss reserve deductions by 15% of the tax-exempt interest received on certain obligations, such as the Bonds, acquired after August 7, 1986. (For purposes of the immediately preceding sentence, a portion of dividends paid to an affiliated insurance company may be treated as tax-exempt interest.) The Code further provides for the disallowance of any deduction for interest expenses incurred by banks and certain other financial institutions allocable to carrying certain tax-exempt obligations, such as the Bonds, acquired after August 7, 1986. The Code also provides that, with respect to taxpayers other than such financial institutions, such taxpayers will be unable to deduct any portion of the interest expenses incurred or continued to purchase or carry the Bonds. The Code also provides, with respect to individuals, that interest on tax-exempt obligations, including the Bonds, is included in modified adjusted gross income for purposes of determining the taxability of social security and railroad retirement benefits. Furthermore, the earned income credit is not allowed for individuals with an aggregate amount of disqualified income within the meaning of Section 32 of the Code, which exceeds $2,200. Interest on the Bonds will be taken into account in the calculation of disqualified income.

We have received opinions of John R. McCall, Esq., General Counsel of the Company, and Jones Day, Chicago, Illinois, counsel to the Company, of even date herewith. In rendering this opinion, we have relied upon said opinions with respect to the matters therein. We have also received an opinion of even date herewith of Hon. James C. Monk, County Attorney of the County and relied upon said opinion with respect to the matters therein. Said opinions are in forms satisfactory to us as to both scope and content.

We express no opinion as to the title to, the description of, or the existence or priority of any liens, charges or encumbrances on, the Project.

In rendering the foregoing opinions, we are passing upon only those matters specifically set forth in such opinions and are not passing upon the investment quality of the Bonds or the accuracy or completeness of any statements made in connection with any offer or sale thereof. The opinions herein are expressed as of the date hereof and we assume no obligation to supplement or update such opinions to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We are members of the Bar of the Commonwealth of Kentucky and do not purport to be experts on the laws of any jurisdiction other than the Commonwealth of Kentucky and the United States of America, and we express no opinion as to the laws of any jurisdiction other than those specified.

Respectfully submitted,

Stoll Keenon Ogden PLLC

STOLL KEENON OGDEN PLLC

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APPENDIX B-3

Conversion Opinion of Bond Counsel
(2006 Series B Bonds)

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Dinsmore

September 3, 2019

County of Carroll, Kentucky
Carrollton, Kentucky 41008

U.S. Bank National Association, as
Successor Trustee
Louisville, Kentucky 40202

Re: Conversion of the Interest Rate Mode applicable to the $54,000,000 County of Carroll, Kentucky, Environmental Facility Revenue Refunding Bonds, 2006 Series B (Kentucky Utilities Company Project)

Ladies and Gentlemen:

This opinion is being furnished in accordance with the requirements of the Amended and Restated Indenture of Trust, dated as of September 1, 2008, as amended and supplemented pursuant to Supplemental Indenture No. 1 to Amended and Restated Indenture of Trust dated as of September 1, 2010 (collectively, the "**Indenture**"), between the County of Carroll, Kentucky (the "**Issuer**") and U.S. Bank National Association, as successor Trustee, Bond Registrar, Paying Agent, and Tender Agent (the "**Trustee**"), pertaining to $54,000,000 principal amount of County of Carroll, Kentucky, Environmental Facility Revenue Refunding Bonds, 2006 Series B (Kentucky Utilities Company Project), dated February 23, 2007 (the "**2006 Series B Bonds**"), in order to satisfy certain requirements of Section 2.02(e)(i) of the Indenture. Pursuant to Section 2.02(e)(i) of the Indenture, the Company has elected to convert the Interest Rate Mode applicable to the 2006 Series B Bonds from a Weekly Rate to a Long Term Rate effective as of September 3, 2019. The Conversion to the Long Term Rate shall be effective for an initial Long Term Rate Period beginning on and including September 3, 2019 and ending May 31, 2021. The 2006 Series B Bonds mature on October 1, 2034. The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Indenture and related documents, and upon representations made to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, as of the date hereof, we are of the opinion that the Conversion of the Interest Rate Mode applicable to the 2006 Series B Bonds from a Weekly Rate to a Long Term Rate for an initial Long Term Rate Period commencing on and effective as of September 3, 2019 and ending May 31, 2021 as described herein (a) is authorized or permitted by the Act and

is authorized by the Indenture and (b) will not adversely affect the validity of the 2006 Series B Bonds or any exclusion from gross income of the interest on the 2006 Series B Bonds for federal income tax purposes to which interest on the 2006 Series B Bonds would otherwise be entitled. Interest on the 2006 Series B Bonds is not and will not be excluded from gross income during any period when the 2006 Series B Bonds are held by the Company or a "related person" of the Company as defined in Section 147(a) of the Internal Revenue Code of 1986, as amended.

In rendering this opinion, we assume, without verifying, that the Issuer and the Company have complied and will comply with all covenants contained in the Indenture, the Amended and Restated Loan Agreement between the Issuer and the Company, dated as of September 1, 2008, as amended and supplemented pursuant to Amendment No. 1 to Amended and Restated Loan Agreement dated as of September 1, 2010, and other documents relating to the 2006 Series B Bonds. Stoll Keenon Ogden PLLC rendered its approving opinion at the time of the issuance of the 2006 Series B Bonds relating to, among other things, the validity of the 2006 Series B Bonds and the exclusion from federal income taxation of interest on the 2006 Series B Bonds. We have not been requested to update or continue such opinion and have not undertaken to do so. Accordingly, we do not express any opinion with respect to the 2006 Series B Bonds except as set forth above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We express no opinion herein as to the investment quality of the 2006 Series B Bonds or the adequacy, accuracy, or completeness of any information furnished to any person in connection with any offer or sale of the 2006 Series B Bonds.

Respectfully submitted,

APPENDIX B-4

Conversion Opinion of Bond Counsel
(2008 Series A Bonds)

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Dinsmore

September 3, 2019

County of Carroll, Kentucky
Carrollton, Kentucky 41008

U.S. Bank National Association, as
Successor Trustee
Louisville, Kentucky 40202

Re: Conversion of the Interest Rate Mode applicable to the $77,947,405 County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2008 Series A (Kentucky Utilities Company Project)

Ladies and Gentlemen:

This opinion is being furnished in accordance with the requirements of the Indenture of Trust, dated as of August 1, 2008, as amended and supplemented pursuant to Supplemental Indenture No. 1 to Indenture of Trust dated as of September 1, 2010 (collectively, the "**Indenture**"), between the County of Carroll, Kentucky (the "**Issuer**") and U.S. Bank National Association, as successor Trustee, Bond Registrar, Paying Agent, and Tender Agent (the "**Trustee**"), pertaining to $77,947,405 principal amount of County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2008 Series A (Kentucky Utilities Company Project), dated October 17, 2008 (the "**2008 Series A Bonds**"), in order to satisfy certain requirements of Section 2.02(e)(i) of the Indenture. Pursuant to Section 2.02(e)(i) of the Indenture, the Company has elected to convert the Interest Rate Mode applicable to the 2008 Series A Bonds from a Weekly Rate to a Long Term Rate effective as of September 3, 2019. The Conversion to the Long Term Rate shall be effective for an initial Long Term Rate Period beginning on and including September 3, 2019 and ending no later than May 31, 2021. The 2008 Series A Bonds mature on February 1, 2032. The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Indenture and related documents, and upon representations made to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, as of the date hereof, we are of the opinion that the Conversion of the Interest Rate Mode applicable to the 2008 Series A Bonds from a Weekly Rate to a Long Term Rate for an initial Long Term Rate Period commencing on and effective as of September 3, 2019 and ending May 31, 2021 as described herein (a) is authorized or permitted by the Act and

is authorized by the Indenture and (b) will not adversely affect the validity of the 2008 Series A Bonds or any exclusion from gross income of the interest on the 2008 Series A Bonds for federal income tax purposes to which interest on the 2008 Series A Bonds would otherwise be entitled. Interest on the 2008 Series A Bonds is not and will not be excluded from gross income during any period when the 2008 Series A Bonds are held by the Company or a "related person" of the Company as defined in Section 147(a) of the Internal Revenue Code of 1986, as amended.

In rendering this opinion, we assume, without verifying, that the Issuer and the Company have complied and will comply with all covenants contained in the Indenture, the Loan Agreement between the Issuer and the Company, dated as of August 1, 2008, as amended and supplemented pursuant to Amendment No. 1 to Loan Agreement dated as of September 1, 2010, and other documents relating to the 2008 Series A Bonds. Stoll Keenon Ogden PLLC rendered its approving opinion at the time of the issuance of the 2008 Series A Bonds relating to, among other things, the validity of the 2008 Series A Bonds and the exclusion from federal income taxation of interest on the 2008 Series A Bonds. We have not been requested to update or continue such opinion and have not undertaken to do so. Accordingly, we do not express any opinion with respect to the 2008 Series A Bonds except as set forth above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We express no opinion herein as to the investment quality of the 2008 Series A Bonds or the adequacy, accuracy, or completeness of any information furnished to any person in connection with any offer or sale of the 2008 Series A Bonds.

Respectfully submitted,

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On October 20, 2004, the date on which the Bonds were originally issued, Harper, Ferguson & Davis, a division of Ogden Newell & Welch, as bond counsel, delivered its opinion that stated that, subject to the conditions and exceptions set forth under the caption "Tax Treatment," under then-current law, interest on the Bonds would be excludable from the gross income of the recipients thereof for federal income tax purposes, except that no opinion was expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" or a "related person" of the Project as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will be an item of tax preference in determining alternative minimum taxable income under the Code. Such interest may be subject to certain federal income taxes imposed on certain corporations, including imposition of the branch profits tax on a portion of such interest. Harper, Ferguson & Davis, a division of Ogden Newell & Welch, as bond counsel, was further of the opinion that interest on the Bonds would be excludable from the gross income of the recipients thereof for Kentucky income tax purposes and that, under then- current law, the principal of the Bonds would be exempt from ad valorem taxes in Kentucky. Such opinion has not been updated as of the date hereof and no continuing tax exemption opinions are expressed by Dinsmore & Shohl LLP, as bond counsel. However, in connection with the conversion of the interest rate mode to a Long Term Rate Period, as more fully described herein, Dinsmore & Shohl LLP, as bond counsel, will deliver its opinion to the effect that such conversion (a) is authorized or permitted by the Act and the Indenture and (b) will not adversely affect the validity of the Bonds or any exclusion of the interest thereon from the gross income of the owners of the Bonds for federal income tax purposes. See "Tax Treatment" herein.

$50,000,000
COUNTY OF CARROLL, KENTUCKY
Environmental Facilities Revenue Bonds
2004 Series A
(Kentucky Utilities Company Project)

Due: October 1, 2034
Long Term Rate Period: 7 years
Mandatory Purchase Date: September 1, 2026
Interest Payment Dates: April 1 and October 1
Interest Rate: 1.75%

Conversion Date: September 3, 2019

The County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2004 Series A (Kentucky Utilities Company Project) (the "Bonds") are special and limited obligations of the County of Carroll, Kentucky (the "Issuer"), payable by the Issuer solely from and secured by payments to be received by the Issuer pursuant to a Loan Agreement with Kentucky Utilities Company (the "Company"), except as payable from proceeds of such Bonds or investment earnings thereon. The Bonds do not constitute general obligations of the Issuer or a charge against the general credit or taxing powers thereof or of the Commonwealth of Kentucky or any other political subdivision of Kentucky. **The Bonds will not be entitled to the benefits of any financial guaranty insurance policy or any other form of credit enhancement**. Principal of, and interest on, the Bonds are secured by the delivery to U.S. Bank National Association, as Trustee, of First Mortgage Bonds of

KENTUCKY UTILITIES COMPANY

The Bonds were originally issued on October 20, 2004 and currently bear interest at a Weekly Rate. Pursuant to the Indenture under which the Bonds were issued, the Company has elected to exercise its option to convert the interest rate mode to a Long Term Rate Period, effective as of September 3, 2019 (the "Conversion Date"). The Bonds are subject to mandatory purchase on the Conversion Date and are being reoffered hereby. BofA Securities, Inc., SunTrust Robinson Humphrey, Inc. and Wells Fargo Bank, National Association will serve as Initial Co-Remarketing Agents for purposes of this conversion and reoffering of the Bonds. Following this conversion and reoffering, BofA Securities, Inc. will serve as the sole Remarketing Agent for the Bonds.

The Bonds will accrue interest from the Conversion Date, payable on April 1 and October 1, commencing on October 1, 2019 to and including August 31, 2026, and will be subject to mandatory purchase following this Long Term Rate Period on September 1, 2026 (the "Mandatory Purchase Date"). Failure to pay the purchase price of the Bonds on the Mandatory Purchase Date will constitute an Event of Default under the Indenture (as defined herein). See the information contained under the caption "Summary of the Bonds — Mandatory Purchase of Bonds — Remarketing and Purchase of Bonds" below. The interest rate period, interest rate and Interest Rate Mode for the Bonds will be subject to change under certain conditions as described in this Reoffering Circular. Prior to the Mandatory Purchase Date, the Bonds will not be subject to optional redemption, but will be subject to extraordinary optional redemption and mandatory redemption as described in this Reoffering Circular.

The Bonds are registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository. Except as described in this Reoffering Circular, purchases of beneficial ownership interests in the Bonds will be made in book-entry-only form in denominations of $5,000 and multiples thereof. Purchasers will not receive certificates representing their beneficial interest in the Bonds. See the information contained under the caption "Summary of the Bonds—Book-Entry-Only System" in this Reoffering Circular. The principal of, premium, if any, and interest on the Bonds will be paid by U.S. Bank National Association, as successor Trustee, to Cede & Co., as long as Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to the purchasers of beneficial ownership interests is the responsibility of DTC's Direct and Indirect Participants, as more fully described in this Reoffering Circular.

Price: 100%

The Bonds are reoffered, subject to prior sale, withdrawal or modification of the offer without notice (provided, however, that any such notice of withdrawal must be given on the Business Day prior to the Conversion Date) and to the approval of legality by Dinsmore & Shohl LLP, Louisville, Kentucky, as Bond Counsel, and upon satisfaction of certain conditions. Certain legal matters will be passed upon for the Company by its counsel, Jones Day, Chicago, Illinois, and John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary of the Company and for the Remarketing Agents by their counsel, McGuireWoods LLP, Chicago, Illinois. It is expected that the Bonds will be available for redelivery to DTC in New York, New York on or about September 3, 2019.

BofA Merrill Lynch **SunTrust Robinson Humphrey** **Wells Fargo Securities**

Dated: August 14, 2019

No dealer, broker, salesman or other person has been authorized by the Issuer, the Company or the Remarketing Agents to give any information or to make any representation with respect to the Bonds, other than those contained in this Reoffering Circular, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. The Remarketing Agents have provided the following sentence for inclusion in this Reoffering Circular. The Remarketing Agents have reviewed the information in this Reoffering Circular in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agents do not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Reoffering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. The information set forth herein with respect to the Issuer has been obtained from the Issuer, and all other information has been obtained from the Company and from other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Remarketing Agents.

In connection with the reoffering of the Bonds, the Remarketing Agents may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE REOFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Table of Contents

Introductory Statement....1
Concurrent Offerings....3
The Project....3
The Issuer....3
Summary of the Bonds....4
Summary of the Loan Agreement....14
Summary of the First Mortgage Bonds and the First Mortgage Indenture....18
Summary of the Indenture....30
Enforceability of Remedies....35
Reoffering....35
Tax Treatment....36
Legal Matters....38
Continuing Disclosure....38

Appendix A — Kentucky Utilities Company....A-1
Appendix B — Opinion of Prior Bond Counsel and Form of Conversion Opinion of Bond Counsel....B-1

REOFFERING CIRCULAR

$50,000,000
County of Carroll, Kentucky
Environmental Facilities Revenue Bonds,
2004 Series A
(Kentucky Utilities Company Project)
Due: October 1, 2034

Introductory Statement

This Reoffering Circular, including the cover page and appendices, is provided to furnish information in connection with the reoffering by the County of Carroll, Kentucky (the "Issuer") of its Environmental Facilities Revenue Bonds, 2004 Series A (Kentucky Utilities Company Project), in the aggregate principal amount of $50,000,000 (the "Bonds") issued on October 20, 2004 pursuant to an Indenture of Trust dated as of October 1, 2004 (the "Indenture") between the Issuer and U.S. Bank National Association, a national banking association (the "Trustee"), as successor Trustee, Paying Agent and Bond Registrar, as the same has been amended and restated as of September 1, 2008, and as further amended and supplemented pursuant to the Supplemental Indenture No. 1 to Amended and Restated Indenture of Trust dated as of September 1, 2010.

Pursuant to a Loan Agreement by and between Kentucky Utilities Company (the "Company") and the Issuer, dated as of October 1, 2004 (the "Loan Agreement") (as the same has been amended and restated as of September 1, 2008, and as further amended and supplemented pursuant to the Amendment No. 1 to Amended and Restated Loan Agreement dated as of September 1, 2010), proceeds from the sale of the Bonds, other than accrued interest, if any, paid by the initial purchasers thereof, were loaned by the Issuer to the Company. The Loan Agreement is a separate undertaking by and between the Company and the Issuer.

The Company will continue to repay the loan under the Loan Agreement by making payments to the Trustee in sufficient amounts to pay the principal of and interest and any premium on, and purchase price of, the Bonds. See "Summary of the Loan Agreement — General." Pursuant to the Indenture, the Issuer's rights under the Loan Agreement (other than with respect to certain indemnification and expense payments and notification rights) were assigned to the Trustee as security for the Bonds.

For the purpose of further securing the Bonds, the Company has issued and delivered to the Trustee a separate tranche of the Company's First Mortgage Bonds, Collateral Series 2010 (the "First Mortgage Bonds"). The principal amount, maturity date and interest rate (or method of determining interest rates) of such tranche of First Mortgage Bonds is identical to the principal amount, maturity date and interest rate (or method of determining interest rates) of the Bonds. The First Mortgage Bonds will only be payable, and interest thereon will only accrue, as described herein. See "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds" and "Summary of the First Mortgage Bonds and the First Mortgage Indenture." The First Mortgage Bonds will not provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase in accordance with the Indenture.

The First Mortgage Bonds have been issued under, and are secured by, an Indenture, dated as of October 1, 2010, as supplemented by a supplemental indenture dated as of October 15, 2010 relating to the Bonds (the "Supplemental Indenture"), (the Indenture, as so supplemented, the "First Mortgage Indenture"), between the Company and The Bank of New York Mellon, as trustee (the "First Mortgage Trustee").

The proceeds of the Bonds were applied to pay and discharge $50,000,000 in outstanding principal amount of "County of Carroll, Kentucky, Collateralized Solid Waste Disposal Facilities Revenue Bonds (Kentucky Utilities Company Project), 1993 Series A," dated December 1, 1993 (the "1993 Bonds"), previously issued by the Issuer to finance certain solid waste disposal facilities (the "Project") owned by the Company.

The Company is a wholly-owned subsidiary of LG&E and KU Energy LLC and an indirect wholly-owned subsidiary of PPL Corporation. The Company's obligations under the Loan Agreement are solely its own, and not those of any of its affiliates. None of PPL Corporation or the Company's other affiliates will be obligated to make any payments due under the Loan Agreement or First Mortgage Bonds or any other payments of principal, interest, redemption price or purchase price of the Bonds.

The Bonds currently bear interest at a Weekly Rate. Pursuant to the Indenture, the Company has elected to exercise its option to convert the interest rate mode to a Long Term Rate Period commencing the date appearing on the cover of this Reoffering Circular. On the Mandatory Purchase Date of September 1, 2026, the Bonds may be subsequently converted to a new Interest Rate Mode or the Long Term Rate Period may be changed at its expiration to another Long Term Rate Period. ***This Reoffering Circular pertains only to the Bonds during such period of time that they bear interest at the Long Term Rate established on the Conversion Date of September 3, 2019. In the event of a remarketing of the Bonds on or after the Mandatory Purchase Date, a supplement to this Reoffering Circular or a new reoffering circular will be prepared to describe the new terms and provisions then applicable to the Bonds.***

The Bonds are secured by payments made by the Company under the Loan Agreement and are further secured by the First Mortgage Bonds. The Bonds are not entitled to the benefits of any financial guaranty insurance policy or any other form of credit enhancement.

The Bonds are special and limited obligations of the Issuer, and the Issuer's obligation to pay the principal of and interest and any premium on, and purchase price of, the Bonds is limited solely to the revenues and other amounts received by the Trustee under the Indenture pursuant to the Loan Agreement and amounts payable under the First Mortgage Bonds. The Bonds do not constitute an indebtedness, general obligation or pledge of the faith and credit or taxing power of the Issuer, the Commonwealth of Kentucky or any political subdivision thereof.

BofA Securities, Inc., SunTrust Robinson Humphrey, Inc. and Wells Fargo Bank, National Association (each, a "Remarketing Agent" and collectively, the "Remarketing Agents") will serve as Initial Co-Remarketing Agents for purposes of this conversion of the interest rate mode to a Long Term Rate Period and reoffering of the Bonds. Following this conversion and reoffering, BofA Securities, Inc. will serve as the sole Remarketing Agent. Any Remarketing Agent may resign or be removed and a successor Remarketing Agent may be appointed in accordance with the terms of the Indenture and the Remarketing Agreement for the Bonds between such Remarketing Agent and the Company.

Brief descriptions of the Company, the Issuer, the Bonds, the First Mortgage Bonds (including the First Mortgage Indenture), the Loan Agreement and the Indenture are included in this Reoffering Circular. Appendix A to this Reoffering Circular has been furnished by the Company. The Issuer and Bond Counsel assume no responsibility for the accuracy or completeness of such Appendix A or such information. Appendix B to this Reoffering Circular contains the opinion of Bond Counsel delivered on the date on which the Bonds were initially issued, and the proposed form of opinion of Bond Counsel to be delivered in connection with the conversion to the Long Term Rate Period. Such descriptions and information do not purport to be complete, comprehensive or definitive and are not to be construed as a representation or a guaranty of accuracy or completeness. All references herein to the documents are

qualified in their entirety by reference to such documents, and references herein to the Bonds are qualified in their entirety by reference to the definitive form thereof included in the Indenture. Copies of the Loan Agreement and the Indenture will be available for inspection at the principal corporate trust office of the Trustee. The First Mortgage Indenture is available for inspection at the office of the Company in Lexington, Kentucky, and at the corporate trust office of the First Mortgage Trustee in Pittsburgh, Pennsylvania. Certain information relating to The Depository Trust Company ("DTC") and the book-entry-only system has been furnished by DTC. All statements herein are qualified in their entirety by reference to each such document and, with respect to the enforceability of certain rights and remedies, to laws and principles of equity relating to or affecting generally the enforcement of creditors' rights.

Concurrent Offerings

The Company is concurrently engaged in separate reofferings for four other issues of tax-exempt environmental facilities revenue refunding bonds totaling, in the aggregate, $240,847,405 in principal amount, for which the Company is the primary obligor. Of these issues, $227,947,405 in principal amount were issued by the Issuer and $12,900,000 were issued by another issuer.

The Project

The Project has been completed, placed in operation, and is the property of the Company. The Project consists of certain solid waste disposal facilities at the Company's Ghent Generating Station located in Carroll County.

The Issuer

The Issuer is a public body corporate and politic duly created and existing as a county and political subdivision under the Constitution and laws of the Commonwealth of Kentucky. The Issuer is authorized by Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (collectively, the "Act") to (a) convert the Bonds to a Long Term Rate Period and to reoffer the Bonds and (b) continue to perform its obligations under the Loan Agreement and the Indenture. The Issuer, through its legislative body, the Fiscal Court, has adopted one or more ordinances authorizing the issuance of the Bonds and the execution and delivery of the related documents.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS PAYABLE SOLELY AND ONLY FROM CERTAIN SOURCES, INCLUDING AMOUNTS TO BE RECEIVED BY OR ON BEHALF OF THE ISSUER UNDER THE LOAN AGREEMENT AND OTHER AMOUNTS RECEIVED FROM PAYMENTS MADE UNDER THE FIRST MORTGAGE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS, GENERAL OBLIGATION OR PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR ANY POLITICAL SUBDIVISION THEREOF, AND DO NOT GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

Summary of the Bonds

General

The Bonds will be reoffered in the aggregate principal amount set forth on the cover page of this Reoffering Circular and will mature on October 1, 2034. The Bonds are not subject to optional redemption prior to the Mandatory Purchase Date, but will be subject to extraordinary optional redemption, in whole or in part, and mandatory redemption prior to maturity as described herein.

The Bonds currently bear interest at the Weekly Rate. Pursuant to the terms and provisions of the Indenture summarized below, the Company has exercised its option, effective September 3, 2019 (the "Conversion Date"), to convert the interest rate mode to a Long Term Rate Period. The Bonds will bear interest at the Long Term Rate of 1.75% per annum from September 3, 2019, and will be subject to mandatory purchase following the expiration of this new Long Term Rate Period on September 1, 2026 (the "Mandatory Purchase Date"). Interest on the Bonds is payable on each April 1 and October 1, commencing October 1, 2019 (unless any such interest payment date is not a Business Day, in which case interest will be paid on the next succeeding Business Day), to the persons who are the registered owners of the Bonds as of the Record Date preceding such interest payment date. Interest also will be payable on the day following the end of the new Long Term Rate Period to the persons who are registered owners of the Bonds on the last day of such Long Term Rate Period.

The Bonds will continue to bear interest at the Long Term Rate until a Conversion to another Interest Rate Mode is specified by the Company or until the redemption or maturity of the Bonds. Also, following the expiration of the new Long Term Rate Period, the Company may elect to change the Long Term Rate Period to a different Long Term Rate Period. The permitted Interest Rate Modes for the Bonds are (i) the "Flexible Rate," (ii) the "Daily Rate," (iii) the "Weekly Rate," (iv) the "Semi-Annual Rate," (v) the "Annual Rate," (vi) the "Long Term Rate" and (vii) the "Dutch Auction Rate."

This Reoffering Circular pertains only to the Bonds during such period of time that they bear interest at the Long Term Rate established on the Conversion Date of September 3, 2019. In the event of a remarketing of the Bonds on or after the Mandatory Purchase Date, a supplement to this Reoffering Circular or a new reoffering circular will be prepared describing the new terms and provisions then applicable to such Bonds.

Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Interest payable on any Interest Payment Date will be payable to the registered owner of the Bond as of the Record Date for such payment. The Record Date will be the close of business on the fifteenth day (whether or not a Business Day) of the month preceding each Interest Payment Date.

The Bonds initially will be issued solely in book-entry-only form through DTC (or its nominee, Cede & Co.). So long as the Bonds are held in the book-entry-only system, DTC or its nominee will be the registered owner or holder of the Bonds for all purposes of the Indenture, the Bonds and this Reoffering Circular. See "— Book-Entry-Only System" below. Individual purchases of book-entry interests in the Bonds will be made in book-entry-only form in denominations of $5,000 and integral multiples thereof.

Except as otherwise described below for Bonds held in DTC's book-entry-only system, the principal or redemption price of the Bonds is payable at the designated corporate trust office in New York, New York, of the Trustee, as paying agent (the "Paying Agent"). Except as otherwise described below for Bonds held in DTC's book-entry-only system, interest on the Bonds is payable by check mailed to the owner of record; provided that interest payable on each Bond will be payable in immediately

available funds by wire transfer within the continental United States or by deposit into a bank account maintained with the Paying Agent at the written request of any owner of record holding at least $1,000,000 aggregate principal amount of the Bonds, received by the Trustee, as bond registrar (the "Bond Registrar"), at least one Business Day prior to any Record Date.

Bonds may be transferred or exchanged for an equal total amount of Bonds of other authorized denominations upon surrender of such Bonds at the principal office of the Bond Registrar, accompanied by a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's duly authorized attorney. Except as provided in the Indenture, the Bond Registrar will not be required to register the transfer or exchange of any Bond (i) during the fifteen days before any mailing of a notice of redemption of Bonds, (ii) after such Bond has been called for redemption or (iii) which has been purchased (see "— Mandatory Purchase of Bonds — Payment of Purchase Price" below). Registration of transfers and exchanges will be made without charge to the registered owners of Bonds, except that the Bond Registrar may require any registered owner requesting registration of transfer or exchange to pay any required tax or governmental charge.

Security

Payment of the principal of and interest and any premium on the Bonds is secured by an assignment by the Issuer to the Trustee of the Issuer's interest in and to the Loan Agreement and all payments to be made pursuant thereto (other than certain indemnification and expense payments). Pursuant to the Loan Agreement, the Company has agreed to pay, among other things, amounts sufficient to pay the aggregate principal amount of and premium, if any, on the Bonds, together with interest thereon as and when the same become due. The Company further will agree to make payments of the purchase price of the Bonds tendered for purchase to the extent that funds are not otherwise available therefor under the provisions of the Indenture.

The payment of the principal of and interest and any premium on the Bonds is further secured by a principal amount of First Mortgage Bonds that equals the principal amount of the Bonds. If the Bonds become immediately due and payable as a result of a default in payment of the principal of, premium, if any, or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement and upon receipt by the First Mortgage Trustee of a written demand from the Trustee for redemption of the First Mortgage Bonds, or if all first mortgage bonds outstanding under the First Mortgage Indenture shall have been immediately due and payable, such First Mortgage Bonds will bear interest at the same interest rate or rates borne by the Bonds and the principal of such First Mortgage Bonds, together with interest accrued thereon from the last date or dates to which interest on the Bonds has been paid in full, will be payable in accordance with the Supplemental Indenture. See "Summary of the First Mortgage Bonds and the First Mortgage Indenture."

The First Mortgage Bonds are not intended to provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase in accordance with the Indenture. The Company is not required under the Loan Agreement or Indenture to provide any letter of credit or liquidity support for the Bonds. The First Mortgage Bonds are secured by a lien on certain property owned by the Company. In certain circumstances, the Company is permitted to reduce the aggregate principal amount of its First Mortgage Bonds held by the Trustee, but in no event to an amount lower than the aggregate outstanding principal amount of the Bonds.

The Bonds Are Not Insured or Entitled to any Other Form of Credit Enhancement

The Bonds described in this Reoffering Circular are not insured or entitled to any other form of credit enhancement, and holders thereof will have no recourse to, under or against any bond insurance policy or bond insurer, or under any other credit enhancement.

Tender Agent

Owners will be required to tender their Bonds to the Tender Agent for purchase at the time and in the manner described in this Reoffering Circular under the caption "— Mandatory Purchase of Bonds." So long as the Bonds are held in DTC's book-entry-only system, the Trustee will act as Tender Agent under the Indenture. Any successor Tender Agent appointed pursuant to the Indenture will also be a Paying Agent.

Remarketing Agents

BofA Securities, Inc., SunTrust Robinson Humphrey, Inc. and Wells Fargo Bank, National Association will serve as Initial Co-Remarketing Agents for purposes of this conversion to the Long Term Rate Period and reoffering of the Bonds. Following this conversion to the Long Term Rate Period and reoffering, BofA Securities, Inc. will serve as sole Remarketing Agent. Any Remarketing Agent may resign or be removed and a successor Remarketing Agent may be appointed in accordance with the terms of the Indenture and the Remarketing Agreement for the Bonds between such Remarketing Agent and the Company.

Certain Definitions

As used herein, each of the following terms will have the meaning indicated. Certain capitalized terms used herein and not otherwise defined will have the meanings set forth in the Indenture.

" *Beneficial Owner*" means the person in whose name a Bond is recorded as such upon the systems of DTC and each DTC Participant (as defined herein) or the registered holder of such Bond if such Bond is not then registered in the name of Cede & Co.

"*Business Day*" means any day other than a Saturday or Sunday or legal holiday or a day on which banking institutions located in the City of New York, New York, or the New York Stock Exchange or banking institutions in the city in which the principal office of the Trustee, the Bond Registrar, the Tender Agent, the Paying Agent, the Auction Agent, the Company or the Remarketing Agent is located are authorized by law or executive order to close.

"*Conversion*" means any conversion from time to time in accordance with the terms of the Indenture of the Bonds from one Interest Rate Mode to another Interest Rate Mode.

" *Interest Payment Date*" means April 1 and October 1 and the effective date of any Conversion or a change to a new Long Term Rate Period.

"*Interest Period*" means the period from and including each Interest Payment Date to and including the day immediately preceding the next Interest Payment Date, provided, however that the first Interest Period for the Bonds will begin on (and include) the date of issuance of the Bonds and the final Interest Period will end on September 30, 2034.

"*Interest Rate Mode*" means the Dutch Auction Rate, the Flexible Rate, the Daily Rate, the Weekly Rate, the Semi-Annual Rate, the Annual Rate and the Long Term Rate.

"*Long Term Rate Period*" means any period established by the Company and beginning on,and including, the Conversion Date to the Long Term Rate and ending on, and including, the day preceding the last Interest Payment Date for such period and, thereafter, each successive period of the same duration as the Long Term Rate Period previously established until the day preceding the earliest of the change to a different Long Term Rate Period, the Conversion to a different Interest Rate Mode or the maturity of the Bonds.

Mandatory Purchase of Bonds

General. The Bonds will be subject to mandatory purchase on the Mandatory Purchase Date at a purchase price equal to the principal amount thereof plus accrued and unpaid interest. Notice to owners of such mandatory purchase will be given by the Bond Registrar by first class mail at least 30 days prior the Mandatory Purchase Date. The notice of mandatory purchase will state those matters required to be set forth therein under the Indenture.

Remarketing and Purchase of Bonds. The Indenture provides that, subject to the terms of a Remarketing Agreement with the Company, unless otherwise instructed by the Company, the Remarketing Agent will use its reasonable best efforts to remarket Bonds purchased on the Mandatory Purchase Date. Each such sale will be at a price equal to the principal amount thereof, plus interest accrued to the date of sale. The Remarketing Agent, the Trustee, the Paying Agent, the Bond Registrar or the Tender Agent each may purchase any Bonds offered for sale for its own account.

The purchase price of Bonds tendered for purchase will be paid by the Tender Agent from moneys derived from the remarketing of such Bonds by the Remarketing Agent and, if such remarketing proceeds are insufficient, from moneys made available by the Company. The Company is obligated to purchase any Bonds tendered for purchase to the extent such Bonds have not been remarketed. Any such purchases by the Company will not result in the extinguishment of the purchased Bonds. The Company currently maintains lines of credit or other liquidity facilities in amounts determined by it to be sufficient to meet its current needs and expects to continue to maintain such lines of credit or other liquidity facilities from time to time to the extent determined by it to be necessary to meet its then-current needs. The Trustee, any Paying Agent, the Tender Agent and the owners of the Bonds have no right to draw under any line of credit or other liquidity facility maintained by the Company. There is no provision in the Indenture or the Loan Agreement requiring the Company to maintain such financing arrangements which may be discontinued at any time without notice. The First Mortgage Bonds are not intended to provide a direct source of liquidity to pay the purchase price of Bonds tendered for purchase pursuant to the Indenture.

Any deficiency in purchase price payments resulting from the Remarketing Agent's failure to deliver remarketing proceeds of all Bonds with respect to which the Remarketing Agent notified the Tender Agent were remarketed will not result in an Event of Default under the Indenture until the opening of business on the next succeeding Business Day unless the Company fails to provide sufficient funds to pay such purchase price by the opening of business on such next succeeding Business Day. If sufficient funds are not available for the purchase of all tendered Bonds, no purchase of Bonds will be consummated, but failure to consummate such purchase will not be deemed to be an Event of Default under the Indenture if sufficient funds have been provided in a timely manner by the Company to the Tender Agent for such purpose.

Payment of Purchase Price. Payment of the purchase price of any Bond will be payable on the Mandatory Purchase Date upon delivery of such Bond to the Tender Agent on such Mandatory Purchase Date; provided that such Bond must be delivered to the Tender Agent at or prior to 11:00 a.m. (New York City time). When a book-entry-only system is in effect, the requirement for physical delivery of the Bonds will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on the records of DTC to the participant account of the Tender Agent. If the Mandatory Purchase Date is not a Business Day, the purchase price will be payable on the next succeeding Business Day.

Any Bond delivered for payment of the purchase price must be accompanied by an instrument of transfer thereof in form satisfactory to the Tender Agent executed in blank by the registered owner thereof and with all signatures guaranteed. The Tender Agent may refuse to accept delivery of any Bond for which an instrument of transfer satisfactory to it has not been provided and has no obligation to pay the purchase price of such Bond until a satisfactory instrument is delivered.

If the registered owner of any Bond (or portion thereof) that is subject to purchase pursuant to the Indenture fails to deliver such Bond with an appropriate instrument of transfer to the Tender Agent for purchase on the Mandatory Purchase Date, and if the Tender Agent is in receipt of the purchase price therefor, such Bond (or portion thereof) nevertheless will be deemed purchased on the Mandatory Purchase Date. Any owner who so fails to deliver such Bond for purchase on (or before) the Mandatory Purchase Date will have no further rights thereunder, except the right to receive the purchase price thereof from those moneys deposited with the Tender Agent in the Purchase Fund pursuant to the Indenture upon presentation and surrender of such Bond to the Tender Agent properly endorsed for transfer in blank with all signatures guaranteed.

Redemptions

***Optional Redemption*.** Except as described below under the subheadings "--- Extraordinary Optional Redemption in Whole" and "--- Extraordinary Optional Redemption in Whole or in Part," the Bonds are not subject to optional redemption prior to the Mandatory Purchase Date.

***Extraordinary Optional Redemption in Whole*.** The Bonds may be redeemed by the Issuer in whole at any time at 100% of the principal amount thereof plus accrued interest to the redemption date upon the exercise by the Company of an option under the Loan Agreement to prepay the loan if any of the following events shall have occurred within 180 days preceding the giving of written notice by the Company to the Trustee of such election:

(i) if the Project or a portion thereof or other property of the Company in connection with which the Project is used has been damaged or destroyed to such an extent so as, in the judgment of the Company, to render the Project or such other property of the Company in connection with which the Project is used unsatisfactory to the Company for its intended use, and such condition continues for a period of six months;

(ii) there has occurred condemnation of all or substantially all of the Project or the taking by eminent domain of such use or control of the Project or other property of the Company in connection with which the Project is used so as, in the judgment of the Company, to render the Project or such other property of the Company unsatisfactory to the Company for its intended use;

(iii) the Loan Agreement has become void or unenforceable or impossible of performance by reason of any changes in the Constitution of the Commonwealth of Kentucky or the Constitution of the United States of America or by reason of legislative or administrative

action (whether state or federal) or any final decree, judgment or order of any court or administrative body, whether state or federal; or

(iv) a final order or decree of any court or administrative body after the issuance of the Bonds requires the Company to cease a substantial part of its operation at the generating station where the Project is located to such extent that the Company will be prevented from carrying on its normal operations at such generating station for a period of six months.

As a result of a Company Letter Agreement between the Issuer and the Company, to be dated as of September 3, 2019, the Company will agree that it will not, prior to the Mandatory Purchase Date, exercise the rights under the Loan Agreement it would otherwise have to redeem the Bonds under the following circumstances:

(i) if in the judgment of the Company, unreasonable burdens or excessive liabilities have been imposed upon the Company after the issuance of the Bonds with respect to the Project or the operation thereof, including without limitation federal, state or other ad valorem property, income or other taxes not imposed on the date of the Loan Agreement, other than ad valorem taxes levied upon privately owned property used for the same general purpose as the Project; or

(ii) in the event changes, which the Company cannot reasonably control, in the economic availability of materials, supplies, labor, equipment or other properties or things necessary for the efficient operation of the generating station where the Project is located have occurred, which, in the judgment of the Company, render the continued operation of such generating station or any generating unit at such station uneconomical; or changes in circumstances after the issuance of the Bonds, including but not limited to changes in solid waste abatement, control and disposal requirements, have occurred such that the Company determines that use of the Project is no longer required or desirable.

Extraordinary Optional Redemption in Whole or in Part. The Bonds are also subject to redemption in whole or in part at 100% of the principal amount thereof plus accrued interest to the redemption date at the option of the Company in an amount not to exceed the net proceeds received from insurance or any condemnation award received by the Issuer, the Company or the First Mortgage Trustee in the event of damage, destruction or condemnation of all or a portion of the Project, subject to receipt of an opinion of Bond Counsel that such redemption will not adversely affect the exclusion of interest on any of the Bonds from gross income for federal income tax purposes. See "Summary of the Loan Agreement — Maintenance; Damage, Destruction and Condemnation."

Mandatory Redemption; Determination of Taxability. The Bonds are required to be redeemed by the Issuer, in whole, or in such part as described below, at a redemption price equal to 100% of the principal amount thereof, without redemption premium, plus accrued interest, if any, to the redemption date, within 180 days following a "Determination of Taxability." As used herein, a "Determination of Taxability" means the receipt by the Trustee of written notice from a current or former registered owner of a Bond or from the Company or the Issuer of (A) the issuance of a published or private ruling or a technical advice memorandum by the Internal Revenue Service in which the Company participated or has been given the opportunity to participate, and which ruling or memorandum the Company, in its discretion, does not contest or from which no further right of administrative or judicial review or appeal exists, or (B) a final determination from which no further right of appeal exists of any court of competent jurisdiction in the United States in a proceeding in which the Company has participated or has been a party, or has been given the opportunity to participate or be a party, in each case, to the effect that as a result of a failure by the Company to perform or observe any covenant or agreement or the inaccuracy of any representation contained in the Loan Agreement or any other agreement or certificate delivered in

connection with the Bonds, the interest on the Bonds is included in the gross income of the owners thereof for federal income tax purposes, other than with respect to a person who is a "substantial user" or a "related person" of a substantial user within the meaning of the Section 147 of Internal Revenue Code of 1986, as amended (the "Code"); provided, however, that no such Determination of Taxability shall be considered to exist as a result of the Trustee receiving notice from a current or former registered owner of a Bond or from the Issuer unless (A) the Issuer or the registered owner or former registered owner of the Bond involved in such proceeding or action (1) gives the Company and the Trustee prompt notice of the commencement thereof, and (2) (if the Company agrees to pay all expenses in connection therewith) offers the Company the opportunity to control unconditionally the defense thereof, and (B) either (1) the Company does not agree within 30 days of receipt of such offer to pay such expenses and liabilities and to control such defense, or (2) the Company shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action which the Company determines to be appropriate. No Determination of Taxability described above will result from the inclusion of interest on any Bond in the computation of minimum or indirect taxes. All of the Bonds are required to be redeemed upon a Determination of Taxability as described above unless, in the opinion of Bond Counsel, redemption of a portion of such Bonds would have the result that interest payable on the remaining Bonds outstanding after the redemption would not be so included in any such gross income.

In the event any of the Issuer, the Company or the Trustee has been put on notice or becomes aware of the existence or pendency of any inquiry, audit or other proceedings relating to the Bonds being conducted by the Internal Revenue Service, the party so put on notice is required to give immediate written notice to the other parties of such matters. Promptly upon learning of the occurrence of a Determination of Taxability (whether or not the same is being contested), or any of the events described above, the Company is required to give notice thereof to the Trustee and the Issuer.

If the Internal Revenue Service or a court of competent jurisdiction determines that the interest paid or to be paid on any Bond (except to a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code) is or was includable in the gross income of the recipient for federal income tax purposes for reasons other than as a result of a failure by the Company to perform or observe any of its covenants, agreements or representations in the Loan Agreement or any other agreement or certificate delivered in connection therewith, the Bonds are not subject to redemption. In such circumstances, Bondholders would continue to hold their Bonds, receiving principal and interest at the applicable rate as and when due, but would be required to include such interest payments in gross income for federal income tax purposes. Also, if the lien of the Indenture is discharged or defeased prior to the occurrence of a final Determination of Taxability, Bonds will not be redeemed as described herein.

General Redemption Terms. Notice of redemption will be given by mailing a redemption notice conforming to the provisions and requirements of the Indenture by first class mail to the registered owners of the Bonds to be redeemed not less than 30 days but not more than 45 days prior to the redemption date. Any notice mailed as provided in the Indenture will be conclusively presumed to have been given, irrespective of whether the owner receives the notice. Failure to give any such notice by mailing or any defect therein in respect of any Bond will not affect the validity of any proceedings for the redemption of any other Bond. No further interest will accrue on the principal of any Bond called for redemption after the redemption date if funds sufficient for such redemption have been deposited with the Paying Agent as of the redemption date. If the provisions for discharging the Indenture set forth below under the caption, "Summary of the Indenture — Discharge of Indenture" have not been complied with, any redemption notice will state that it is conditional on there being sufficient moneys to pay the full redemption price for the Bonds to be redeemed. So long as the Bonds are held in book-entry-only form, all redemption notices will be sent only to Cede & Co.

Conversion of Interest Rate Modes

The Interest Rate Mode for the Bonds is subject to Conversion from time to time, including on the Mandatory Purchase Date following the end of the initial Long Term Rate Period, at the option of the Company in accordance with the terms of the Indenture, upon notice from the Bond Registrar to the registered owners of the Bonds. With any notice of Conversion, the Company must also deliver to the Bond Registrar an opinion of Bond Counsel stating that such Conversion is authorized or permitted by the Act and is authorized by the Indenture and will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Book-Entry-Only System

Portions of the following information concerning DTC and DTC's book-entry-only system have been obtained from DTC. The Issuer, the Company and the Remarketing Agents make no representation as to the accuracy of such information.

Initially, DTC will act as securities depository for the Bonds and the Bonds initially will be issued solely in book-entry-only form to be held under DTC's book-entry-only system, registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered bond in the aggregate principal amount of the Bonds will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934 (the "Exchange Act"). DTC holds and provides asset servicing for U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with "Direct Participants," "Participants"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on

behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, the Company or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall effect delivery of purchased Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Tender Agent. The requirement for physical delivery of Bonds in connection with a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Tender Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer, the Company, the Tender Agent and the Trustee, or the Issuer, at the request of the Company, may remove DTC as the securities depository for the Bonds. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be delivered as described in the Indenture (see "— Revision of Book-Entry-

Only System; Replacement Bonds" below). The Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the registered owner of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners. Under the Indenture, payments made by the Trustee to DTC or its nominee will satisfy the Issuer's obligations under the Indenture and the Company's obligations under the Loan Agreement and the First Mortgage Bonds, to the extent of the payments so made. Beneficial Owners will not be, and will not be considered by the Issuer or the Trustee to be, and will not have any rights as, owners of Bonds under the Indenture.

The Trustee and the Issuer, so long as a book-entry-only system is used for the Bonds, will send any notice of redemption or of proposed document amendments requiring consent of registered owners and any other notices required by the document (including notices of Conversion and mandatory purchase) to be sent to registered owners only to DTC (or any successor securities depository) or its nominee. Any failure of DTC to advise any Direct Participant, or of any Direct Participant or Indirect Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption, the document amendment, the Conversion, the mandatory purchase or any other action premised on that notice.

The Issuer, the Company, the Tender Agent, the Trustee and the Remarketing Agents cannot and do not give any assurances that DTC will distribute payments on the Bonds made to DTC or its nominee as the registered owner or any redemption or other notices, to the Participants, or that the Participants or others will distribute such payments or notices to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Reoffering Circular.

THE ISSUER, THE COMPANY, THE REMARKETING AGENTS AND THE TRUSTEE WILL HAVE NO RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A REGISTERED OWNER WITH RESPECT TO: (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (2) THE PAYMENT OF ANY AMOUNT DUE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION OR PURCHASE PRICE OF OR INTEREST ON THE BONDS; (3) THE DELIVERY OF ANY NOTICE BY DTC TO ANY DIRECT PARTICIPANT OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED TO BE GIVEN TO REGISTERED OWNERS UNDER THE TERMS OF THE INDENTURE; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS REGISTERED OWNER.

Revision of Book-Entry-Only System; Replacement Bonds. In the event that DTC determines not to continue as securities depository or is removed by the Issuer, at the direction of the Company, as securities depository, the Issuer, at the direction of the Company, may appoint a successor securities depository reasonably acceptable to the Trustee. If the Issuer does not or is unable to appoint a successor securities depository, the Issuer will issue and the Trustee will authenticate and deliver fully registered Bonds, in authorized denominations, to the assignees of DTC or their nominees.

In the event that the book-entry-only system is discontinued, the following provisions will apply. The Bonds may be issued in denominations of $5,000 and integral multiples thereof. Bonds may be

transferred or exchanged for an equal total amount of Bonds of other authorized denominations upon surrender of such Bonds at the principal office of the Bond Registrar, accompanied by a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's duly authorized attorney. Except as provided in the Indenture, the Bond Registrar will not be required to register the transfer or exchange of any Bond during the fifteen days before any mailing of a notice of redemption, after such Bond has been called for redemption in whole or in part, or after such Bond has been tendered or deemed tendered for mandatory purchase as described under "— Mandatory Purchase of Bonds." Registration of transfers and exchanges will be made without charge to the owners of Bonds, except that the Bond Registrar may require any owner requesting registration of transfer or exchange to pay any required tax or governmental charge.

Summary of the Loan Agreement

The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the Loan Agreement. This description is only a summary and does not purport to be complete and definitive. Reference is made to the Loan Agreement for the detailed provisions thereof.

General

The Loan Agreement initially commenced as of its initial date and is amended and restated as of September 1, 2008 and is further amended and supplemented pursuant to the Amendment No. 1 dated as of September 1, 2010, and will end on the earliest to occur of October 1, 2034, or the date on which all of the Bonds shall have been fully paid or provision has been made for such payment pursuant to the Indenture. See "Summary of the Indenture — Discharge of Indenture."

The Company has agreed to repay the loan pursuant to the Loan Agreement by making timely payments to the Trustee in sufficient amounts to pay the principal of, premium, if any, and interest required to be paid on the Bonds on each date upon which any such payments are due. The Company has also agreed to pay (a) the agreed upon fees and expenses of the Trustee, the Bond Registrar, any Tender Agent and any Paying Agent appointed under the Indenture, (b) the expenses in connection with any redemption of the Bonds and (c) the reasonable expenses of the Issuer.

The Company covenants and agrees with the Issuer that it will cause the purchase of tendered Bonds that are not remarketed in accordance with the Indenture and, to that end, the Company shall cause funds to be made available to the Tender Agent at the times and in the manner required to effect such purchases in accordance with the Indenture; provided, however, that the obligation of the Company to make any such payment will be reduced by the amount of (A) moneys paid by the Remarketing Agent as proceeds of the remarketing of such Bonds by the Remarketing Agent and (B) other moneys made available by the Company (see "Summary of the Bonds — Mandatory Purchase of Bonds — Remarketing and Purchase of Bonds").

All payments to be made by the Company to the Issuer pursuant to the Loan Agreement (except the reasonable out-of-pocket expenses of the Issuer, the Trustee, the Paying Agent, the Bond Registrar, the Tender Agent and amounts related to indemnification) have been assigned by the Issuer to the Trustee, and the Company will pay such amounts directly to the Trustee. The obligations of the Company to make the payments pursuant to the Loan Agreement are absolute and unconditional.

Maintenance of Tax Exemption

The Company and the Issuer have agreed not to take any action that would result in the interest paid on the Bonds being included in gross income of any Bondholder (other than a holder who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code) for federal income tax purposes or that adversely affects the validity of the Bonds.

Issuance and Delivery of First Mortgage Bonds

For the purpose of providing security for the Bonds, the Company has executed and delivered to the Trustee the First Mortgage Bonds. The principal amount of the First Mortgage Bonds executed and delivered to the Trustee equals the aggregate principal amount of the Bonds. If the Bonds become immediately due and payable as a result of a default in payment of the principal of, premium, if any, or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement and upon receipt by the First Mortgage Trustee of a written demand from the Trustee for redemption of the First Mortgage Bonds, or if all first mortgage bonds outstanding under the First Mortgage Indenture shall have been immediately due and payable, such First Mortgage Bonds will bear interest at the same interest rate or rates borne by the Bonds and the principal of such First Mortgage Bonds, together with interest accrued thereon from the last date to which interest on the Bonds shall have been paid in full, will then be payable. See, however, "Summary of the Indenture — Waiver of Events of Default."

Upon payment of the principal of, premium, if any, and interest on any of the Bonds, and the surrender to and cancellation thereof by the Trustee, or upon provision for the payment thereof having been made in accordance with the Indenture, First Mortgage Bonds with corresponding principal amounts equal to the aggregate principal amount of the Bonds so surrendered and canceled or for the payment of which provision has been made, will be surrendered by the Trustee to the First Mortgage Trustee and will be canceled by the First Mortgage Trustee. The First Mortgage Bonds are registered in the name of the Trustee and are nontransferable, except to effect transfers to any successor trustee under the Indenture.

Payment of Taxes

The Company has agreed to pay certain taxes and other governmental charges that may be lawfully assessed, levied or charged against or with respect to the Project (see, however, subparagraph (i) under "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole"). The Company may contest such taxes or other governmental charges unless the security provided by the Indenture would be materially endangered.

Maintenance; Damage, Destruction and Condemnation

So long as any Bonds are outstanding, the Company will maintain the Project or cause the Project to be maintained in good working condition and will make or cause to be made all proper repairs, replacements and renewals necessary to continue to constitute the Project as solid waste disposal facilities under Section 142(a)(6) of the Code and the Act. However, the Company will have no obligation to maintain, repair, replace or renew any portion of the Project, the maintenance, repair, replacement or renewal of which becomes uneconomical to the Company because of certain events, including damage or destruction by a cause not within the Company's control, condemnation of the Project, change in government standards and regulations, economic or other obsolescence or termination of operation of generating facilities to the Project.

The Company, at its own expense, may remodel the Project or make substitutions, modifications and improvements to the Project as it deems desirable, which remodeling, substitutions, modifications and improvements will be deemed, under the terms of the Loan Agreement to be a part of the Project. The Company may not, however, change or alter the basic nature of the Project or cause it to lose its status under Section 142(a)(6) of the Code and the Act.

If, prior to the payment of all Bonds outstanding, the Project or any portion thereof is destroyed, damaged or taken by the exercise of the power of eminent domain and the Issuer, the Company or the First Mortgage Trustee receives net proceeds from insurance or a condemnation award in connection therewith, the Company must (i) cause such net proceeds to be used to repair or restore the Project or (ii) take any other action, including the redemption of the Bonds in whole or in part at their principal amount, which, by the opinion of Bond Counsel, will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. See "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole or in Part."

Insurance

The Company has agreed to insure the Project in accordance with the provisions of the First Mortgage Indenture.

Assignment, Merger and Release of Obligations of the Company

The Company may assign the Loan Agreement, pursuant to an opinion of Bond Counsel that such assignment will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, without obtaining the consent of either the Issuer or the Trustee. Such assignment, however, shall not relieve the Company from primary liability for any of its obligations under the Loan Agreement and performance and observance of the other covenants and agreements to be performed by the Company. The Company may dispose of all or substantially all of its assets or consolidate with or merge into another corporation, provided the acquirer of the Company's assets or the corporation with which it shall consolidate with or merge into shall be a corporation or other business organization organized and existing under the laws of the United States of America or one of the states of the United States of America or the District of Columbia, shall be qualified and admitted to do business in the Commonwealth of Kentucky and shall assume in writing all of the obligations and covenants of the Company under the Loan Agreement.

Release and Indemnification Covenant

The Company will indemnify and hold the Issuer harmless against any expense or liability incurred, including attorneys' fees, resulting from any loss or damage to property or any injury to or death of any person occurring on or about or resulting from any defect in the Project or from any action commenced in connection with the financing thereof.

Events of Default

Each of the following events constitutes an "event of default" under the Loan Agreement:

(1) failure by the Company to pay the amounts required for payment of the principal of, including purchase price for tendered Bonds and redemption and acceleration prices, and interest accrued, on the Bonds, at the times specified therein taking into account any periods of grace provided in the Indenture and the Bonds for the applicable payment of interest on the Bonds (see "Summary of the Indenture — Defaults and Remedies");

(2) failure by the Company to observe and perform any covenant, condition or agreement, other than as referred to in paragraph (1) above, for a period of thirty days after written notice by the Issuer or Trustee, provided, however, that if such failure is capable of being corrected, but cannot be corrected in such 30-day period, it will not constitute an event of default under the Loan Agreement if corrective action with respect thereto is instituted within such period and is being diligently pursued;

(3) certain events of bankruptcy, dissolution, liquidation, reorganization or insolvency of the Company;

(4) the occurrence of an event of default under the Indenture; or

(5) all first mortgage bonds outstanding under the First Mortgage Indenture, if not already due, shall have become immediately due and payable, whether by declaration or otherwise, and such acceleration shall not have been rescinded or annulled by the First Mortgage Trustee.

Under the Loan Agreement, certain of the Company's obligations (other than the Company's obligations, among others, (i) not to permit any action which would result in interest paid on the Bonds being included in gross income for federal and Kentucky income taxes; (ii) to maintain its corporate existence and good standing, and to neither dispose of all or substantially all of its assets or consolidate with or merge into another corporation unless certain provisions of the Loan Agreement are satisfied; and (iii) to make loan payments and certain other payments under the provisions of the Loan Agreement) may be suspended if by reason of force majeure (as defined in the Loan Agreement) the Company is unable to carry out such obligations.

Remedies

Upon the happening of an event of default under the Loan Agreement, the Trustee, on behalf of the Issuer, may, among other things, take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Company, under the Loan Agreement, including any remedies available in respect of the First Mortgage Bonds.

In the event of a default in payment of the principal of, premium, if any, or interest on the Bonds, or a default in the payment of the purchase price of the Bonds tendered for purchase, and the acceleration of the maturity date of the Bonds (to the extent not already due and payable) as a consequence of such event of default, the Trustee may demand redemption of the First Mortgage Bonds. See "Summary of the First Mortgage Bonds and the First Mortgage Indenture" and "Summary of the Indenture — Defaults and Remedies." Any amounts collected upon the happening of any such event of default will be applied in accordance with the Indenture or, if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the Indenture) and all other liabilities of the Company accrued under the Indenture and the Loan Agreement have been paid or satisfied, made available to the Company.

Options to Prepay, Obligation to Prepay

The Company may prepay the loan pursuant to the Loan Agreement, in whole or in part, on certain dates, at the prepayment prices as shown under the captions "Summary of the Bonds — Redemptions — Extraordinary Optional Redemption in Whole" and "— Extraordinary Optional Redemption in Whole or in Part." Upon the occurrence of the event described under the caption "Summary of the Bonds — Redemptions — Mandatory Redemption; Determination of Taxability," the

Company shall be obligated to prepay the loan in an aggregate amount sufficient to redeem the required principal amount of the Bonds.

In each instance, the loan prepayment price shall be a sum sufficient, together with other funds deposited with the Trustee and available for such purpose, to redeem the requisite amount of the Bonds at a price equal to the applicable redemption price plus accrued interest to the redemption date, and to pay all reasonable and necessary fees and expenses of the Trustee, the Paying Agent and all other liabilities of the Company under the Loan Agreement accrued to the redemption date.

Amendments and Modifications

No amendment or modification of the Loan Agreement is permissible without the written consent of the Trustee. The Issuer and the Trustee may, however, without the consent of or notice to any Bondholders, enter into any amendment or modification of the Loan Agreement (i) which may be required by the provisions of the Loan Agreement or the Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) in connection with any modification or change necessary to conform the Loan Agreement with changes and modifications in the Indenture or (iv) in connection with any other change which, in the judgment of the Trustee, does not adversely affect the Trustee or the Bondholders. Except for such amendments, the Loan Agreement may be amended or modified only with the consent of the Bondholders holding a majority in principal amount of the Bonds then outstanding (see "Summary of the Indenture — Supplemental Indentures" for an explanation of the procedures necessary for Bondholder consent); provided, however, that the approval of the Bondholders holding 100% in principal amount of the Bonds then outstanding is necessary to effectuate an amendment or modification with respect to the Loan Agreement of the type described in clauses (i) through (iv) of the first sentence of the second paragraph of "Summary of the Indenture — Supplemental Indentures."

Summary of the First Mortgage Bonds and the First Mortgage Indenture

The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the First Mortgage Bonds and the First Mortgage Indenture. This description is only a summary and does not purport to be complete and definitive. Reference is made to the First Mortgage Indenture and to the form of the First Mortgage Bonds for the detailed provisions thereof.

General

The First Mortgage Bonds, in a principal amount equal to the principal amount of the Bonds, were issued as a new tranche from a new series of first mortgage bonds under the First Mortgage Indenture (see "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds"). The statements herein made (being for the most part summaries of certain provisions of the First Mortgage Indenture) are subject to the detailed provisions of the First Mortgage Indenture, which is incorporated herein by this reference. Words or phrases italicized are defined in the First Mortgage Indenture.

The First Mortgage Bonds will mature on the same date and bear interest at the same rate or rates as the Bonds; however, the principal of and interest on the First Mortgage Bonds will not be payable other than upon the occurrence of an event of default under the Loan Agreement. If the Bonds become

immediately due and payable as a result of a default in payment of the principal or redemption price of or interest on the Bonds, or a default in payment of the purchase price of such Bonds, due to an event of default under the Loan Agreement, and if all first mortgage bonds outstanding under the First Mortgage Indenture shall not have become immediately due and payable following an *event of default* under the First Mortgage Indenture, the Company will be obligated to redeem the First Mortgage Bonds upon receipt by the First Mortgage Trustee of a Redemption Demand from the Trustee for redemption, at a redemption price equal to the principal amount thereof plus accrued interest at the rates borne by the Bonds from the last date to which interest on the Bonds has been paid.

The First Mortgage Bonds at all times will be in fully registered form registered in the name of the Trustee, will be nonnegotiable, and will be nontransferable except to any successor trustee under the Indenture. Upon payment and cancellation of Bonds by the Trustee or the Paying Agent (other than any Bond or portion thereof that was canceled by the Trustee or the Paying Agent and for which one or more Bonds were delivered and authenticated pursuant to the Indenture), whether at maturity, by redemption or otherwise, or upon provision for the payment of the Bonds having been made in accordance with the Indenture, an equal principal amount of First Mortgage Bonds will be deemed fully paid and the obligations of the Company thereunder will cease.

Security; Lien of the First Mortgage Indenture

General. Except as described below under this heading and under "— Issuance of Additional First Mortgage Bonds," and subject to the exceptions described under "— Satisfaction and Discharge," all first mortgage bonds issued under the First Mortgage Indenture, including the First Mortgage Bonds, will be secured, equally and ratably, by the lien of the First Mortgage Indenture, which constitutes, subject to permitted liens and exclusions as described below, a first mortgage lien on substantially all of the Company's real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity (other than property duly released from the lien of the First Mortgage Indenture in accordance with the provisions thereof and other than excepted property, as described below). Property that is subject to the lien of the First Mortgage Indenture is referred to below as "Mortgaged Property."

The Company may obtain the release of property from the lien of the First Mortgage Indenture from time to time, upon the bases provided for such release in the First Mortgage Indenture. See "— Release of Property."

The Company may enter into supplemental indentures with the First Mortgage Trustee, without the consent of the holders of the first mortgage bonds, in order to subject additional property (including property that would otherwise be excepted from such lien) to the lien of the First Mortgage Indenture. This property would constitute *property additions* and would be available as a basis for the issuance of additional first mortgage bonds. See "— Issuance of Additional First Mortgage Bonds."

The First Mortgage Indenture provides that after-acquired property (other than *excepted property*) will be subject to the lien of the First Mortgage Indenture. However, in the case of consolidation or merger (whether or not the Company is the surviving company) or transfer of the Mortgaged Property as or substantially as an entirety, the First Mortgage Indenture will not be required to be a lien upon any of the properties either owned or subsequently acquired by the successor company except properties acquired from the Company in or as a result of such transfer, as well as improvements, extensions and additions (as defined in the First Mortgage Indenture) to such properties and renewals, replacements and substitutions of or for any part or parts thereof. See "— Consolidation, Merger and Conveyance of Assets as an Entirety."

Excepted Property. The lien of the First Mortgage Indenture does not cover, among other things, the following types of property: property located outside of Kentucky and not specifically subjected or required to be subjected to the lien of the First Mortgage Indenture; property not used by the Company in its electric generation, transmission and distribution business; cash and securities not paid, deposited or held under the First Mortgage Indenture or required so to be; contracts, leases and other agreements of all kinds, contract rights, bills, notes and other instruments, revenues, accounts receivable, claims, demands and judgments; governmental and other licenses, permits, franchises, consents and allowances; intellectual property rights and other general intangibles; vehicles, movable equipment, aircraft and vessels; all goods, stock in trade, wares, merchandise and inventory held for the purpose of sale or lease in the ordinary course of business; materials, supplies, inventory and other personal property consumable in the operation of the Company's business; fuel; tools and equipment; furniture and furnishings; computers and data processing, telecommunications and other facilities used primarily for administrative or clerical purposes or otherwise not used in connection with the operation or maintenance of electric generation, transmission and distribution facilities; coal, ore, gas, oil and other minerals and timber rights; electric energy and capacity, gas, steam, water and other products generated, produced, manufactured, purchased or otherwise acquired; real property and facilities used primarily for the production or gathering of natural gas; property which has been released from the lien of the First Mortgage Indenture; and leasehold interests. Property of the Company not covered by the lien of the First Mortgage Indenture is referred to herein as excepted property. Properties held by any of the Company's subsidiaries, as well as properties leased from others, would not be subject to the lien of the First Mortgage Indenture.

Permitted Liens. The lien of the First Mortgage Indenture is subject to permitted liens described in the First Mortgage Indenture. Such *permitted liens* include liens existing at the execution date of the First Mortgage Indenture, purchase money liens and other liens placed or otherwise existing on property acquired by the Company after the execution date of the First Mortgage Indenture at the time the Company acquires it, tax liens and other governmental charges which are not delinquent or which are being contested in good faith, mechanics', construction and materialmen's liens, certain judgment liens, easements, reservations and rights of others (including governmental entities) in, and defects of title to, the Company's property, certain leases and leasehold interests, liens to secure public obligations, rights of others to take minerals, timber, electric energy or capacity, gas, water, steam or other products produced by the Company or by others on the Company's property, rights and interests of persons other than the Company arising out of agreements relating to the common ownership or joint use of property, and liens on the interests of such persons in such property and liens which have been bonded or for which other security arrangements have been made.

The First Mortgage Indenture also provides that the First Mortgage Trustee will have a lien, prior to the lien on behalf of the holders of the first mortgage bonds, including the First Mortgage Bonds, upon the Mortgaged Property as security for the Company's payment of its reasonable compensation and expenses and for indemnity against certain liabilities. Any such lien would be a *permitted lien* under the First Mortgage Indenture.

Issuance of Additional First Mortgage Bonds

The maximum principal amount of first mortgage bonds that may be authenticated and delivered under the First Mortgage Indenture is subject to the issuance restrictions described below; provided, however, that the maximum principal amount of first mortgage bonds outstanding at any one time shall not exceed One Quintillion Dollars($1,000,000,0 00,000,000,000), which amount may be changed by supplemental indenture. As of June 30, 2019, first mortgage bonds in an aggregate principal amount of $2,641,852,405 were outstanding under the First Mortgage Indenture, of which $341,852,405 were issued to secure the Company's payment obligations with respect to its outstanding pollution control and environmental facilities revenue bonds, including the Bonds.

First mortgage bonds of any series may be issued from time to time on the basis of, and in an aggregate principal amount not exceeding:

> 66 2/3% of the *cost*or *fair value* to the Company (whichever is less) of *property additions* (as described below) which do not constitute *funded property*(generally, *property additions* which have been made the basis of the authentication and delivery of first mortgage bonds, the release of Mortgaged Property or the withdrawal of cash, which have been substituted for retired *funded property* or which have been used for other specified purposes) after certain deductions and additions, primarily including adjustments to offset property retirements;
>
> the aggregate principal amount of *retired securities* (as described below); or
>
> an amount of cash deposited with the First Mortgage Trustee.

Property additions generally include any property which is owned by the Company and is subject to the lien of the First Mortgage Indenture except (with certain exceptions) goodwill, going concern value rights or intangible property, or any property the acquisition or construction of which is properly chargeable to one of the Company's operating expense accounts in accordance with U.S. generally accepted accounting principles.

Retired securities means, generally, first mortgage bonds which are no longer outstanding under the First Mortgage Indenture, which have not been retired by the application of *funded cash* and which have not been used as the basis for the authentication and delivery of first mortgage bonds, the release of property or the withdrawal of cash.

At June 30, 2019, approximately $1.9 billion of *property additions* and $258.9 million of *retired securities* were available to be used as the basis for the authentication and delivery of first mortgage bonds.

Release of Property

Unless an *event of default* has occurred and is continuing, the Company may obtain the release from the lien of the First Mortgage Indenture of any Mortgaged Property, except for cash held by the First Mortgage Trustee, upon delivery to the First Mortgage Trustee of an amount in cash equal to the amount, if any, by which sixty-six and two-thirds percent (66-2/3%) of the cost of the property to be released (or, if less, the *fair value* to the Company of such property at the time it became *funded property*) exceeds the aggregate of:

> an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by *purchase money* liens upon the property to be released and delivered to the First Mortgage Trustee;
>
> an amount equal to 66 2/3% of the *cost*or *fair value* to the Company (whichever is less) of certified *property additions* not constituting *funded property* after certain deductions and additions, primarily including adjustments to offset property retirements (except that such adjustments need not be made if such *property additions* were acquired or made within the 90-day period preceding the release);

the aggregate principal amount of first mortgage bonds the Company would be entitled to issue on the basis of *retired securities* (with such entitlement being waived by operation of such release);

the aggregate principal amount of first mortgage bonds delivered to the First Mortgage Trustee (with such first mortgage bonds to be canceled by the First Mortgage Trustee);

any amount of cash and/or an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by *purchase money liens* upon the property released that is delivered to the trustee or other holder of a lien prior to the lien of the First Mortgage Indenture, subject to certain limitations described in the First Mortgage Indenture; and

any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released.

As used in the First Mortgage Indenture, the term *purchase money lien* means, generally, a lien on the property being released which is retained by the transferor of such property or granted to one or more other persons in connection with the transfer or release thereof, or granted to or held by a trustee or agent for any such persons, and may include liens which cover property in addition to the property being released and/or which secure indebtedness in addition to indebtedness to the transferor of such property.

Unless an *event of default* has occurred and is continuing, property which is not *funded property* may generally be released from the lien of the First Mortgage Indenture without depositing any cash or property with the First Mortgage Trustee as long as (a) the aggregate amount of *cost*or *fair value* to the Company (whichever is less) of all *property additions* which do not constitute *funded property*(excluding the property to be released) after certain deductions and additions, primarily including adjustments to offset property retirements, is not less than zero or (b) the *cost*or *fair value* (whichever is less) of property to be released does not exceed the aggregate amount of the *cost*or *fair value* to the Company (whichever is less) of *property additions* acquired or made within the 90-day period preceding the release.

The First Mortgage Indenture provides simplified procedures for the release of minor properties and property taken by eminent domain, and provides for dispositions of certain obsolete property and grants or surrender of certain rights without any release or consent by the First Mortgage Trustee.

If the Company retains any interest in any property released from the lien of the First Mortgage Indenture, the First Mortgage Indenture will not become a lien on such property or such interest therein or any improvements, extensions or additions to such property or renewals, replacements or substitutions of or for such property or any part or parts thereof.

Withdrawal of Cash

Unless an *event of default* has occurred and is continuing, and subject to certain limitations, cash held by the First Mortgage Trustee may, generally, (1) be withdrawn by the Company (a) to the extent of sixty-six and two-thirds percent (66-2/3%) of the cost or *fair value* to the Company (whichever is less) of *property additions* not constituting *funded property*, after certain deductions and additions, primarily including adjustments to offset retirements (except that such adjustments need not be made if such *property additions* were acquired or made within the 90-day period preceding the withdrawal) or (b) in an amount equal to the aggregate principal amount of first mortgage bonds that the Company would be entitled to issue on the basis of *retired securities* (with the entitlement to such issuance being waived by operation of such withdrawal) or (c) in an amount equal to the aggregate principal amount of any outstanding first mortgage bonds delivered to the First Mortgage Trustee; or (2) upon the Company's

request, be applied to (a) the purchase of first mortgage bonds in a manner and at a price approved by the Company or (b) the payment (or provision for payment) at stated maturity of any first mortgage bonds or the redemption (or provision for payment) of any first mortgage bonds which are redeemable; provided, however, that cash deposited with the First Mortgage Trustee as the basis for the authentication and delivery of first mortgage bonds may, in addition, be withdrawn in an amount not exceeding the aggregate principal amount of cash delivered to the First Mortgage Trustee for such purpose.

Events of Default

An "*event of default*" occurs under the First Mortgage Indenture if

the Company does not pay any interest on any first mortgage bonds within 30 days of the due date;

the Company does not pay principal or premium, if any, on any first mortgage bonds on the due date;

the Company remains in breach of any other covenant (excluding covenants specifically dealt with elsewhere in this section) in respect of any first mortgage bonds for 90 days after the Company receives a written notice of default stating the Company is in breach and requiring remedy of the breach; the notice must be sent by either the First Mortgage Trustee or holders of 25% of the principal amount of outstanding first mortgage bonds; the First Mortgage Trustee or such holders can agree to extend the 90-day period and such an agreement to extend will be automatically deemed to occur if the Company initiates corrective action within such 90-day period and the Company is diligently pursuing such action to correct the default; or

the Company files for bankruptcy or certain other events in bankruptcy, insolvency, receivership or reorganization occur.

Remedies

Acceleration of Maturity. If an *event of default* occurs and is continuing, then either the First Mortgage Trustee or the holders of not less than 25% in principal amount of the outstanding first mortgage bonds may declare the principal amount of all of the first mortgage bonds to be due and payable immediately.

Rescission of Acceleration. After the declaration of acceleration has been made and before the First Mortgage Trustee has obtained a judgment or decree for payment of the money due, such declaration and its consequences will be rescinded and annulled, if

the Company pays or deposits with the First Mortgage Trustee a sum sufficient to pay:

all overdue interest;

the principal of and premium, if any, which have become due otherwise than by such declaration of acceleration and interest thereon;

interest on overdue interest to the extent lawful; and

all amounts due to the First Mortgage Trustee under the First Mortgage Indenture; and

all *events of default*, other than the nonpayment of the principal which has become due solely by such declaration of acceleration, have been cured or waived as provided in the First Mortgage Indenture.

For more information as to waiver of defaults, see "— Waiver of Default and of Compliance" below.

Appointment of Receiver and Other Remedies. Subject to the First Mortgage Indenture, under certain circumstances and to the extent permitted by law, if an *event of default* occurs and is continuing, the First Mortgage Trustee has the power to appoint a receiver of the Mortgaged Property, and is entitled to all other remedies available to mortgagees and secured parties under the Uniform Commercial Code or any other applicable law.

Control by Holders; Limitations. Subject to the First Mortgage Indenture, if an *event of default* occurs and is continuing, the holders of a majority in principal amount of the outstanding first mortgage bonds will have the right to

direct the time, method and place of conducting any proceeding for any remedy available to the First Mortgage Trustee, or

exercise any trust or power conferred on the First Mortgage Trustee.

The rights of holders to make direction are subject to the following limitations:

the holders' directions may not conflict with any law or the First Mortgage Indenture; and

the holders' directions may not involve the First Mortgage Trustee in personal liability where the First Mortgage Trustee believes indemnity is not adequate.

The First Mortgage Trustee may also take any other action it deems proper which is not inconsistent with the holders' direction.

In addition, the First Mortgage Indenture provides that no holder of any first mortgage bond will have any right to institute any proceeding, judicial or otherwise, with respect to the First Mortgage Indenture for the appointment of a receiver or for any other remedy thereunder unless

that holder has previously given the First Mortgage Trustee written notice of a continuing *event of default*;

the holders of 25% in aggregate principal amount of the outstanding first mortgage bonds have made written request to the First Mortgage Trustee to institute proceedings in respect of that *event of default* and have offered the First Mortgage Trustee reasonable indemnity against costs, expenses and liabilities incurred in complying with such request; and

for 60 days after receipt of such notice, request and offer of indemnity, the First Mortgage Trustee has failed to institute any such proceeding and no direction inconsistent with such request has been given to the First Mortgage Trustee during such 60-day period

by the holders of a majority in aggregate principal amount of outstanding first mortgage bonds.

Furthermore, no holder of first mortgage bonds will be entitled to institute any such action if and to the extent that such action would disturb or prejudice the rights of other holders of first mortgage bonds.

However, each holder of first mortgage bonds has an absolute and unconditional right to receive payment when due and to bring a suit to enforce that right.

Notice of Default. The First Mortgage Trustee is required to give the holders of the first mortgage bonds notice of any default under the First Mortgage Indenture to the extent required by the Trust Indenture Act, unless such default has been cured or waived; except that in the case of an *event of default* of the character specified in the third bullet point under "— Events of Default" (regarding a breach of certain covenants continuing for 90 days after the receipt of a written notice of default), no such notice shall be given to such holders until at least 60 days after the occurrence thereof. The Trust Indenture Act currently permits the First Mortgage Trustee to withhold notices of default (except for certain payment defaults) if the First Mortgage Trustee in good faith determines the withholding of such notice to be in the interests of the holders of the first mortgage bonds.

The Company will furnish the First Mortgage Trustee with an annual statement as to its compliance with the conditions and covenants in the First Mortgage Indenture.

Waiver of Default and of Compliance. The holders of a majority in aggregate principal amount of the outstanding first mortgage bonds may waive, on behalf of the holders of all outstanding first mortgage bonds, any past default under the First Mortgage Indenture, except a default in the payment of principal, premium or interest, or with respect to compliance with certain provisions of the First Mortgage Indenture that cannot be amended without the consent of the holder of each outstanding first mortgage bond affected.

Compliance with certain covenants in the First Mortgage Indenture or otherwise provided with respect to first mortgage bonds may be waived by the holders of a majority in aggregate principal amount of the affected first mortgage bonds, considered as one class.

Consolidation, Merger and Conveyance of Assets as an Entirety

Subject to the provisions described below, the Company has agreed to preserve its corporate existence.

The Company has agreed not to consolidate with or merge with or into any other entity or convey, transfer or lease the Mortgaged Property as or substantially as an entirety to any entity unless

the entity formed by such consolidation or into which the Company merges, or the entity which acquires or which leases the Mortgaged Property substantially as an entirety, is an entity organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia; and

expressly assumes, by supplemental indenture, the due and punctual payment of the principal of, and premium and interest on, all the outstanding first mortgage bonds and the performance of all of the Company's covenants under the First Mortgage Indenture; and

such entity confirms the lien of the First Mortgage Indenture on the Mortgaged Property; and

in the case of a lease, such lease is made expressly subject to termination by (i) the Company or by the First Mortgage Trustee and (ii) the purchaser of the property so leased at any sale thereof, at any time during the continuance of an *event of default*; and

immediately after giving effect to such transaction, no *event of default*, and no event which after notice or lapse of time or both would become an *event of default*, will have occurred and be continuing.

In the case of the conveyance or other transfer of the Mortgaged Property as or substantially as an entirety to any other person, upon the satisfaction of all the conditions described above the Company would be released and discharged from all obligations under the First Mortgage Indenture and on the first mortgage bonds then outstanding unless the Company elects to waive such release and discharge.

The First Mortgage Indenture does not prevent or restrict:

any consolidation or merger after the consummation of which the Company would be the surviving or resulting entity; or

any conveyance or other transfer, or lease, of any part of the Mortgaged Property which does not constitute the entirety or substantially the entirety thereof.

If following a conveyance or other transfer, or lease, of any part of the Mortgaged Property, the fair value of the Mortgaged Property retained by the Company exceeds an amount equal to three-halves (3/2) of the aggregate principal amount of all outstanding first mortgage bonds, then the part of the Mortgaged Property so conveyed, transferred or leased shall be deemed not to constitute the entirety or substantially the entirety of the Mortgaged Property. This *fair value* will be determined within 90 days of the conveyance or transfer by an independent expert that the Company selects and that is approved by the First Mortgage Trustee.

Modification of First Mortgage Indenture

Without Holder Consent. Without the consent of any holders of first mortgage bonds, the Company and the First Mortgage Trustee may enter into one or more supplemental indentures for any of the following purposes:

to evidence the succession of another entity to the Company;

to add one or more covenants or other provisions for the benefit of the holders of all or any series or tranche of first mortgage bonds, or to surrender any right or power conferred upon the Company;

to correct or amplify the description of any property at any time subject to the lien of the First Mortgage Indenture; or to better assure, convey and confirm unto the First Mortgage Trustee any property subject or required to be subjected to the lien of the First Mortgage Indenture; or to subject to the lien of the First Mortgage Indenture additional property (including property of others), to specify any additional Permitted Liens with respect to such additional property and to modify the provisions in the First Mortgage Indenture for

dispositions of certain types of property without release in order to specify any additional items with respect to such additional property;

to add any additional *events of default*, which may be stated to remain in effect only so long as the first mortgage bonds of any one more particular series remains outstanding;

to change or eliminate any provision of the First Mortgage Indenture or to add any new provision to the First Mortgage Indenture that does not adversely affect the interests of the holders in any material respect;

to establish the form or terms of any series or tranche of first mortgage bonds;

to provide for the issuance of bearer securities;

to evidence and provide for the acceptance of appointment of a successor First Mortgage Trustee or by a co-trustee or separate trustee;

to provide for the procedures required to permit the utilization of a noncertificated system of registration for any series or tranche of first mortgage bonds;

to change any place or places where

the Company may pay principal, premium and interest,

first mortgage bonds may be surrendered for transfer or exchange, and

notices and demands to or upon the Company may be served;

to amend and restate the First Mortgage Indenture as originally executed, and as amended from time to time, with such additions, deletions and other changes that do not adversely affect the interest of the holders in any material respect;

to cure any ambiguity, defect or inconsistency or to make any other changes that do not adversely affect the interests of the holders in any material respect; or

to increase or decrease the maximum principal amount of first mortgage bonds that may be outstanding at any time.

In addition, if the Trust Indenture Act is amended after the date of the First Mortgage Indenture so as to require changes to the First Mortgage Indenture or so as to permit changes to, or the elimination of, provisions which, at the date of the First Mortgage Indenture or at any time thereafter, were required by the Trust Indenture Act to be contained in the First Mortgage Indenture, the First Mortgage Indenture will be deemed to have been amended so as to conform to such amendment or to effect such changes or elimination, and the Company and the First Mortgage Trustee may, without the consent of any holders, enter into one or more supplemental indentures to effect or evidence such amendment.

With Holder Consent. Except as provided above, the consent of the holders of at least a majority in aggregate principal amount of the first mortgage bonds of all outstanding series, considered as one class, is generally required for the purpose of adding to, or changing or eliminating any of the provisions of, the First Mortgage Indenture pursuant to a supplemental indenture. However, if less than all of the series of outstanding first mortgage bonds are directly affected by a proposed supplemental indenture,

then such proposal only requires the consent of the holders of a majority in aggregate principal amount of the outstanding first mortgage bonds of all directly affected series, considered as one class. Moreover, if the first mortgage bonds of any series have been issued in more than one tranche and if the proposed supplemental indenture directly affects the rights of the holders of first mortgage bonds of one or more, but less than all, of such tranches, then such proposal only requires the consent of the holders of a majority in aggregate principal amount of the outstanding first mortgage bonds of all directly affected tranches, considered as one class.

However, no amendment or modification may, without the consent of the holder of each outstanding first mortgage bond directly affected thereby:

> change the stated maturity of the principal or interest on any first mortgage bond (other than pursuant to the terms thereof), or reduce the principal amount, interest or premium payable (or the method of calculating such rates)or change the currency in which any first mortgage bond is payable, or impair the right to bring suit to enforce any payment;
>
> create any lien (not otherwise permitted by the First Mortgage Indenture) ranking prior to the lien of the First Mortgage Indenture with respect to all or substantially all of the Mortgaged Property, or terminate the lien of the First Mortgage Indenture on all or substantially all of the Mortgaged Property (other than in accordance with the terms of the First Mortgage Indenture), or deprive any holder of the benefits of the security of the lien of the First Mortgage Indenture;
>
> reduce the percentages of holders whose consent is required for any supplemental indenture or waiver of compliance with any provision of the First Mortgage Indenture or of any default thereunder and its consequences, or reduce the requirements for quorum and voting under the First Mortgage Indenture; or
>
> modify certain of the provisions of the First Mortgage Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to first mortgage bonds.

A supplemental indenture which changes, modifies or eliminates any provision of the First Mortgage Indenture expressly included solely for the benefit of holders of first mortgage bonds of one or more particular series or tranches will be deemed not to affect the rights under the First Mortgage Indenture of the holders of first mortgage bonds of any other series or tranche.

Satisfaction and Discharge

Any first mortgage bonds or any portion thereof will be deemed to have been paid and no longer outstanding for purposes of the First Mortgage Indenture and, at the Company's election, the Company's entire indebtedness with respect to those securities will be satisfied and discharged, if there shall have been irrevocably deposited with the First Mortgage Trustee or any Paying Agent (other than the Company), in trust:

> money sufficient, or
>
> in the case of a deposit made prior to the maturity of such first mortgage bonds, non-redeemable *eligible obligations* (as defined in the First Mortgage Indenture) sufficient, or

a combination of the items listed in the preceding two bullet points, which in total are sufficient,

to pay when due the principal of, and any premium, and interest due and to become due on such first mortgage bonds or portions of such first mortgage bonds on and prior to their maturity.

The Company's right to cause its entire indebtedness in respect of the first mortgage bonds of any series to be deemed to be satisfied and discharged as described above will be subject to the satisfaction of any conditions specified in the instrument creating such series.

The First Mortgage Indenture will be deemed satisfied and discharged when no first mortgage bonds remain outstanding and when the Company has paid all other sums payable by it under the First Mortgage Indenture.

All moneys the Company pays to the First Mortgage Trustee or any Paying Agent on First Mortgage Bonds that remain unclaimed at the end of two years after payments have become due may be paid to or upon the Company's order. Thereafter, the holder of such First Mortgage Bond may look only to the Company for payment.

Duties of the First Mortgage Trustee; Resignation and Removal of the First Mortgage Trustee; Deemed Resignation

The First Mortgage Trustee will have, and will be subject to, all the duties and responsibilities specified with respect to an indenture trustee under the Trust Indenture Act. Subject to these provisions, the First Mortgage Trustee will be under no obligation to exercise any of the powers vested in it by the First Mortgage Indenture at the request of any holder of first mortgage bonds, unless offered reasonable indemnity by such holder against the costs, expenses and liabilities which might be incurred thereby. The First Mortgage Trustee will not be required to expend or risk its own funds or otherwise incur financial liability in the performance of its duties if the First Mortgage Trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it.

The First Mortgage Trustee may resign at any time by giving written notice to the Company.

The First Mortgage Trustee may also be removed by act of the holders of a majority in principal amount of the then outstanding first mortgage bonds.

No resignation or removal of the First Mortgage Trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the First Mortgage Indenture.

Under certain circumstances, the Company may appoint a successor trustee and if the successor accepts, the First Mortgage Trustee will be deemed to have resigned.

Evidence to be Furnished to the First Mortgage Trustee

Compliance with First Mortgage Indenture provisions is evidenced by written statements of the Company's officers or persons selected or paid by the Company. In certain cases, opinions of counsel and certifications of an engineer, accountant, appraiser or other expert (who in some cases must be independent) must be furnished. In addition, the First Mortgage Indenture requires the Company to give to the First Mortgage Trustee, not less than annually, a brief statement as to the Company's compliance with the conditions and covenants under the First Mortgage Indenture.

Miscellaneous Provisions

The First Mortgage Indenture provides that certain first mortgage bonds, including those for which payment or redemption money has been deposited or set aside in trust as described under "— Satisfaction and Discharge" above, will not be deemed to be "outstanding" in determining whether the holders of the requisite principal amount of the outstanding first mortgage bonds have given or taken any demand, direction, consent or other action under the First Mortgage Indenture as of any date, or are present at a meeting of holders for quorum purposes.

The Company will be entitled to set any day as a record date for the purpose of determining the holders of outstanding first mortgage bonds of any series entitled to give or take any demand, direction, consent or other action under the First Mortgage Indenture, in the manner and subject to the limitations provided in the First Mortgage Indenture. In certain circumstances, the First Mortgage Trustee also will be entitled to set a record date for action by holders. If such a record date is set for any action to be taken by holders of particular first mortgage bonds, such action may be taken only by persons who are holders of such first mortgage bonds on the record date.

Governing Law

The First Mortgage Indenture and the first mortgage bonds provide that they are to be governed by and construed in accordance with the laws of the State of New York except where the Trust Indenture Act is applicable or where otherwise required by law. The effectiveness of the lien of the First Mortgage Indenture, and the perfection and priority thereof, will be governed by Kentucky law.

Summary of the Indenture

The following, in addition to the provisions contained elsewhere in this Reoffering Circular, is a brief description of certain provisions of the Indenture. This description is only a summary and does not purport to be complete and definitive. Reference is made to the Indenture for the detailed provisions thereof.

Security

Pursuant to the Indenture, the Issuer has assigned and pledged to the Trustee its interest in and to the Loan Agreement, including payments and other amounts due the Issuer thereunder, together with all moneys, property and securities from time to time held by the Trustee under the Indenture (with certain exceptions, including moneys held in or earnings on the Rebate Fund and the Purchase Fund). The Bonds have been further secured by the First Mortgage Bonds delivered to the Trustee (see "Summary of the Loan Agreement — Issuance and Delivery of First Mortgage Bonds"). The First Mortgage Bonds will be registered in the name of the Trustee and will be nontransferable, except to effect a transfer to any successor trustee. The Bonds will not be directly secured by the Project (although the Project is subject to the lien of the First Mortgage Indenture).

No Pecuniary Liability of the Issuer

No provision, covenant or agreement contained in the Indenture or in the Loan Agreement, nor any breach thereof, shall give rise to any pecuniary liability of the Issuer or any charge upon its general credit or taxing powers. The Issuer has not obligated itself by making the covenants, agreements or provisions contained in the Indenture or in the Loan Agreement, except with respect to the Project and the

application of the amounts assigned to payment of the principal of, premium, if any, and interest on the Bonds.

The Bond Fund

The payments to be made by the Company pursuant to the Loan Agreement to the Issuer and certain other amounts specified in the Indenture will be deposited into a Bond Fund established pursuant to the Indenture (the "Bond Fund") and will be maintained in trust by the Trustee. Moneys in the Bond Fund will be used for the payment of the principal of, premium, if any, and interest on the Bonds, for the redemption of Bonds prior to maturity and for the payment of the reasonable fees and expenses to which the Issuer, Trustee, Registrar and Paying Agent are entitled to under the Indenture or the Loan Agreement. Any moneys held in the Bond Fund will be invested by the Trustee at the specific written direction of the Company in certain Governmental Obligations, investment-grade corporate obligations and other investments permitted under the Indenture.

The Rebate Fund

A Rebate Fund has been created by the Indenture (the "Rebate Fund") and is maintained as a separate fund free and clear of the lien of the Indenture. The Issuer, the Trustee and the Company have agreed to comply with all rebate requirements of the Code and, in particular, the Company has agreed that if necessary, it will deposit in the Rebate Fund any such amount as is required under the Code. However, the Issuer, the Trustee and the Company may disregard the Rebate Fund provisions to the extent that they receive an opinion of Bond Counsel that such failure to comply will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

Discharge of Indenture

When all the Bonds and all fees and charges accrued and to accrue of the Trustee and the Paying Agent have been paid or provided for, and when proper notice has been given to the Bondholders or the Trustee that the proper amounts have been so paid or provided for, and if the Issuer is not in default in any other respect under the Indenture, the Indenture shall become null and void. The Bonds will be deemed to have been paid and discharged when there have been irrevocably deposited with the Trustee moneys sufficient to pay the principal, premium, if any, and accrued interest on such Bonds to the due date (whether such date be by reason of maturity or upon redemption) or, in lieu thereof, Governmental Obligations have been deposited which mature in such amounts and at such times as will provide the funds necessary to so pay such Bonds, and when all reasonable and necessary fees and expenses of the Trustee, the Authenticating Agent, the Bond Registrar and the Paying Agent have been paid or provided for.

Notwithstanding anything to the contrary, if any Bonds are rated by a rating service, no such Bonds will be deemed to have been paid and discharged by reason of any deposit pursuant to the Indenture, unless each such rating service has confirmed in writing to the Trustee that its rating will not be withdrawn or lowered as a result of any such deposit.

Surrender of First Mortgage Bonds

Upon payment of any principal of, premium, if any, and interest on any of the Bonds which reduces the principal amount of Bonds outstanding, or upon provision for the payment thereof having been made in accordance with the Indenture, First Mortgage Bonds in a principal amount equal to the principal amount of the Bonds so paid, or for the payment of which such provision has been made, shall

be surrendered by the Trustee to the First Mortgage Trustee. The First Mortgage Bonds so surrendered shall be deemed fully paid and the obligations of the Company thereunder terminated.

Defaults and Remedies

Each of the following events constitutes an "Event of Default" under the Indenture:

(1) failure to make payment of any installment of interest on any Bond within a period of one Business Day from the due date;

(2) failure to make punctual payment of the principal of, or premium, if any, on any Bond on the due date, whether at the stated maturity thereof, or upon proceedings for redemption, or upon the maturity thereof by declaration or if payment of the purchase price of any Bond required to be purchased pursuant to the Indenture is not made when such payment has become due and payable;

(3) failure of the Issuer to perform or observe any other of the covenants, agreements or conditions in the Indenture or in the Bonds which failure continues for a period of 30 days after written notice by the Trustee, provided, however, that if such failure is capable of being cured, but cannot be cured in such 30-day period, it will not constitute an event of default under the Indenture if corrective action in respect of such failure is instituted within such 30-day period and is being diligently pursued;

(4) the occurrence of an "event of default" under the Loan Agreement (see "Summary of the Loan Agreement — Events of Default"); or

(5) all first mortgage bonds outstanding under the First Mortgage Indenture, if not already due, shall have become due and payable, whether by declaration or otherwise, and such acceleration shall not have been rescinded by the First Mortgage Trustee.

Upon the occurrence of an Event of Default under clauses (1), (2) or (5) above, the Trustee must: (i) enforce each and every right granted to the Trustee as a holder of the First Mortgage Bonds (see "Summary of the First Mortgage Bonds and the First Mortgage Indenture"), (ii) declare the principal of all Bonds and interest accrued thereon to be immediately due and payable and (iii) declare all payments under the Loan Agreement to be immediately due and payable and enforce each and every other right granted to the Issuer under the Loan Agreement for the benefit of the Bondholders.

Interest on the Bonds will cease to accrue on the date of issuance of the declaration of acceleration of payment of principal and interest on the Bonds.

In exercising such rights, the Trustee shall take any action that, in the judgment of the Trustee, would best serve the interests of the registered owners. Upon the occurrence of an Event of Default under the Indenture, the Trustee may also proceed to pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then outstanding.

If an Event of Default under the Indenture shall occur and be continuing and the maturity date of the Bonds has been accelerated (to the extent the Bonds are not already due and payable) as a consequence of such event of default, the Trustee may, and upon the written request of the registered owners holding not less than 25% in principal amount of all Bonds then outstanding and upon receipt of indemnity satisfactory to it shall, exercise such rights as it shall possess under the First Mortgage

Indenture as a holder of the First Mortgage Bonds and shall also issue a Redemption Demand for such First Mortgage Bonds to the First Mortgage Trustee.

If the Trustee recovers any moneys following an Event of Default, unless the principal of the Bonds shall have been declared due and payable, all such moneys shall be applied in the following order: (i) to the payment of the fees, expenses, liabilities and advances incurred or made by the Trustee and the Paying Agent, (ii) to the payment of all interest then due on the Bonds and (iii) to the payment of unpaid principal and premium, if any, of the Bonds. If the principal of the Bonds has become due or has been accelerated, such moneys shall be applied in the following order: (i) to the payment of the fees, expenses, liabilities and advances incurred or made by the Trustee and the Paying Agent and (ii) to the payment of principal of and interest then due and unpaid on the Bonds.

No Bondholder may institute any suit or proceeding in equity or at law for the enforcement of the Indenture unless an Event of Default has occurred of which the Trustee has been notified or is deemed to have notice, and registered owners holding not less than 25% in aggregate principal amount of Bonds then outstanding shall have made written request to the Trustee to proceed to exercise the powers granted under the Indenture or to institute such action in their own name and the Trustee shall fail or refuse to exercise its powers within a reasonable time after receipt of indemnity satisfactory to it.

Any judgment against the Issuer pursuant to the exercise of rights under the Indenture shall be enforceable only against specific assigned payments, funds and accounts under the Indenture in the hands of the Trustee. No deficiency judgment shall be authorized against the general credit of the Issuer.

No default under paragraph (3) above shall constitute an Event of Default until actual notice is given to the Issuer and the Company by the Trustee or to the Issuer, the Company and the Trustee by the registered owners holding not less than 25% in aggregate principal amount of all Bonds outstanding and the Issuer and the Company shall have had thirty days after such notice to correct the default and failed to do so. If the default is such that it cannot be corrected within the applicable period but is capable of being cured, it will not constitute an Event of Default if corrective action is instituted within the applicable period.

Waiver of Events of Default

Except as provided below, the Trustee may in its discretion waive any Event of Default under the Indenture and shall do so upon the written request of the registered owners holding a majority in principal amount of all Bonds then outstanding. If, after the principal of all Bonds then outstanding shall have been declared to be due and payable and prior to any judgment or decree for the appointment of a receiver or for the payment of the moneys due shall have been entered, (i) the Company has caused to be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of and premium, if any, on any and all Bonds which shall have become due otherwise than by reason of such declaration and the expenses of the Trustee in connection with such default (with interest thereon as provided in the Indenture) and (ii) all Events of Default under the Indenture (other than nonpayment of the principal of Bonds due by said declaration) shall have been remedied, then such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled by the Trustee. Such waiver, rescission and annulment shall be binding upon all Bondholders. No such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Upon any waiver or rescission as described above or any discontinuance or abandonment of proceedings under the Indenture, the Trustee shall immediately rescind in writing any Redemption Demand of First Mortgage Bonds previously given to the First Mortgage Trustee. The rescission under

the First Mortgage Indenture of a declaration that all first mortgage bonds outstanding under the First Mortgage Indenture are immediately due and payable shall also constitute a waiver of an Event of Default described in paragraph (5) under the subcaption "— Defaults and Remedies" above and a waiver and rescission of its consequences, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Notwithstanding the foregoing, nothing in the Indenture shall affect the right of a registered owner to enforce the payment of principal of, premium, if any, and interest on the Bonds after the maturity thereof.

Voting of First Mortgage Bonds Held by Trustee

The Trustee, as holder of the First Mortgage Bonds, shall attend any meeting of holders of first mortgage bonds outstanding under the First Mortgage Indenture as to which it receives due notice. The Trustee shall vote the First Mortgage Bonds held by it, or shall consent with respect thereto, proportionally in the way in which the Trustee reasonably believes will be the vote or consent of all other holders of first mortgage bonds outstanding under the First Mortgage Indenture then eligible to vote or consent.

Notwithstanding the foregoing, the Trustee may not vote the First Mortgage Bonds in favor of, or give consent to, any action which, in the Trustee's opinion, would materially adversely affect the First Mortgage Bonds in a manner not generally shared by all other series of first mortgage bonds, except upon notification by the Trustee to the registered owners of all Bonds then outstanding of such proposal and consent thereto of the registered owners of at least 66 2/3% in aggregate principal amount of all Bonds then outstanding.

Supplemental Indentures

The Issuer and the Trustee may enter into indentures supplemental to the Indenture without the consent of or notice to, the Bondholders in order (i) to cure any ambiguity or formal defect or omission in the Indenture, (ii) to grant to the Trustee, as may lawfully be granted, additional rights for the benefit of the Bondholders, (iii) to subject to the Indenture additional revenues, properties or collateral, (iv) to permit qualification of the Indenture under any federal statute or state blue sky law, (v) to add additional covenants and agreements of the Issuer for the protection of the Bondholders or to surrender or limit any rights reserved to the Issuer, (vi) to make any modification or change to the Indenture which, in the sole judgment of the Trustee, does not adversely affect the Trustee or any Bondholder, (vii) to make amendments to provisions relating to federal income tax matters under the Code or other relevant provisions if, in the opinion of Bond Counsel, those amendments would not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes, (viii) to make any modifications or changes to the Indenture necessary to provide any liquidity or credit support of any kind for the security of the Bonds (including without limitation any line of credit, letter of credit, guaranty agreement or insurance coverage), including any modifications of the Indenture or the Agreement necessary to upgrade or maintain the then applicable ratings on the Bonds; or (ix) to permit the issuance of the Bonds in other than book-entry-only form or to provide changes to or for the book-entry system.

Exclusive of supplemental indentures for the purposes set forth in the preceding paragraph, the consent of registered owners holding a majority in principal amount of all Bonds then outstanding is required to approve any supplemental indenture, except no such supplemental indenture shall permit, without the consent of all of the registered owners of the Bonds then outstanding, (i) an extension of the maturity of the principal of or the interest on any Bond issued under the Indenture or a reduction in the principal amount of any Bond or the rate of interest or time of redemption or redemption premium

thereon, (ii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (iii) a reduction in the principal amount of the Bonds required for consent to such supplemental indenture or (iv) the deprivation of any registered owners of the lien of the Indenture.

If at any time the Issuer shall request the Trustee to enter into any supplemental indenture requiring the consent of the registered owners of the Bonds, the Trustee, upon being satisfactorily indemnified with respect to expenses, must notify all such registered owners. Such notice shall set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection. If, within sixty days (or such longer period as shall be prescribed by the Issuer or the Company) following the mailing of such notice, the registered owners holding the requisite amount of the Bonds outstanding shall have consented to the execution thereof, no Bondholder shall have any right to object or question the execution thereof.

No supplemental indenture shall become effective unless the Company consents to the execution and delivery of such supplemental indenture. The Company shall be deemed to have consented to the execution and delivery of any supplemental indenture if the Trustee does not receive a notice of protest or objection signed by the Company on or before 4:30 p.m., local time in the city in which the principal office of the Trustee is located, on the fifteenth day after the mailing to the Company of a notice of the proposed changes and a copy of the proposed supplemental indenture.

Enforceability of Remedies

The remedies available to the Trustee, the Issuer and the owners upon an event of default under the Loan Agreement, the Indenture or the First Mortgage Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by the Loan Agreement, the Indenture or the First Mortgage Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by principles of equity, bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally.

Reoffering

Subject to the terms and conditions of the Remarketing and Bond Purchase Agreement dated August 14, 2019 (the "Remarketing Agreement"), between the Company and BofA Securities, Inc., as Representative of the Initial Co-Remarketing Agents, the Initial Co-Remarketing Agents have agreed to purchase and reoffer the Bonds delivered to the Paying Agent for purchase on September 3, 2019, at a price equal to 100% of the principal amount of the Bonds, plus accrued interest (if any), and in connection therewith will receive compensation in the amount of $212,500, plus reimbursement of certain expenses. Under the terms of the Remarketing Agreement, the Company has agreed to indemnify the Initial Co-Remarketing Agents against certain civil liabilities, including liabilities under federal securities laws.

In the ordinary course of their business, the Initial Co-Remarketing Agents and certain of their affiliates, have engaged, and may in the future engage, in investment banking or commercial banking transactions with the Company.

The Initial Co-Remarketing Agents and their respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Initial Co-Remarketing Agents and their respective affiliates

have, from time to time, performed, and may in the future perform, various investment banking services for the Company, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Initial Co-Remarketing Agents and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Company.

BofA Securities, Inc., one of the Initial Co-Remarketing Agents of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

SunTrust Robinson Humphrey, Inc. ("STRH"), one of the Initial Co-Remarketing Agents of the Bonds, has entered into an agreement (the "ST Distribution Agreement") with SunTrust Investment Services, Inc. ("STIS") for the retail distribution of certain municipal securities offerings, including the Bonds. Pursuant to the ST Distribution Agreement, STRH will share a portion of its remarketing agent compensation with respect to the Bonds with STIS. STRH and STIS are both subsidiaries of SunTrust Banks, Inc. SunTrust Robinson Humphrey is the trade name for certain capital markets and investment banking services of SunTrust Banks and its subsidiaries.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), one of the Initial Co-Remarketing Agents of the Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its remarketing agent compensation with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company. Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including WFBNA, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of WFBNA, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Tax Treatment

On October 20, 2004, the date of original issuance and delivery of the Bonds, Harper, Ferguson & Davis, a division of Ogden Newell & Welch, ("Prior Bond Counsel") delivered its opinion stating that under then-existing law, including statutes, regulations, administrative rulings and official interpretations, subject to the qualifications and exceptions set forth below, interest on the Bonds would be excluded from the gross income of the recipients thereof for federal income tax purposes, except that no opinion was

expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" of the Project or a "related person" as such terms are used in Section 147(a) of the Code. Interest on the Bonds will be an item of tax preference in determining alternative minimum taxable income under the Code. Prior Bond Counsel further opined that, subject to the assumptions stated in the preceding sentence, (i) interest on the Bonds would be excluded from gross income of the owners thereof for Kentucky income tax purposes and (ii) the Bonds would be exempt from all ad valorem taxes in Kentucky. Such opinion has not been updated as of the date hereof and no continuing tax exemption opinion is expressed by Dinsmore & Shohl LLP ("Bond Counsel").

Bond Counsel will deliver an opinion in connection with this reoffering to the effect that the conversion of the interest rate mode to a Long Term Rate Period (i) is authorized or permitted by Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the "Act") and the Indenture and (ii) will not adversely affect the validity of the Bonds or any exclusion from gross income of interest on the Bonds for federal income tax purposes to which interest on the Bonds would otherwise be entitled.

The opinion of Prior Bond Counsel as to the excludability of interest from gross income for federal income tax purposes was based upon and assumed the accuracy of certain representations of facts and circumstances, including with respect to the Project, which were within the knowledge of the Company and compliance by the Company with certain covenants and undertakings set forth in the proceedings authorizing the Bonds which are intended to assure that the Bonds are and will remain obligations the interest on which is not includable in gross income of the recipients thereof under the law in effect on the date of such opinion. Prior Bond Counsel did not independently verify the accuracy of the certifications and representations made by the Company and the Issuer. On the date of the opinion and subsequent to the original delivery of the Bonds on October 20, 2004, such representations of facts and circumstances must be accurate and such covenants and undertakings must continue to be complied with in order that interest on the Bonds be and remain excludable from gross income of the recipients thereof for federal income tax purposes under existing law. Prior Bond Counsel expressed no opinion (i) regarding the exclusion of interest on any Bond from gross income for federal income tax purposes on or after the date on which any change, including any interest rate conversion, permitted by the documents other than with the approval of bond counsel is taken which adversely affects the tax treatment of the Bonds or (ii) as to the treatment for purposes of federal income taxation of interest on the Bonds upon a Determination of Taxability.

Prior Bond Counsel further opined that the Code prescribed a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which, including provisions for potential payments by the Issuer to the federal government, require future or continued compliance after issuance of the Bonds in order for the interest to be and to continue to be so excluded from the date of issuance. Noncompliance with certain of these requirements by the Company or the Issuer with respect to the Bonds could cause the interest on the Bonds to be included in gross income for federal income tax purposes and to be subject to federal income taxation retroactively to the date of their issuance. The Company and the Issuer each covenanted to take all actions required of each to assure that the interest on the Bonds shall be and remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion.

The opinion of Prior Bond Counsel as to the exclusion of interest on the Bonds from gross income for federal income tax purposes and federal tax treatment of interest on the Bonds was subject to the following exceptions and qualifications:

(a) The Code provides for a "branch profits tax" which subjects to tax, at a rate of 30%, the effectively connected earnings and profits of a foreign corporation which engages in a

United States trade or business. Interest on the Bonds would be includable in the amount of effectively connected earnings and profits and thus would increase the branch profits tax liability.

(b) The Code also provides that passive investment income, including interest on the Bonds, may be subject to taxation for any S corporation with Subchapter C earnings and profits at the close of its taxable year if greater than 25% of its gross receipts is passive investment income.

Except as stated above, Prior Bond Counsel expressed no opinion as to any federal or Kentucky tax consequences resulting from the receipt of interest on the Bonds.

Owners of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences. For instance, the Code provides that property and casualty insurance companies will be required to reduce their loss reserve deductions by 15% of the tax-exempt interest received on certain obligations, such as the Bonds, acquired after August 7, 1986. (For purposes of the immediately preceding sentence, a portion of dividends paid to an affiliated insurance company may be treated as tax-exempt interest.) The Code further provides for the disallowance of any deduction for interest expenses incurred by banks and certain other financial institutions allocable to carrying certain tax-exempt obligations, such as the Bonds, acquired after August 7, 1986. The Code also provides that, with respect to taxpayers other than such financial institutions, such taxpayers will be unable to deduct any portion of the interest expenses incurred or continued to purchase or carry the Bonds. The Code also provides, with respect to individuals, that interest on tax-exempt obligations, including the Bonds, is included in modified adjusted gross income for purposes of determining the taxability of social security and railroad retirement benefits. Furthermore, the earned income tax credit is not allowed for individuals with an aggregate amount of disqualified income within the meaning of Section 32 of the Code, which exceeds $2,200. Interest on the Bonds will be taken into account in the calculation of disqualified income. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters and any other tax consequences of holding the Bonds.

From time to time, there are legislative proposals in Congress which, if enacted, could alter or amend one or more of the federal tax matters referred to above or could adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The opinion of Bond Counsel relating to the conversion of the interest rate mode to a Long Term Rate Period in substantially the form in which it is expected to be delivered on the Conversion Date, redated to the Conversion Date, is attached as Appendix B-2.

Legal Matters

Certain legal matters in connection with the conversion of the interest rate mode to a Long Term Rate Period and reoffering of the Bonds will be passed upon by Dinsmore & Shohl LLP, Louisville, Kentucky, Bond Counsel. Certain legal matters pertaining to the Company will be passed upon by Jones Day, Chicago, Illinois, and John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary for the Company. Certain legal matters will be passed upon for the Remarketing Agents by their counsel, McGuireWoods LLP, Chicago, Illinois.

Continuing Disclosure

Because the Bonds are special and limited obligations of the Issuer, the Issuer is not an "obligated person" for purposes of Rule 15c2-12 (the "Rule") promulgated by the SEC under the Exchange Act, and

does not have any continuing obligations thereunder. Accordingly, the Issuer will not provide any continuing disclosure information with respect to the Bonds or the Issuer.

In order to enable the Remarketing Agents to comply with the requirements of the Rule, the Company will covenant in an amended and restated continuing disclosure undertaking agreement to be delivered to the Trustee for the benefit of the holders of the Bonds (the "Continuing Disclosure Agreement") to provide certain continuing disclosure for the benefit of the holders of the Bonds. Under its Continuing Disclosure Agreement, the Company will covenant to take the following actions:

(i) The Company will provide to the Municipal Securities Rulemaking Board ("MSRB") (in electronic format) (a) annual financial information of the type set forth in Appendix A to this Reoffering Circular (including any information incorporated by reference in Appendix A) and (b) audited financial statements prepared in accordance with generally accepted accounting principles, in each case not later than 120 days after the end of the Company's fiscal year.

(ii) The Company will file in a timely manner not in excess of 10 business days after the occurrence of the event with the MSRB notice of the occurrence of any of the following events (if applicable) with respect to the Bonds: (a) principal and interest payment delinquencies; (b) non-payment related defaults, if material; (c) any unscheduled draws on debt service reserves reflecting financial difficulties; (d) unscheduled draws on credit enhancement facilities reflecting financial difficulties; (e) substitution of credit or liquidity providers, or their failure to perform; (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (g) modifications to rights of the holders of the Bonds, if material; (h) the giving of notice of optional or unscheduled redemption of any Bonds, if material, and tender offers; (i) defeasance of the Bonds or any portion thereof; (j) release, substitution, or sale of property securing repayment of the Bonds, if material; (k) rating changes; (l) bankruptcy, insolvency, receivership or similar event of the Company; (m) the consummation of a merger, consolidation or acquisition involving the Company, or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (n) appointment of a successor or additional trustee or a change of name of a trustee, if material; (o) incurrence by the Company of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Company, any of which affect security holders, if material; and (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Company, any of which reflect financial difficulties.

(iii) The Company will file in a timely manner with the MSRB notice of a failure by the Company to file any of the information referred to in paragraph (i) above by the due date.

A Financial Obligation, as referred to above, is defined as (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Company may amend its Continuing Disclosure Agreement (and the Trustee shall agree to any amendment so requested by the Company that does not change the duties of the Trustee thereunder) or waive any provision thereof, but only with a change in circumstances that arises from a change in legal requirements, change in law, or change in the nature or status of the Company with respect to the Bonds or the type of business conducted by the Company; provided that the undertaking, as amended or following such waiver, would have complied with the requirements of the Rule on the date of issuance of the Bonds, after taking into account any amendments to the Rule as well as any change in circumstances, and the amendment or waiver does not materially impair the interests of the holders of the Bonds to which such undertaking relates, in the opinion of the Trustee or counsel expert in federal securities laws acceptable to both the Company and the Trustee, or is approved by the Beneficial Owners of a majority in aggregate principal amount of the outstanding Bonds. The Company acknowledges that its undertakings pursuant to the Rule described under this heading are intended to be for the benefit of the holders of the Bonds and shall be enforceable by the holders of those Bonds or by the Trustee on behalf of such holders. Any breach by the Company of these undertakings pursuant to the Rule will not constitute an event of default under the Indenture, the Loan Agreement or the Bonds.

The Company is a party to continuing disclosure agreements with respect to 5 series of pollution control bonds. The MSRB's Electronic Municipal Market Access website reflects that within the past five years the Company did not timely file certain information in connection with December 2014 and June 2016 downgrades of credit ratings for four series of Company pollution control bonds resulting from the downgrade of the bank providing the letters of credit supporting such bonds. Moody's Investors Service, Inc. downgraded the long-term rating of the four Company pollution control bonds on December 2, 2014. The Company was not aware of the downgrade until February 10, 2015 and filed the required disclosures on February 11, 2015. On May 23, 2016, S&P Global Ratings updated its methodology and assumptions for rating jointly supported financial obligations. As a result, S&P Global Ratings downgraded the long-term rating on the four Company pollution control bonds as of June 3, 2016. The Company was not aware of the downgrade until July 24, 2017 and filed the required disclosures on July 24, 2017. The Company has had, and continues to have, procedures in place in order to make material event notices and financial statement filings on an ongoing basis.

This Reoffering Circular has been duly approved, executed and delivered by the Company.

KENTUCKY UTILITIES COMPANY

By: /s/ Daniel K. Arbough
Daniel K. Arbough
Treasurer

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Appendix A

Kentucky Utilities Company

Kentucky Utilities Company ("KU"), incorporated in Kentucky in 1912 and in Virginia in 1991, is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy in Kentucky and Virginia. As of December 31, 2018, KU provided electricity to approximately 527,000 customers in 77 counties in central, southeastern and western Kentucky, approximately 28,000 customers in five counties in southwestern Virginia. KU's service area covers approximately 4,800 non-contiguous square miles. KU's coal-fired electric generating stations produce most of KU's electricity. The remainder is generated by natural gas fueled combined cycle combustion turbines, a hydroelectric power plant, natural gas and oil fueled combustion turbines and a small solar facility. In Virginia, KU operates under the name Old Dominion Power Company. As of May 1, 2019, KU also sells wholesale electric energy to 2 municipalities.

KU is a wholly-owned subsidiary of LG&E and KU Energy LLC and an indirect wholly-owned subsidiary of PPL Corporation. KU's affiliate, Louisville Gas and Electric Company ("LG&E"), is a regulated public utility engaged in the generation, transmission, distribution and sale of electric energy and natural gas in Kentucky. KU's obligations under the Loan Agreement are solely its own, and not those of any of its affiliates. None of LG&E, PPL Corporation or KU's other affiliates will be obligated to make any payment on the Loan Agreement or the Bonds.

The information above concerning KU is only a summary and does not purport to be comprehensive. Additional information regarding KU, including audited financial statements, is available in the documents listed under the heading "Documents Incorporated by Reference," which documents are incorporated by reference herein.

Selected Financial Data
(Dollars in millions)

	Six Months Ended June 30, 2019	Six Months Ended June 30, 2018	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating revenues	$ 856	$885	$ 1,760	$ 1,744	$ 1,749
Operating income	$ 232	$236	$ 468	$ 518	$ 531
Net income	$ 142	$148	$ 286	$ 259	$ 265
Total assets	$ 8,691	$8,353	$ 8,540	$ 8,254	$ 8,085
Long-term debt obligations (including amounts due within one year)	$2,624	$2,329	$ 2,321	$ 2,328	$ 2,327

Capitalization:

	June 30, 2019	% of Capitalization
Long-term debt and notes payable	$ 2,624	42.4%
Common equity	3,561	57.6%
Total capitalization	$ 6,185	100.0%

The selected financial data presented above for the three fiscal years ended December 31, 2018, and as of December 31 for each of those years, have been derived from the Company's audited financial statements. The selected financial data presented above for the six months ended June 30, 2019 and 2018 have been derived from the Company's unaudited financial statements for the six months ended June 30, 2019 and 2018. The Company's audited financial statements for the three fiscal years ended December 31, 2018, and as of December 31, 2017 and 2018, are included in the Company's Form 10-K for the year ended December 31, 2018 incorporated by reference herein. The Company's unaudited financial statements for the six months ended June 30, 2019 are included in the Company's Form 10-Q for the quarter ended June 30, 2019 incorporated by reference herein. "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-K for the year ended December 31, 2018 and "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-Q for the quarter ended June 30, 2019, as well as the Combined Notes to Financial Statements as of December 31, 2018, 2017 and 2016 and the Combined Notes to Condensed Financial Statements (Unaudited) as of June 30, 2019 and December 31, 2018 and for the six-month periods ended June 30, 2019 and 2018, should be read in conjunction with the above information. Deloitte & Touche LLP audited the Company's financial statements for the three fiscal years ended December 31, 2018.

Risk Factors

Investing in the Bonds involves risk. Please see the risk factors in KU's Annual Report on Form 10-K for the year ended December 31, 2018, which is incorporated by reference in this Appendix A. Before making an investment decision, you should carefully consider these risks as well as the other information contained or incorporated by reference in this Appendix A. Risks and uncertainties not presently known to KU or that KU currently deems immaterial may also impair its business operations, its financial results and the value of the Bonds.

Available Information

KU is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and, accordingly, files reports and other information with the Securities and Exchange Commission (the "SEC"). Such reports and other information on file can be inspected and copied at the public reference facilities of the SEC, currently at 100 F Street, N.E., Room 1580, Washington, D.C. 20549; or from the SEC's Web Site (http://www.sec.gov). Please call the SEC at 1-800-SEC-0330 for further information on the public reference room.

Documents Incorporated by Reference

The following documents, as filed by KU with the SEC, are incorporated herein by reference:

1. Form 10-K Annual Report of KU for the year ended December 31, 2018;

2. Form 10-Q Quarterly Reports of KU for the quarters ended March 31, 2019 and June 30, 2019; and

3. Form 8-K Current Reports of KU filed with the SEC on March 1, 2019, March 8, 2019, March 19, 2019 and April 1, 2019.

All documents filed by KU with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 subsequent to the date of this Reoffering Circular and prior to the termination of the offering of the Bonds shall be deemed to be incorporated by reference in this Appendix and to be made a part hereof from their respective dates of filing. Any statement contained in a document incorporated or deemed to be incorporated by reference in this Reoffering Circular shall be deemed to be modified or superseded for purposes of this Reoffering Circular to the extent that a statement contained in this Reoffering Circular or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Reoffering Circular modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Reoffering Circular.

KU hereby undertakes to provide without charge to each person (including any beneficial owner) to whom a copy of this Reoffering Circular has been delivered, on the written or oral request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Reoffering Circular by reference, other than certain exhibits to such documents. Requests for such copies should be directed to Treasurer, Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507, telephone: (859)255-2100.

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APPENDIX B

Opinion of Prior Bond Counsel and
Form of Conversion Opinion of Bond Counsel

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APPENDIX B-1

Opinion of Prior Bond Counsel dated October 20, 2004 relating to the 2004 Series A Bonds

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HARPER, FERGUSON & DAVIS
Division of Ogden Newell & Welch PLLC

1700 PNC PLAZA
500 WEST JEFFERSON STREET
LOUISVILLE, KENTUCKY 40202-2874
(502) 582-1601
FAX (502) 581-9564

SPENCER E. HARPER, JR.

DIRECT DIAL 502-560-4249
DIRECT FAX 502-627-8749

sharper@ogdenlaw.com

October 20, 2004

Re: $50,000,000 County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2004 Series A (Kentucky Utilities Company Project)

We hereby certify that we have examined certified copies of the proceedings of record of the County of Carroll, Kentucky (the "County"), acting by and through its Fiscal Court as its duly authorized governing body, preliminary to and in connection with the issuance by the County of its Environmental Facilities Revenue Bonds, 2004 Series A (Kentucky Utilities Company Project), dated their date of issuance, in the aggregate principal amount of $50,000,000 (the "Bonds"). The Bonds are issued under the provisions of Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the "Act"), for the purpose of providing funds which will be used, with other funds provided by Kentucky Utilities Company (the "Company") for the current refunding of $50,000,000 aggregate principal amount of the County's Collateralized Solid Waste Disposal Facilities Revenue Bonds (Kentucky Utilities Company Project) 1993 Series A, dated December 1, 1993 (the "Prior Bonds"), which were issued for the purpose of financing the costs of construction, acquisition, installation and equipping of certain solid waste disposal facilities to serve the Ghent Generating Station of the Company in Carroll County, Kentucky (the "Project") in order to provide for the collection, storage, treatment, processing and final disposal of solid wastes, as provided by the Act.

The Bonds mature on October 1, 2034 and bear interest initially at the Dutch Auction Rate, as defined in the Indenture, hereinafter described, subject to change as provided in such Indenture. The Bonds will be subject to optional and mandatory redemption prior to maturity at the times, in the manner and upon the terms set forth in each of the Bonds. From such examination of the proceedings of the Fiscal Court of the County referred to above and from an examination of the Act, we are of the opinion that the County is duly authorized and empowered to issue the Bonds under the laws of the Commonwealth of Kentucky now in force.

We have examined an executed counterpart of a certain Loan Agreement, dated as of October 1, 2004 (the "Loan Agreement"), between the County and the Company and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Loan Agreement, pursuant to which the County has agreed to issue the Bonds and to lend the proceeds thereof to the Company to provide funds to pay and discharge, with other funds provided by the Company, the Prior Bonds. The Company has agreed to make Loan payments to the Trustee at times and in amounts fully adequate to pay maturing principal of, interest on and redemption premium, if any, on the Bonds as same become due and payable. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Loan Agreement; that the Loan Agreement has been duly authorized, executed and delivered by the County; and that the Loan Agreement is a legal, valid and binding obligation of the County, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

We have also examined an executed counterpart of a certain Indenture of Trust, dated as of October 1, 2004 (the "Indenture"), by and between the County and Wachovia Bank of Delaware, National Association, as trustee (the "Trustee"), securing the Bonds and setting forth the covenants and undertakings of the County in connection with the Bonds and a certified copy of the proceedings of record of the Fiscal Court of the County preliminary to and in connection with the execution and delivery of the Indenture. Pursuant to the Indenture, certain of the County's rights under the Loan Agreement, including the right to receive payments thereunder, and all moneys and securities held by the Trustee in accordance with the Indenture (except moneys and securities in the Rebate Fund created thereby) have been assigned to the Trustee, as security for the holders of the Bonds. From such examination, we are of the opinion that such proceedings of the Fiscal Court of the County show lawful authority for the execution and delivery of the Indenture; that the Indenture has been duly authorized, executed and delivered by the County; and that the Indenture is a legal, valid and binding obligation upon the parties thereto according to its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought.

In our opinion the Bonds have been validly authorized, executed and issued in accordance with the laws of the Commonwealths of Kentucky and Virginia now in full force and effect, and constitute legal, valid and binding special obligations of the County entitled to the benefit of the security provided by the Indenture and enforceable in accordance with their terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally, including equitable provisions where equitable remedies are sought. The Bonds are payable by the County solely and only from payments and other amounts derived from the Loan Agreement and as provided in the Indenture.

In our opinion, under existing laws, including current statutes, regulations, administrative rulings and official interpretations by the Internal Revenue Service, subject to the exceptions and qualifications contained in the succeeding paragraphs, interest on the Bonds is excluded from the gross income of the recipients thereof for federal income tax purposes, except that no opinion is expressed regarding such exclusion from gross income with respect to any Bond during any period in which it is held by a "substantial user" of the Project or a "related person," as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is a separate item of tax preference in determining alternative minimum taxable income for individuals and corporations under the Code. In arriving at this opinion, we have relied upon representations, factual statements and certifications of the Company with respect to certain material facts which are solely within the Company's knowledge in reaching our conclusion, inter alia, that not less than 95% of the net proceeds of the Prior Bonds were used to finance solid waste disposal facilities qualified for financing under Section 142(a)(6) of the Code and the Act. Further, in arriving at the opinion set forth in this paragraph as to the exclusion from gross income of interest on the Bonds, we have assumed and this opinion is conditioned on, the accuracy of and continuing compliance by the Company and the County with representations and covenants set forth in the Loan Agreement and the Indenture which are intended to assure compliance with certain tax-exempt interest provisions of the Code. Such representations and covenants must be accurate and must be complied with subsequent to the issuance of the Bonds in order that interest on the Bonds be excluded from gross income for federal income tax purposes. Failure to comply with certain of such representations and covenants in respect of the Bonds subsequent to the issuance of the Bonds could cause the interest thereon to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion (i) regarding the exclusion of interest on any Bond from gross income for federal income tax purposes on or after the date on which any change, including any interest rate conversion, permitted by the documents (other than with approval of this firm) is taken which adversely affects the tax treatment of the Bonds or (ii) as to the treatment for purposes of federal income taxation of interest on the Bonds upon a Determination of Taxability. We are further of the opinion that interest on the Bonds is excluded from gross income of the recipients thereof for Kentucky income tax purposes and that the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and all political subdivisions thereof.

Our opinion as to the exclusion of interest on the Bonds from gross income for federal income tax purposes and federal tax treatment of interest on the Bonds is further subject to the following exceptions and qualifications:

(a) The Code provides for a "branch profits tax" which subjects to tax, at a rate of 30%, the effectively connected earnings and profits of a foreign corporation which engages in a United States trade or business. Interest on the Bonds would be includable in the amount of effectively connected earnings and profits and thus would increase the branch profits tax liability.

(b) The Code also provides that passive investment income, including interest on the Bonds, may be subject to taxation for any S corporation with Subchapter C earnings and profits at the close of its taxable year if greater than 25% of its gross receipts is passive investment income.

Except as stated above, we express no opinion as to any federal or Kentucky tax consequences resulting from the receipt of interest on the Bonds.

Holders of the Bonds should be aware that the ownership of the Bonds may result in collateral federal income tax consequences. For instance, the Code provides that, for taxable years beginning after December 31, 1986, property and casualty insurance companies will be required to reduce their loss reserve deductions by 15% of the tax-exempt interest received on certain obligations, such as the Bonds, acquired after August 7, 1986. (For purposes of the immediately preceding sentence, a portion of dividends paid to an affiliated insurance company may be treated as tax-exempt interest.) The Code further provides for the disallowance of any deduction for interest expenses incurred by banks and certain other financial institutions allocable to carrying certain tax-exempt obligations, such as the Bonds, acquired after August 7, 1986. The Code also provides that, with respect to taxpayers other than such financial institutions, such taxpayers will be unable to deduct any portion of the interest expenses incurred or continued to purchase or carry the Bonds. The Code also provides, with respect to individuals, that interest on tax-exempt obligations, including the Bonds, is included in modified adjusted gross income for purposes of determining the taxability of social security and railroad retirement benefits. Furthermore, the earned income credit is not allowed for individuals with an aggregate amount of disqualified income within the meaning of section 32 of the Code, which exceeds $2,200. Interest on the Bonds will be taken into account in the calculation of disqualified income.

We have received opinions of John R. McCall, Esq., General Counsel of the Company and Jones Day, Chicago, Illinois, counsel to the Company, of even date herewith. In rendering this opinion, we have relied upon said opinions with respect to the matters therein. We have also received an opinion of even date herewith of Hon. James C. Monk, County Attorney of the County, and relied upon said opinion with respect to the matters therein. Said opinions are in forms satisfactory to us as to both scope and content.

We express no opinion as to the title to, the description of, or the existence or priority of any liens, charges or encumbrances on, the Project.

In rendering the foregoing opinions, we are passing upon only those matters specifically set forth in such opinions and are not passing upon the investment quality of the Bonds or the accuracy or completeness of any statements made in connection with any sale thereof. The opinions herein are expressed as of the date hereof and we assume no obligation to supplement or update such opinions to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We are members of the Bar of the Commonwealth of Kentucky and do not purport to be experts on the laws of any jurisdiction other than the Commonwealth of Kentucky and the United States of America, and we express no opinion as to the laws of any jurisdiction other than those specified.

HARPER, FERGUSON & DAVIS
(Division of Ogden Newell & Welch PLLC)

By _____
SPENCER E. HARPER, JR.

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APPENDIX B-2

Form of Conversion Opinion of Bond Counsel

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Dinsmore

September 3, 2019

County of Carroll, Kentucky
Carrollton, Kentucky 41008

U.S. Bank National Association, as
Successor Trustee
Louisville, Kentucky 40202

Re: Conversion of the Interest Rate Mode applicable to the $50,000,000 County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2004 Series A (Kentucky Utilities Company Project)

Ladies and Gentlemen:

This opinion is being furnished in accordance with the requirements of the Amended and Restated Indenture of Trust, dated as of September 1, 2008, as amended and supplemented pursuant to Supplemental Indenture No. 1 to Amended and Restated Indenture of Trust dated as of September 1, 2010 (collectively, the "**Indenture**"), between the County of Carroll, Kentucky (the "**Issuer**") and U.S. Bank National Association, as successor Trustee, Bond Registrar, Paying Agent, and Tender Agent (the "**Trustee**"), pertaining to $50,000,000 principal amount of County of Carroll, Kentucky, Environmental Facilities Revenue Bonds, 2004 Series A (Kentucky Utilities Company Project), dated October 20, 2004 (the "**2004 Series A Bonds**"), in order to satisfy certain requirements of Section 2.02(e)(i) of the Indenture. Pursuant to Section 2.02(e)(i) of the Indenture, the Company has elected to convert the Interest Rate Mode applicable to the 2004 Series A Bonds from a Weekly Rate to a Long Term Rate effective as of September 3, 2019. The Conversion to the Long Term Rate shall be effective for an initial Long Term Rate Period beginning on and including September 3, 2019 and ending August 31, 2026. The 2004 Series A Bonds mature on October 1, 2034. The terms used herein denoted by initial capitals and not otherwise defined shall have the meanings specified in the Indenture.

We have examined the law and such documents and matters as we have deemed necessary to provide this opinion. As to questions of fact material to the opinions expressed herein, we have relied upon the provisions of the Indenture and related documents, and upon representations made to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, as of the date hereof, we are of the opinion that the Conversion of the Interest Rate Mode applicable to the 2004 Series A Bonds from a Weekly Rate to a Long Term Rate for an initial Long Term Rate Period commencing on and effective as of September 3, 2019 and ending August 31, 2026 as described herein (a) is authorized or permitted by the Act and

is authorized by the Indenture and (b) will not adversely affect the validity of the 2004 Series A Bonds or any exclusion from gross income of the interest on the 2004 Series A Bonds for federal income tax purposes to which interest on the 2004 Series A Bonds would otherwise be entitled. Interest on the 2004 Series A Bonds is not and will not be excluded from gross income during any period when the 2004 Series A Bonds are held by the Company or a "related person" of the Company as defined in Section 147(a) of the Internal Revenue Code of 1986, as amended.

In rendering this opinion, we assume, without verifying, that the Issuer and the Company have complied and will comply with all covenants contained in the Indenture, the Amended and Restated Loan Agreement between the Issuer and the Company, dated as of September 1, 2008, as amended and supplemented pursuant to Amendment No. 1 to Amended and Restated Loan Agreement dated as of September 1, 2010, and other documents relating to the 2004 Series A Bonds. Harper, Ferguson & Davis, a division of Ogden Newell & Welch, rendered its approving opinion at the time of the issuance of the 2004 Series A Bonds relating to, among other things, the validity of the 2004 Series A Bonds and the exclusion from federal income taxation of interest on the 2004 Series A Bonds. We have not been requested to update or continue such opinion and have not undertaken to do so. Accordingly, we do not express any opinion with respect to the 2004 Series A Bonds except as set forth above.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to review or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We express no opinion herein as to the investment quality of the 2004 Series A Bonds or the adequacy, accuracy, or completeness of any information furnished to any person in connection with any offer or sale of the 2004 Series A Bonds.

Respectfully submitted,

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PROSPECTUS SUPPLEMENT
(To Prospectus dated February 22, 2018)

$500,000,000

a PPL company

Kentucky Utilities Company

3.300% First Mortgage Bonds due 2050

Kentucky Utilities Company is offering $500,000,000 in aggregate principal amount of its First Mortgage Bonds, 3.300% Series due 2050 (the "Bonds"). Interest on the Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2020, and at maturity, as further described in this prospectus supplement. The Bonds will mature on June 1, 2050, unless redeemed on an earlier date. We may, at our option, redeem the Bonds, in whole at any time or in part from time to time, as described herein. See "Description of the Bonds—Redemption."

The Bonds will be our senior secured indebtedness and will rank equally with all of our other outstanding senior secured indebtedness from time to time outstanding under our 2010 mortgage indenture. See "Description of the Bonds—Security; Lien of the Mortgage" herein.

Investing in the Bonds involves certain risks. See "Risk Factors" on page S-5 of this prospectus supplement, on page 2 of the accompanying prospectus, beginning on page 21 of our Annual Report on Form 10-K for the year ended December 31, 2019 and beginning on page 99 of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission determined that this prospectus supplement or the accompanying prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

	Price to Public(1)	Underwriting Discount	Proceeds, Before Expenses, to Us(1)
Per Bond	99.509%	0.875%	98.634%
Total	$497,545,000	$4,375,000	$493,170,000

(1) Plus accrued interest, if any, from June 3, 2020.

The underwriters expect to deliver the Bonds to the purchasers in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants including Clearstream Banking, S.A., and Euroclear Bank S.A./N.V. on or about June 3, 2020.

Joint Book-Running Managers

Barclays **Citigroup** **Goldman Sachs & Co. LLC** **US Bancorp**

Co-Managers

MUFG **PNC Capital Markets LLC** **RBC Capital Markets** **SunTrust Robinson Humphrey**

The date of this prospectus supplement is May 19, 2020.

This prospectus supplement, the accompanying prospectus and any free writing prospectus that we prepare or authorize contain and incorporate by reference information that you should consider when making your investment decision. Neither we nor the underwriters have authorized anyone to provide you with different information. Neither we nor the underwriters are making an offer of these securities in any jurisdiction where the offer is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of its respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

TABLE OF CONTENTS

Prospectus Supplement

	Page
ABOUT THIS PROSPECTUS SUPPLEMENT	S-1
WHERE YOU CAN FIND MORE INFORMATION	S-1
SUMMARY	S-3
RISK FACTORS	S-5
USE OF PROCEEDS	S-6
CAPITALIZATION	S-6
DESCRIPTION OF THE BONDS	S-7
CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS	S-23
UNDERWRITING	S-27
VALIDITY OF THE BONDS	S-31

Prospectus

ABOUT THIS PROSPECTUS	1
RISK FACTORS	2
FORWARD-LOOKING INFORMATION	2
PPL CORPORATION	5
PPL CAPITAL FUNDING, INC.	6
PPL ELECTRIC UTILITIES CORPORATION	6
LG&E AND KU ENERGY LLC	6
LOUISVILLE GAS AND ELECTRIC COMPANY	7
KENTUCKY UTILITIES COMPANY	7
USE OF PROCEEDS	8
RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	9
WHERE YOU CAN FIND MORE INFORMATION	11
EXPERTS	13
VALIDITY OF THE SECURITIES AND THE PPL GUARANTEES	13

As used in this prospectus supplement and the accompanying prospectus, the terms “we,” “our” and “us” refer to Kentucky Utilities Company.

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement is part of a registration statement that Kentucky Utilities Company ("KU" or the "Company") has filed with the Securities and Exchange Commission (the "SEC") utilizing a "shelf" registration process. Under this shelf process, we are offering to sell the Bonds using this prospectus supplement and the accompanying prospectus. This prospectus supplement describes the specific terms of this offering. The accompanying prospectus and the information incorporated by reference therein and herein describe our business and give more general information, some of which may not apply to this offering. Generally, when we refer only to the "prospectus," we are referring to both parts combined. You should read this prospectus supplement together with the accompanying prospectus before making a decision to invest in the Bonds. If the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement is inconsistent with the accompanying prospectus, the information in this prospectus supplement or the information incorporated by reference in this prospectus supplement will apply and supersede that information in the accompanying prospectus.

Certain affiliates of KU, including PPL Corporation, Louisville Gas and Electric Company and LG&E and KU Energy LLC, and other subsidiaries of PPL Corporation, have also registered their securities on the "shelf" registration statement referred to above. However, the Bonds are solely obligations of KU, and not of PPL Corporation or any of PPL Corporation's other subsidiaries or of any other affiliate of KU. None of PPL Corporation or any of KU's other affiliates will guarantee or provide any credit support for the Bonds.

WHERE YOU CAN FIND MORE INFORMATION

Available Information

KU files reports and other information with the SEC. You may obtain copies of this information from the SEC at its website, http://www.sec.gov, which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

KU's Internet Web site is http://www.lge-ku.com/ku/. Our ultimate parent, PPL Corporation, maintains an Internet Web site at www.pplweb.com. On the Investor page of that Web site, PPL Corporation provides access to SEC filings of KU free of charge, as soon as reasonably practicable after filing with the SEC. Neither the information at KU's Web site nor the information at PPL Corporation's Web site is incorporated in this prospectus supplement by reference, and you should not consider it a part of this prospectus supplement.

In addition, reports and other information concerning KU can be inspected at its offices at One Quality Street, Lexington, Kentucky 40507.

Incorporation by Reference

KU will "incorporate by reference" information into this prospectus supplement by disclosing important information to you by referring you to other documents that it files separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement, and later information that we file with the SEC will automatically update and supersede that information. This prospectus supplement incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about KU.

SEC Filings	Period/Date
Annual Report on Form 10-K	Year ended December 31, 2019
Quarterly Report on Form 10-Q	Quarter ended March 31, 2020
Current Report on Form 8-K (Item 8.01 only)	Filed on March 31, 2020

Additional documents that KU files with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), between the date of this prospectus supplement and the termination of the offering of the Bonds are also incorporated herein by reference.

KU will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus supplement has been delivered, a copy of any and all of its filings with the SEC. You may request a copy of these filings by writing or telephoning KU at:

Kentucky Utilities Company
One Quality Street
Lexington, Kentucky 40507
Attention: Treasurer
Telephone: (502) 627-2000

SUMMARY

The following summary contains information about the offering by KU of its Bonds described below. It does not contain all of the information that may be important to you in making a decision to purchase the Bonds. For a more complete understanding of KU and the offering of the Bonds, we urge you to read carefully this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein including the "Risk Factors" sections and our financial statements and the notes to those statements.

The Issuer	Kentucky Utilities Company
Securities Offered	$500,000,000 aggregate principal amount of KU's First Mortgage Bonds, 3.300% Series due 2050 (the "Bonds").
Stated Maturity Date	The Bonds will mature on June 1, 2050.
Interest Payment Dates	Interest on the Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2020, and at maturity, or upon earlier redemption.
Interest Rate	The Bonds will bear interest at the rate of 3.300% per annum.
Redemption	The Bonds may be redeemed at our option, in whole at any time or in part from time to time, at the redemption prices set forth in this prospectus supplement. The Bonds will not be entitled to the benefit of any sinking fund or other mandatory redemption and will not be repayable at the option of the Holder of a Bond prior to the Stated Maturity Date. See "Description of the Bonds—Redemption."
Ranking	The Bonds will be our senior secured indebtedness and will rank equally in right of payment with our existing and future first mortgage bonds issued under our Mortgage. See "Description of the Bonds—General" and "Description of the Bonds—Security; Lien of the Mortgage."
Security	The Bonds will be secured, equally and ratably, by the lien of the Mortgage, which constitutes a first mortgage lien on substantially all of our real and tangible personal property located in Kentucky and used in the generation, transmission and distribution of electricity, other than property duly released from the lien of the Mortgage in accordance with the provisions thereof and certain other excepted property, and subject to certain Permitted Liens, as described under "Description of the Bonds—Security; Lien of the Mortgage."
Listing	We do not intend to apply to list the Bonds on any securities exchange.
Form and Denomination	The Bonds will be initially issued in the form of one or more global securities, without coupons, in denominations of $2,000

	and integral multiples of $1,000 in excess thereof, and deposited with the Trustee (as hereinafter defined) on behalf of The Depository Trust Company ("DTC"), as depositary, and registered in the name of DTC or its nominee. See "Description of the Bonds—General" and "Description of the Bonds—Book-Entry Only Issuance—The Depository Trust Company."
Use of Proceeds	We intend to use the net proceeds of this offering toward the repayment of bonds maturing in 2020 and for other general corporate purposes. See "Use of Proceeds."
Reopening of the Series	We may, without the consent of the Holders of the Bonds, further increase the principal amount of the series and issue additional bonds of such series having the same ranking, interest rate, maturity and other terms as the Bonds other than the date of initial issuance, the price to public, and, in some circumstances, the initial interest accrual date and the initial interest payment date. Any such additional bonds may, together with the Bonds, constitute a single series of securities under the Mortgage. See "Description of the Bonds—General."
Governing Law	The Bonds and the Mortgage are governed by the laws of the State of New York, except to the extent the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), is applicable and except where otherwise required by law. The effectiveness of the lien of the Mortgage, and the perfection and priority thereof, will be governed by Kentucky law.

RISK FACTORS

Before making a decision to invest in the Bonds, you should carefully consider the risk factors described below, the risk factors described on page 2 of the accompanying prospectus, the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2019, beginning on page 21, and the risk factors set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, beginning on page 99, as well as the other information included in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

Risk Relating to COVID-19

The COVID-19 pandemic and resultant impact on business and economic conditions could negatively affect our business.

The COVID-19 pandemic has disrupted the U.S. and global economies and continues to present extraordinary challenges to businesses, communities, workforces and markets. In the U.S. and throughout the world, governmental authorities have taken urgent and extensive actions to contain the spread of the virus and mitigate known or foreseeable impacts. In our service territory, mitigation measures have included quarantines, stay-at-home orders, travel restrictions, reduced operations or closures of businesses, schools and governmental agencies, and executive, legislative or regulatory actions to address health or other pandemic-related concerns.

Until COVID-19 is contained or an effective vaccine is identified and widely-available, the COVID-19 virus poses significant risks to the health and welfare of our customers, employees, contractors and suppliers, and to the conduct of our business. Mandates to stay at home, shelter in place, or quarantine and resulting lock-down or closures of non-essential businesses could reduce demand for electricity, or cause shifts in demand among residential, commercial and industrial customers that could negatively impact our financial condition. Customers experiencing financial strain from unemployment, furloughs, or reduced work hours may not be able to pay their bills on a timely basis, which could negatively impact our liquidity. New or changing legislation or regulatory orders may unfavorably impact us or the utility industry generally.

All of these factors have the potential to materially and adversely affect our business and operations, especially if they remain in effect for a prolonged period of time. At this time, we cannot predict the extent to which these or other pandemic-related factors may affect our business, earnings or other financial results, as it depends on the duration and scope of the outbreak, the measures undertaken in response and other future developments, all of which are highly uncertain.

Risks Relating to the Bonds

Our credit ratings and ratings on the Bonds may not reflect all risks of your investment in the Bonds.

Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the Bonds. These credit ratings may not reflect the potential impact of risks relating to the terms or market for the Bonds. Agency ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating.

An active trading market for the Bonds may not develop.

The Bonds are a new issue of securities with no established trading market and we do not intend to apply for listing of the Bonds on any securities exchange. We cannot assure that an active trading market for the Bonds will develop. There can be no assurances as to the liquidity of any market that may develop for the Bonds, the ability of Holders to sell their Bonds or the price at which the Holders will be able to sell their Bonds. Future trading prices of the Bonds will depend on many factors including, among other things, prevailing interest rates, our operating results and the market for similar securities.

USE OF PROCEEDS

We intend to use the net proceeds of this offering toward the repayment of $500,000,000 aggregate principal amount of our 3.25% First Mortgage Bonds due November 1, 2020 (the "2020 Bonds") and for other general corporate purposes. Pending application of the proceeds to pay the 2020 Bonds, we may use the proceeds to pay down short-term debt or invest in short-term investments. At March 31, 2020, we had $144 million of short-term debt, including $44 million of commercial paper borrowings, outstanding which had an average interest rate of 1.65% and $100 million drawn under our revolving line of credit at a rate of 1.81%.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of March 31, 2020 on an actual basis, and on an as adjusted basis to give effect to (a) the issuance of the Bonds in this offering and (b) the repayment of the 2020 Bonds as described in "Use of Proceeds." This table should be read in conjunction with our consolidated financial statements, the notes related thereto and the financial and operating data incorporated by reference into this prospectus supplement and the accompanying prospectus.

	As of March 31, 2020	
	Actual	As Adjusted
	(In millions)	
Long-term debt, including current portion	$2,624	$2,124
Bonds offered hereby	—	500
Total long-term debt	2,624	2,624
Total equity	3,654	3,654
Total capitalization	$6,278	$6,278

DESCRIPTION OF THE BONDS

The following summary description sets forth certain terms and provisions of the Bonds that we are offering by this prospectus supplement. Because this description is a summary, it does not describe every aspect of the Bonds or the Mortgage (as defined below) under which the Bonds will be issued, as described below. The Mortgage is filed as an exhibit to the registration statement of which the accompanying prospectus is a part. The Mortgage and its associated documents contain the full legal text of the matters described in this section. This summary is subject to and qualified in its entirety by reference to all of the provisions of the Bonds and the Mortgage, including definitions of certain terms used in the Mortgage. We also include references in parentheses to certain sections of the Mortgage. Whenever we refer to particular sections or defined terms of the Mortgage in this prospectus supplement, such sections or defined terms are incorporated by reference herein. The Mortgage has been qualified under the Trust Indenture Act, and you should refer to the Trust Indenture Act for provisions that apply to the Bonds.

General

We will issue the Bonds as a series of debt securities under our indenture, dated as of October 1, 2010 (as such indenture has been and may be amended and supplemented from time to time, the "Mortgage"), with The Bank of New York Mellon, as trustee (the "Trustee"). The Mortgage does not effectively limit the aggregate principal amount of bonds or other debt securities that may be issued thereunder, subject to meeting certain conditions to issuance, including those described below under "Issuance of Additional Mortgage Securities." The Bonds and all other debt securities issued previously or hereafter issued under the Mortgage are collectively referred to herein as "Mortgage Securities." The Mortgage constitutes a first mortgage lien, subject to Permitted Liens and exceptions and exclusions as described below, on substantially all of our real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity. See "—Security; Lien of the Mortgage." As of April 30, 2020, approximately $2.642 billion of first mortgage bonds were issued and outstanding under the Mortgage, including $342 million which have been pledged to secure pollution control revenue bonds issued by various counties in Kentucky on our behalf.

The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially represented by one or more fully registered global securities (the "Global Securities") deposited with the Trustee, as custodian for The Depository Trust Company ("DTC"), as depositary, and registered in the name of DTC or DTC's nominee. A beneficial interest in a Global Security will be shown on, and transfers or exchanges thereof will be effected only through, records maintained by DTC and its participants, as described below under "—Book-Entry Only Issuance—The Depository Trust Company." The authorized denominations of the Bonds will be $2,000 and integral multiples of $1,000 in excess thereof. Except in limited circumstances described below, the Bonds will not be exchangeable for Bonds in definitive certificated form.

The Bonds are initially being offered in the principal amount of $500,000,000. We may, without the consent of the Holders of the Bonds increase the principal amount of the series of Bonds and issue additional bonds of such series having the same ranking, interest rate, maturity and other terms (other than the date of initial issuance, the price to public, and, in some circumstances, the initial interest accrual date and initial interest payment date) as the Bonds, but we will not reopen a series unless the additional bonds are fungible with the previously issued bonds for U.S. federal income tax purposes or such additional bonds are issued with a separate CUSIP number. Any such additional bonds would, together with the Bonds, constitute a single series of securities under the Mortgage and may be treated as a single class for all purposes under the Mortgage, including, without limitation, voting, waivers and amendments.

Maturity; Interest

The Bonds will mature on June 1, 2050 (the "Stated Maturity Date") and will bear interest from the date of issuance at a rate of 3.300% per annum. Interest on the Bonds will be payable semi-annually in arrears on June 1

and December 1 of each year (each, an "Interest Payment Date"), commencing on December 1, 2020, and at maturity (whether at the Stated Maturity Date, upon redemption or acceleration, or otherwise, "Maturity"). Subject to certain exceptions, the Mortgage provides for the payment of interest on an Interest Payment Date only to persons in whose names the Bonds are registered at the close of business on (a) the Regular Record Date, which will be the May 15 or November 15 (whether or not a Business Day), as the case may be, immediately preceding the applicable Interest Payment Date or (b) so long as the Bonds are global bonds in book-entry form as described below, on the Business Day immediately preceding such Interest Payment Date; except that interest payable at Maturity will be paid to the person to whom principal is paid.

Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months, and with respect to any period less than a full calendar month, on the basis of the actual number of days elapsed during the period.

Payment

So long as the Bonds are registered in the name of DTC, as depository for the Bonds as described herein under "—Book-Entry Only Issuance—The Depository Trust Company" or DTC's nominee, payments on the Bonds will be made as described therein.

If we default in paying interest on a Bond, we will pay such defaulted interest either:

- to Holders as of a special record date between 10 and 15 days before the proposed payment; or
- in any other lawful manner of payment that is consistent with the requirements of any securities exchange on which the Bonds may be listed for trading. (See Section 307.)

We will pay principal of and interest and premium, if any, on the Bonds at Maturity upon presentation of the Bonds at the corporate trust office of The Bank of New York Mellon in New York, New York, as our Paying Agent. In our discretion, we may change the place of payment on the Bonds, and we may remove any Paying Agent and may appoint one or more additional Paying Agents (including us or any of our affiliates). (See Section 702.)

If any Interest Payment Date, Redemption Date or Maturity of a Bond falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be made on the next succeeding Business Day as if made on the date such payment was due, and no interest will accrue on such payment for the period from and after such Interest Payment Date, Redemption Date or Maturity, as the case may be, to the date of such payment on the next succeeding Business Day.

"Business Day" means any day, other than a Saturday or Sunday, that is not a day on which banking institutions or trust companies in The City of New York, New York, or other city in which a paying agent for such Bond is located, are generally authorized or required by law, regulation or executive order to remain closed. (See Section 116.)

Form; Transfers; Exchanges

So long as the Bonds are registered in the name of DTC, as depository for the Bonds as described herein under "—Book-Entry Only Issuance—The Depository Trust Company," or DTC's nominee, transfers and exchanges of beneficial interest in the Bonds will be made as described therein. In the event that the book-entry only system is discontinued and the Bonds are issued in certificated form, you may exchange or transfer Bonds at the corporate trust office of the Trustee.

You may have your Bonds divided into Bonds of the same series of smaller denominations (of at least $2,000 and any larger amount that is an integral multiple of $1,000) or combined into Bonds of the same series of larger denominations, as long as the total principal amount is not changed. (See Section 305.)

There will be no service charge for any transfer or exchange of the Bonds, but you may be required to pay a sum sufficient to cover any tax or other governmental charge payable in connection therewith. We may block the transfer or exchange of (1) Bonds during a period of 15 days prior to giving any notice of redemption or (2) any Bond selected for redemption in whole or in part, except the unredeemed portion of any Bond being redeemed in part. (See Section 305.)

The Trustee acts as our agent for registering Bonds in the names of Holders and transferring the Bonds. We may appoint another agent (including one of our affiliates) or act as our own agent for this purpose. The entity performing the role of maintaining the list of registered Holders is called the "Security Registrar." It will also perform transfers. In our discretion, we may change the place for registration of transfer of the Bonds and may designate a different entity as the Security Registrar, including us or one of our affiliates. (See Sections 305 and 702.)

Redemption

We may, at our option, redeem the Bonds, in whole at any time or in part from time to time. If we redeem the Bonds before the Par Call Date (defined below), the Bonds will be redeemed by us at a redemption price equal to the greater of:

- 100% of the principal amount of the Bonds to be so redeemed; and
- as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds to be so redeemed that would be due if the Stated Maturity Date of such Bonds were the Par Call Date (not including any portion of such payments of interest accrued to the date of redemption) discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, plus 30 basis points;

plus, in either case, accrued and unpaid interest on the principal amount of Bonds to be so redeemed to the Redemption Date.

If we redeem the Bonds on or after the Par Call Date, the Bonds will be redeemed by us at a redemption price equal to 100% of the principal amount of the Bonds to be so redeemed, plus accrued and unpaid interest on the principal amount of the Bonds to be so redeemed to the Redemption Date.

"Par Call Date" means December 1, 2049 (the date that is six months prior to the Stated Maturity Date).

"Adjusted Treasury Rate" means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that Redemption Date.

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the Bonds to be redeemed (assuming for this purpose that the Stated Maturity Date of the Bonds were the Par Call Date) that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of Bonds.

"Comparable Treasury Price" means, with respect to any Redemption Date:

- the average of three Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest and lowest Reference Treasury Dealer Quotations; or
- if the Quotation Agent obtains fewer than three Reference Treasury Dealer Quotations, the average of all of those quotations received.

"Quotation Agent" means one of the Reference Treasury Dealers appointed by us.

"*Reference Treasury Dealer*" means:

- each of Barclays Capital Inc., Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC (or their respective affiliates that are Primary Treasury Dealers, as defined below), and a Primary Treasury Dealer selected by U.S. Bancorp Investments, Inc., or their respective successors, unless any of them is not or ceases to be a primary U.S. Government securities dealer in the United States (a "Primary Treasury Dealer"), in which case we will substitute another Primary Treasury Dealer; and
- any other Primary Treasury Dealer selected by us.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount), as provided to the Quotation Agent by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding that Redemption Date.

The Bonds will not be subject to a sinking fund or other mandatory redemption provisions and will not be repayable at the option of the Holder prior to the Stated Maturity Date.

The Bonds will be redeemable upon notice of redemption sent between 30 days and 60 days prior to the Redemption Date.

If less than all of the Bonds are to be redeemed, in the case of certificated Bonds, the Trustee will select the Bonds or portions thereof to be redeemed and, in the case of global Bonds, DTC will select the Bonds or portions thereof to be redeemed in accordance with its customary policies and procedures. In the absence of any provision for selection with respect to certificated bonds, the Trustee will choose a method of random selection that it deems fair and appropriate. (See Sections 503 and 504.)

We may make any redemption at our option conditional upon the receipt by the Paying Agent, on or prior to the date fixed for redemption, of money sufficient to pay the redemption price. If the Paying Agent has not received such money by the date fixed for redemption, we will not be required to redeem such Bonds. (See Section 504.)

Bonds called for redemption will cease to bear interest on the Redemption Date. We will pay the redemption price and any accrued interest once you surrender the Bond for redemption. (See Section 505.) If only part of a Bond is redeemed, the Trustee will deliver to you a new Bond of the same series for the remaining portion without charge. (See Section 506.)

Security; Lien of the Mortgage

General

Except as described below under this heading and under "—Issuance of Additional Mortgage Securities," and subject to the exceptions described under "—Satisfaction and Discharge," all Mortgage Securities, including the Bonds, will be secured, equally and ratably, by the lien of the Mortgage, which constitutes, subject to Permitted Liens as described below, a first mortgage lien on substantially all of our real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity (other than property duly released from the lien of the Mortgage in accordance with the provisions thereof and other than Excepted Property, as described below). We sometimes refer to our property that is subject to the lien of the Mortgage as "Mortgaged Property."

We may obtain the release of property from the lien of the Mortgage from time to time, upon the bases provided for such release in the Mortgage. See "—Release of Property."

We may enter into supplemental indentures with the Trustee, without the consent of the Holders, in order to subject additional property (including property that would otherwise be excepted from such lien) to the lien of the Mortgage. (See Section 1401.) This property would constitute Property Additions and would be available as a basis for the issuance of Mortgage Securities. See "—Issuance of Additional Mortgage Securities."

The Mortgage provides that after-acquired property (other than Excepted Property) will be subject to the lien of the Mortgage. (See Granting Clause Second.) However, in the case of consolidation or merger (whether or not we are the surviving company) or transfer of the Mortgaged Property as or substantially as an entirety, the Mortgage will not be required to be a lien upon any of the properties either owned or subsequently acquired by the successor company except properties acquired from us in or as a result of such transfer, as well as improvements, extensions and additions (as defined in the Mortgage) to such properties and renewals, replacements and substitutions of or for any part or parts thereof. See Section 1303 and "—Consolidation, Merger and Conveyance of Assets as an Entirety."

Excepted Property. The lien of the Mortgage does not cover, among other things, the following types of property: property located outside of Kentucky and not specifically subjected or required to be subjected to the lien of the Mortgage; property not used by us in our electric generation, transmission and distribution business; cash and securities not paid, deposited or held under the Mortgage or required so to be; contracts, leases and other agreements of all kinds, contract rights, bills, notes and other instruments, revenues, accounts receivable, claims, demands and judgments; governmental and other licenses, permits, franchises, consents and allowances; intellectual property rights and other general intangibles; vehicles, movable equipment, aircraft and vessels; all goods, stock in trade, wares, merchandise and inventory held for the purpose of sale or lease in the ordinary course of business; materials, supplies, inventory and other personal property consumable in the operation of our business; fuel; tools and equipment; furniture and furnishings; computers and data processing, telecommunications and other facilities used primarily for administrative or clerical purposes or otherwise not used in connection with the operation or maintenance of electric generation, transmission and distribution facilities; coal, ore, gas, oil and other minerals and timber rights; electric energy and capacity, gas, steam, water and other products generated, produced, manufactured, purchased or otherwise acquired; real property and facilities used primarily for the production or gathering of natural gas; property which has been released from the lien of the Mortgage; and leasehold interests. We sometimes refer to our property not covered by the lien of the Mortgage as "Excepted Property." (See Granting Clauses.) Properties held by any of our subsidiaries, as well as properties leased from others, would not be subject to the lien of the Mortgage.

Permitted Liens. The lien of the Mortgage is subject to Permitted Liens described in the Mortgage. Such Permitted Liens include liens existing at the execution date of the Mortgage, purchase money liens and other liens placed or otherwise existing on property acquired by us after the execution date of the Mortgage at the time we acquire it, tax liens and other governmental charges which are not delinquent or which are being contested in good faith, mechanics', construction and materialmen's liens, certain judgment liens, easements, reservations and rights of others (including governmental entities) in, and defects of title to, our property, certain leases and leasehold interests, liens to secure public obligations, rights of others to take minerals, timber, electric energy or capacity, gas, water, steam or other products produced by us or by others on our property, rights and interests of Persons other than us arising out of agreements relating to the common ownership or joint use of property, and liens on the interests of such Persons in such property and liens which have been bonded or for which other security arrangements have been made. (See Granting Clauses and Section 101.)

The Mortgage also provides that the Trustee will have a lien, prior to the lien on behalf of the Holders of the Mortgage Securities, upon the Mortgaged Property as security for our payment of its reasonable compensation and expenses and for indemnity against certain liabilities. (See Section 1107.) Any such lien would be a Permitted Lien under the Mortgage.

Issuance of Additional Mortgage Securities

The maximum principal amount of Mortgage Securities that may be authenticated and delivered under the Mortgage is subject to the issuance restrictions described below; provided, however, that the maximum principal amount of Mortgage Securities outstanding at any one time shall not exceed One Quintillion Dollars ($1,000,000,000,000,000,000), which amount may be changed by supplemental indenture. (See Section 301.) Mortgage Securities of any series may be issued from time to time on the basis of, and in an aggregate principal amount not exceeding:

- 66 2/3% of the Cost or Fair Value to the Company (whichever is less) of Property Additions (as described below) which do not constitute Funded Property (generally, Property Additions which have been made the basis of the authentication and delivery of Mortgage Securities, the release of Mortgaged Property or the withdrawal of cash, which have been substituted for retired Funded Property or which have been used for other specified purposes) after certain deductions and additions, primarily including adjustments to offset property retirements;
- the aggregate principal amount of Retired Securities (as described below); or
- an amount of cash deposited with the Trustee. (See Article Four.)

Property Additions generally include any property which is owned by us and is subject to the lien of the Mortgage except (with certain exceptions) goodwill, going concern value rights or intangible property, or any property the acquisition or construction of which is properly chargeable to one of our operating expense accounts in accordance with U.S. generally accepted accounting principles. (See Section 104.)

Retired Securities means, generally, Mortgage Securities which are no longer outstanding under the Mortgage, which have not been retired by the application of Funded Cash and which have not been used as the basis for the authentication and delivery of Mortgage Securities, the release of property or the withdrawal of cash.

We intend to issue the Bonds on the basis of Property Additions. At April 30, 2020, approximately $2.2 billion of Property Additions were available to us to be used as the basis for the authentication and delivery of Mortgage Securities (including the Bonds offered hereby).

Release of Property

Unless an Event of Default has occurred and is continuing, we may obtain the release from the lien of the Mortgage of any Mortgaged Property, except for cash held by the Trustee, upon delivery to the Trustee of an amount in cash equal to the amount, if any, by which sixty-six and two-thirds percent (66 2/3%) of the Cost of the property to be released (or, if less, the Fair Value to us of such property at the time it became Funded Property) exceeds the aggregate of:

- an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by Purchase Money Liens upon the property to be released and delivered to the Trustee;
- an amount equal to 66 2/3% of the Cost or Fair Value to us (whichever is less) of certified Property Additions not constituting Funded Property after certain deductions and additions, primarily including adjustments to offset property retirements (except that such adjustments need not be made if such Property Additions were acquired or made within the 90-day period preceding the release);
- the aggregate principal amount of Mortgage Securities we would be entitled to issue on the basis of Retired Securities (with such entitlement being waived by operation of such release);
- the aggregate principal amount of Mortgage Securities delivered to the Trustee (with such Mortgage Securities to be canceled by the Trustee);

- any amount of cash and/or an amount equal to 66 2/3% of the aggregate principal amount of obligations secured by Purchase Money Liens upon the property released that is delivered to the trustee or other holder of a lien prior to the lien of the Mortgage, subject to certain limitations described in the Mortgage; and
- any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released.

(See Section 803.)

As used in the Mortgage, the term "Purchase Money Lien" means, generally, a lien on the property being released which is retained by the transferor of such property or granted to one or more other Persons in connection with the transfer or release thereof, or granted to or held by a trustee or agent for any such Persons, and may include liens which cover property in addition to the property being released and/or which secure indebtedness in addition to indebtedness to the transferor of such property. (See Section 101.)

Unless an Event of Default has occurred and is continuing, property which is not Funded Property may generally be released from the lien of the Mortgage without depositing any cash or property with the Trustee as long as (a) the aggregate amount of Cost or Fair Value to us (whichever is less) of all Property Additions which do not constitute Funded Property (excluding the property to be released) after certain deductions and additions, primarily including adjustments to offset property retirements, is not less than zero or (b) the Cost or Fair Value (whichever is less) of property to be released does not exceed the aggregate amount of the Cost or Fair Value to us (whichever is less) of Property Additions acquired or made within the 90-day period preceding the release. (See Section 804.)

The Mortgage provides simplified procedures for the release of minor properties and property taken by eminent domain, and provides for dispositions of certain obsolete property and grants or surrender of certain rights without any release or consent by the Trustee. (See Sections 805, 807 and 808.)

If we retain any interest in any property released from the lien of the Mortgage, the Mortgage will not become a lien on such property or such interest therein or any improvements, extensions or additions to such property or renewals, replacements or substitutions of or for such property or any part or parts thereof. (See Section 809.)

Withdrawal of Cash

Unless an Event of Default has occurred and is continuing, and subject to certain limitations, cash held by the Trustee may, generally, (1) be withdrawn by us (a) to the extent of sixty-six and two-thirds percent (66 2/3%) of the Cost or Fair Value to us (whichever is less) of Property Additions not constituting Funded Property, after certain deductions and additions, primarily including adjustments to offset retirements (except that such adjustments need not be made if such Property Additions were acquired or made within the 90-day period preceding the withdrawal) or (b) in an amount equal to the aggregate principal amount of Mortgage Securities that we would be entitled to issue on the basis of Retired Securities (with the entitlement to such issuance being waived by operation of such withdrawal) or (c) in an amount equal to the aggregate principal amount of any outstanding Mortgage Securities delivered to the Trustee; or (2) upon our request, be applied to (a) the purchase of Mortgage Securities in a manner and at a price approved by us or (b) the payment (or provision for payment) at stated maturity of any Mortgage Securities or the redemption (or provision for payment) of any Mortgage Securities which are redeemable (see Section 806); provided, however, that cash deposited with the Trustee as the basis for the authentication and delivery of Mortgage Securities may, in addition, be withdrawn in an amount not exceeding the aggregate principal amount of cash delivered to the Trustee for such purpose. (See Section 404.)

Events of Default

An "Event of Default" occurs under the Mortgage if:

- we do not pay any interest on any Mortgage Securities within 30 days of the due date;
- we do not pay principal or premium, if any, on any Mortgage Securities on the due date;
- we remain in breach of any other covenant under the Mortgage (excluding covenants specifically dealt with elsewhere in this section) in respect of any Mortgage Securities for 90 days after we receive a written notice of default stating we are in breach and requiring remedy of the breach; the notice must be sent by either the Trustee or Holders of 25% of the principal amount of outstanding Mortgage Securities; the Trustee or such Holders can agree to extend the 90- day period and such an agreement to extend will be automatically deemed to occur if we initiate corrective action within such 90-day period and we are diligently pursuing such action to correct the default; or
- we file for bankruptcy or certain other events in bankruptcy, insolvency, receivership or reorganization occur.

(See Section 1001.)

Remedies

Acceleration of Maturity

If an Event of Default occurs and is continuing, then either the Trustee or the Holders of not less than 25% in principal amount of the outstanding Mortgage Securities may declare the principal amount of all of the Mortgage Securities to be due and payable immediately. (See Section 1002.)

Rescission of Acceleration

After the declaration of acceleration has been made and before the Trustee has obtained a judgment or decree for payment of the money due, such declaration and its consequences will be rescinded and annulled, if:

(i) we pay or deposit with the Trustee a sum sufficient to pay:

- all overdue interest;
- the principal of and premium, if any, which have become due otherwise than by such declaration of acceleration and interest thereon;
- interest on overdue interest to the extent lawful; and
- all amounts due to the Trustee under the Mortgage; and

(ii) all Events of Default, other than the nonpayment of the principal which has become due solely by such declaration of acceleration, have been cured or waived as provided in the Mortgage.

(See Section 1002.)

For more information as to waiver of defaults, see "—Waiver of Default and of Compliance" below.

Appointment of Receiver and Other Remedies

Subject to the Mortgage, under certain circumstances and to the extent permitted by law, if an Event of Default occurs and is continuing, the Trustee has the power to appoint a receiver of the Mortgaged Property, and is entitled to all other remedies available to mortgagees and secured parties under the Uniform Commercial Code or any other applicable law. (See Section 1016.)

Control by Holders; Limitations

Subject to the Mortgage, if an Event of Default occurs and is continuing, the Holders of a majority in principal amount of the outstanding Mortgage Securities will have the right to:

- direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or
- exercise any trust or power conferred on the Trustee.

The rights of Holders to make direction are subject to the following limitations:

- the Holders' directions may not conflict with any law or the Mortgage; and
- the Holders' directions may not involve the Trustee in personal liability where the Trustee believes indemnity is not adequate.

The Trustee may also take any other action it deems proper which is not inconsistent with the Holders' direction. (See Sections 1012 and 1103.)

In addition, the Mortgage provides that no Holder of any Mortgage Security will have any right to institute any proceeding, judicial or otherwise, with respect to the Mortgage for the appointment of a receiver or for any other remedy thereunder unless:

- that Holder has previously given the Trustee written notice of a continuing Event of Default;
- the Holders of 25% in aggregate principal amount of the outstanding Mortgage Securities have made written request to the Trustee to institute proceedings in respect of that Event of Default and have offered the Trustee reasonable indemnity against costs, expenses and liabilities incurred in complying with such request; and
- for 60 days after receipt of such notice, request and offer of indemnity, the Trustee has failed to institute any such proceeding and no direction inconsistent with such request has been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of outstanding Mortgage Securities.

Furthermore, no Holder will be entitled to institute any such action if and to the extent that such action would disturb or prejudice the rights of other Holders. (See Sections 1007 and 1103.)

However, each Holder has an absolute and unconditional right to receive payment when due and to bring a suit to enforce that right. (See Section 1008.)

Notice of Default

The Trustee is required to give the Holders of the Mortgage Securities notice of any default under the Mortgage to the extent required by the Trust Indenture Act, unless such default has been cured or waived; except that in the case of an Event of Default of the character specified in the third bullet point under "—Events of Default" (regarding a breach of certain covenants continuing for 90 days after the receipt of a written notice of default), no such notice shall be given to such Holders until at least 60 days after the occurrence thereof. (See Section 1102.) The Trust Indenture Act currently permits the Trustee to withhold notices of default (except for certain payment defaults) if the Trustee in good faith determines the withholding of such notice to be in the interests of the Holders.

We will furnish the Trustee with an annual statement as to our compliance with the conditions and covenants in the Mortgage. (See Section 709.)

Waiver of Default and of Compliance

The Holders of a majority in aggregate principal amount of the outstanding Mortgage Securities may waive, on behalf of the Holders of all outstanding Mortgage Securities, any past default under the Mortgage, except a default in the payment of principal, premium or interest, or with respect to compliance with certain provisions of the Mortgage that cannot be amended without the consent of the Holder of each outstanding Mortgage Security affected. (See Section 1013.)

Compliance with certain covenants in the Mortgage or otherwise provided with respect to Mortgage Securities may be waived by the Holders of a majority in aggregate principal amount of the affected Mortgage Securities, considered as one class. (See Section 710.)

Consolidation, Merger and Conveyance of Assets as an Entirety

Subject to the provisions described below, we have agreed to preserve our corporate existence. (See Section 704.)

We have agreed not to consolidate with or merge with or into any other entity or convey, transfer or lease the Mortgaged Property as or substantially as an entirety to any entity unless:

- the entity formed by such consolidation or into which we merge, or the entity which acquires or which leases the Mortgaged Property substantially as an entirety, is an entity organized and existing under the laws of the United States of America or any State or Territory thereof or the District of Columbia; and
- expressly assumes, by supplemental indenture, the due and punctual payment of the principal of, and premium and interest on, all the outstanding Mortgage Securities and the performance of all of our covenants under the Mortgage; and
- such entity confirms the lien of the Mortgage on the Mortgaged Property; and
- in the case of a lease, such lease is made expressly subject to termination by (i) us or by the Trustee and (ii) the purchaser of the property so leased at any sale thereof, at any time during the continuance of an Event of Default; and
- immediately after giving effect to such transaction, no Event of Default, and no event which after notice or lapse of time or both would become an Event of Default, will have occurred and be continuing.

(See Section 1301.)

In the case of the conveyance or other transfer of the Mortgaged Property as or substantially as an entirety to any other person, upon the satisfaction of all the conditions described above we would be released and discharged from all obligations under the Mortgage and on the Mortgage Securities then outstanding unless we elect to waive such release and discharge. (See Section 1304.)

The Mortgage does not prevent or restrict:

- any consolidation or merger after the consummation of which we would be the surviving or resulting entity; or
- any conveyance or other transfer, or lease, of any part of the Mortgaged Property which does not constitute the entirety or substantially the entirety thereof.

If following a conveyance or other transfer, or lease, of any part of the Mortgaged Property, the Fair Value of the Mortgaged Property retained by the Company exceeds an amount equal to three-halves (3/2) of the

aggregate principal amount of all outstanding Mortgage Securities, then the part of the Mortgaged Property so conveyed, transferred or leased shall be deemed not to constitute the entirety or substantially the entirety of the Mortgaged Property. This Fair Value will be determined within 90 days of the conveyance or transfer by an independent expert that we select and that is approved by the Trustee.

(See Sections 1305 and 1306.)

Modification of Mortgage

Without Holder Consent. Without the consent of any Holders of Mortgage Securities, we and the Trustee may enter into one or more supplemental indentures for any of the following purposes:

- to evidence the succession of another entity to us;
- to add one or more covenants or other provisions for the benefit of the Holders of all or any series or tranche of Mortgage Securities, or to surrender any right or power conferred upon us;
- to correct or amplify the description of any property at any time subject to the lien of the Mortgage; or to better assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of the Mortgage; or to subject to the lien of the Mortgage additional property (including property of others), to specify any additional Permitted Liens with respect to such additional property and to modify the provisions in the Mortgage for dispositions of certain types of property without release in order to specify any additional items with respect to such additional property;
- to add any additional Events of Default, which may be stated to remain in effect only so long as the Mortgage Securities of any one more particular series remains outstanding;
- to change or eliminate any provision of the Mortgage or to add any new provision to the Mortgage that does not adversely affect the interests of the Holders in any material respect;
- to establish the form or terms of any series or tranche of Mortgage Securities;
- to provide for the issuance of bearer securities;
- to evidence and provide for the acceptance of appointment of a successor Trustee or by a co-trustee or separate trustee;
- to provide for the procedures required to permit the utilization of a noncertificated system of registration for any series or tranche of Mortgage Securities;
- to change any place or places where:
  - we may pay principal, premium and interest,
  - Mortgage Securities may be surrendered for transfer or exchange, and
  - notices and demands to or upon us may be served;
- to amend and restate the Mortgage as originally executed, and as amended from time to time, with such additions, deletions and other changes that do not adversely affect the interest of the Holders in any material respect;
- to cure any ambiguity, defect or inconsistency or to make any other changes that do not adversely affect the interests of the Holders in any material respect; or
- to increase or decrease the maximum principal amount of Mortgage Securities that may be outstanding at any time.

In addition, if the Trust Indenture Act is amended after the date of the Mortgage so as to require changes to the Mortgage or so as to permit changes to, or the elimination of, provisions which, at the date of the Mortgage or

at any time thereafter, were required by the Trust Indenture Act to be contained in the Mortgage, the Mortgage will be deemed to have been amended so as to conform to such amendment or to effect such changes or elimination, and we and the Trustee may, without the consent of any Holders, enter into one or more supplemental indentures to effect or evidence such amendment.

(See Section 1401.)

With Holder Consent. Except as provided above, the consent of the Holders of at least a majority in aggregate principal amount of the Mortgage Securities of all outstanding series, considered as one class, is generally required for the purpose of adding to, or changing or eliminating any of the provisions of, the Mortgage pursuant to a supplemental indenture. However, if less than all of the series of outstanding Mortgage Securities are directly affected by a proposed supplemental indenture, then such proposal requires the consent of only the Holders of a majority in aggregate principal amount of the outstanding Mortgage Securities of all directly affected series, considered as one class. Moreover, if the Mortgage Securities of any series have been issued in more than one tranche and if the proposed supplemental indenture directly affects the rights of the Holders of Mortgage Securities of one or more, but less than all, of such tranches, then such proposal requires the consent of only the Holders of a majority in aggregate principal amount of the outstanding Mortgage Securities of all directly affected tranches, considered as one class.

However, no amendment or modification may, without the consent of the Holder of each outstanding Mortgage Security directly affected thereby:

- change the stated maturity of the principal or interest on any Mortgage Security (other than pursuant to the terms thereof), or reduce the principal amount, interest or premium payable (or the method of calculating such rates) or change the currency in which any Mortgage Security is payable, or impair the right to bring suit to enforce any payment;
- create any lien (not otherwise permitted by the Mortgage) ranking prior to the lien of the Mortgage with respect to all or substantially all of the Mortgaged Property, or terminate the lien of the Mortgage on all or substantially all of the Mortgaged Property (other than in accordance with the terms of the Mortgage), or deprive any Holder of the benefits of the security of the lien of the Mortgage;
- reduce the percentages of Holders whose consent is required for any supplemental indenture or waiver of compliance with any provision of the Mortgage or of any default thereunder and its consequences, or reduce the requirements for quorum and voting under the Mortgage; or
- modify certain of the provisions of the Mortgage relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to Mortgage Securities.

A supplemental indenture which changes, modifies or eliminates any provision of the Mortgage expressly included solely for the benefit of Holders of Mortgage Securities of one or more particular series or tranches will be deemed not to affect the rights under the Mortgage of the Holders of Mortgage Securities of any other series or tranche.

(See Section 1402.)

Satisfaction and Discharge

Any Mortgage Securities or any portion thereof will be deemed to have been paid and no longer outstanding for purposes of the Mortgage and, at our election, our entire indebtedness with respect to those securities will be satisfied and discharged, if there shall have been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust:

- money sufficient, or

- in the case of a deposit made prior to the maturity of such Mortgage Securities, non-redeemable Eligible Obligations (as defined in the Mortgage) sufficient, or
- a combination of the items listed in the preceding two bullet points, which in total are sufficient,

to pay when due the principal of, and any premium, and interest due and to become due on such Mortgage Securities or portions of such Mortgage Securities on and prior to their maturity.

(See Section 901.)

Our right to cause our entire indebtedness in respect of the Mortgage Securities of any series to be deemed to be satisfied and discharged as described above will be subject to the satisfaction of any conditions specified in the instrument creating such series.

The Mortgage will be deemed satisfied and discharged when no Mortgage Securities remain outstanding and when we have paid all other sums payable by us under the Mortgage. (See Section 902.)

All moneys we pay to the Trustee or any Paying Agent on Bonds that remain unclaimed at the end of two years after payments have become due may be paid to or upon our order. Thereafter, the Holder of such Bond may look only to us for payment. (See Section 703.)

Resignation and Removal of the Trustee; Deemed Resignation

The Trustee may resign at any time by giving written notice to us.

The Trustee may also be removed by act of the Holders of a majority in principal amount of the then outstanding Mortgage Securities of any series.

No resignation or removal of the Trustee and no appointment of a successor trustee will become effective until the acceptance of appointment by a successor trustee in accordance with the requirements of the Mortgage.

Under certain circumstances, we may appoint a successor trustee and if the successor accepts, the Trustee will be deemed to have resigned.

(See Section 1110.)

Evidence to be Furnished to the Trustee

Compliance with Mortgage provisions is evidenced by written statements of our officers or persons selected or paid by us. In certain cases, opinions of counsel and certifications of an engineer, accountant, appraiser or other expert (who in some cases must be independent) must be furnished. In addition, the Mortgage requires us to give to the Trustee, not less than annually, a brief statement as to our compliance with the conditions and covenants under the Mortgage.

Miscellaneous Provisions

The Mortgage provides that certain Mortgage Securities, including those for which payment or redemption money has been deposited or set aside in trust as described under "—Satisfaction and Discharge" above, will not be deemed to be "outstanding" in determining whether the Holders of the requisite principal amount of the outstanding Mortgage Securities have given or taken any demand, direction, consent or other action under the Mortgage as of any date, or are present at a meeting of Holders for quorum purposes. (See Section 101.)

We will be entitled to set any day as a record date for the purpose of determining the Holders of outstanding Mortgage Securities of any series entitled to give or take any demand, direction, consent or other action under the Mortgage, in the manner and subject to the limitations provided in the Mortgage. In certain circumstances, the Trustee also will be entitled to set a record date for action by Holders. If such a record date is set for any action to be taken by Holders of particular Mortgage Securities, such action may be taken only by persons who are Holders of such Mortgage Securities on the record date. (See Section 107.)

Governing Law

The Mortgage and the Mortgage Securities provide that they are to be governed by and construed in accordance with the laws of the State of New York except where the Trust Indenture Act is applicable or where otherwise required by law. (See Section 115.) The effectiveness of the lien of the Mortgage, and the perfection and priority thereof, will be governed by Kentucky law.

Regarding the Trustee

The Trustee under the Mortgage is The Bank of New York Mellon ("BNYM"). In addition to acting as Trustee, BNYM also maintains various banking and trust relationships with us and some of our affiliates.

Book-Entry Only Issuance—The Depository Trust Company

DTC will act as the initial securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. The global bonds will be deposited with the Trustee as custodian for DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for its participants ("Direct Participants") and also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules that apply to DTC and those using its system are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser ("Beneficial Owner") is, in turn, to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases, but Beneficial Owners should receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which they purchased Bonds. Transfers of ownership interests on the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Notices will be sent to DTC.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns the voting or consenting rights of Cede & Co. to those Direct Participants to whose accounts the Bonds are credited on the record date. We believe that these arrangements will enable the Beneficial Owners to exercise rights equivalent in substance to the rights that can be directly exercised by a registered Holder of the Bonds.

Payments of principal and interest on the Bonds will be made to Cede & Co. (or such other nominee of DTC). DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by participants to Beneficial Owners will be governed by standing instructions and customary practices and will be the responsibility of such participant and not of DTC, the Trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee of DTC) is the responsibility of us or the Trustee. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Secondary market trading between Clearstream Banking, société anonyme ("Clearstream") participants and/or Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear, as applicable.

Cross-market transfers between participants in DTC, on the one hand, and participants in Euroclear or Clearstream, on the other hand, will be effected through DTC in accordance with the DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective U.S. depositaries; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (European time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its U.S. depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the global securities through DTC, and making or receiving payment in accordance with normal procedures for same-day fund settlement. Participants in Euroclear or Clearstream may not deliver instructions directly to their respective U.S. depositaries.

Due to time zone differences, the securities accounts of a participant in Euroclear or Clearstream purchasing an interest in a global security from a direct participant in DTC will be credited, and any such crediting will be reported to the relevant participant in Euroclear or Clearstream, during the securities settlement processing day (which must be a business day for Euroclear or Clearstream) immediately following the settlement date of DTC. Cash received in Euroclear or Clearstream as a result of sales of interests in a global security by or through a participant in Euroclear or Clearstream to a direct participant in DTC will be received with value on the

settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

A Beneficial Owner will not be entitled to receive physical delivery of the Bonds. Accordingly, each Beneficial Owner must rely on the procedures of DTC to exercise any rights under the Bonds.

DTC may discontinue providing its services as securities depositary with respect to the Bonds at any time by giving us or the Trustee reasonable notice. In the event no successor securities depositary is obtained, certificates for the Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but neither we nor the underwriters take any responsibility for the accuracy of this information.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the Bonds to non-U.S. holders (as defined below). Except where noted, this summary deals only with Bonds held as capital assets by beneficial owners of the Bonds who purchase Bonds in this offering at their initial public offering price. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), the Treasury Regulations promulgated thereunder and judicial and administrative rulings and decisions now in effect, all of which are subject to change or differing interpretations, possibly with retroactive effect. This summary does not purport to address all aspects of U.S. federal income taxation that may affect particular investors in light of their individual circumstances (including holders that are directly or indirectly related to us), or certain types of investors subject to special treatment under the U.S. federal income tax laws, such as persons that mark to market their securities, financial institutions, regulated investment companies, real estate investment trusts, corporations subject to the accumulated earnings tax, holders subject to the alternative minimum tax, individual retirement and other tax-deferred accounts, tax-exempt organizations, brokers, dealers in securities and commodities, certain former U.S. citizens or long-term residents, persons subject to the Medicare contribution tax, life insurance companies, persons that hold Bonds as part of a hedge against currency or interest rate risks or that hold Bonds as part of a position in a constructive sale, straddle, conversion transaction or other integrated transaction for U.S. federal income tax purposes, controlled foreign corporations, passive foreign investment companies, persons required to report income with respect to a Bond no later than when such income is reported on an "applicable financial statement" under Section 451(b) of the Code, persons that acquire their Bonds in connection with employment or other performance of personal services, partnerships or other pass-through entities and investors in such entities, subsequent purchasers of the Bonds and U.S. holders (as defined below) whose "functional currency" is not the U.S. dollar or that hold Bonds through a non-U.S. broker or other non-U.S. intermediary. This summary does not address any aspect of state, local or foreign taxation or any U.S. federal tax other than the income tax.

For purposes of this summary, a "**non-U.S. holder**" is a beneficial owner of a Bond that is not a U.S. holder or a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes).

For purposes of this summary, a "**U.S. holder**" is a beneficial owner of a Bond that is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (a) a court within the United States is able to exercise primary jurisdiction over administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (b) it has a valid election in effect to be treated as a U.S. person.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of Bonds, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. Partnerships that hold Bonds (and partners in such partnerships) should consult their tax advisors.

We have not requested, and do not intend to request, a ruling from the U.S. Internal Revenue Service (the "**IRS**") with respect to any of the U.S. federal income tax consequences described below. There can be no assurance that the IRS will not disagree with or challenge any of the conclusions set forth herein.

If you are considering investing in the Bonds, you should consult your own tax advisor with respect to your particular tax consequences of the purchase, ownership and disposition of the Bonds, including the consequences under the laws of any state, local or non-U.S. jurisdiction.

Non-U.S. Holders

Payments of Interest

Subject to the discussion below concerning backup withholding and FATCA withholding, payments of interest on a Bond received or accrued by a non-U.S. holder generally will not be subject to U.S. federal income or withholding tax, provided that the non-U.S. holder:

- does not conduct a trade or business in the United States with respect to which the interest is effectively connected;
- does not actually, indirectly or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote, within the meaning of Section 871(h)(3) of the Code;
- is not a "controlled foreign corporation" with respect to which we are a "related person" within the meaning of Section 881(c)(3)(C) of the Code;
- is not a bank whose receipt of the interest is described in Section 881(c)(3)(A) of the Code; and
- satisfies the certification requirements described below.

The certification requirements will be satisfied if either (a) the beneficial owner of the Bond timely certifies, under penalties of perjury, to us or to the person who otherwise would be required to withhold U.S. tax that such owner is a non-U.S. holder and provides its name and address or (b) a custodian, broker, nominee or other intermediary acting as an agent for the beneficial owner (such as a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business) that holds the Bond in such capacity timely certifies, under penalties of perjury, to us or to the person who otherwise would be required to withhold U.S. tax that such statement has been received from the beneficial owner of the Bond by such intermediary, or by any other financial institution between such intermediary and the beneficial owner, and furnishes to us or to the person who otherwise would be required to withhold U.S. tax a copy thereof. In general, the foregoing certification may be provided on a properly completed IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8IMY, as applicable.

A non-U.S. holder that is not exempt from tax under the foregoing rules generally will be subject to U.S. federal income tax withholding on payments of interest at a rate of 30% unless:

- the interest is effectively connected with a U.S. trade or business conducted by such holder (and, if an applicable income tax treaty so provides, is attributable to a permanent establishment maintained in the United States by the non-U.S. holder), in which case the non-U.S. holder will be subject to U.S. federal income tax on a net income basis; or
- an applicable income tax treaty provides for a lower rate of, or exemption from, withholding tax.

A non-U.S. holder that is treated as a corporation for U.S. federal income tax purposes and has effectively connected interest income (as described in the first bullet point above) may also, under certain circumstances, be subject to an additional "branch profits tax," which generally is imposed on a foreign corporation on the deemed repatriation from the United States of effectively connected earnings and profits, at a 30% rate, unless the rate is reduced or eliminated by an applicable income tax treaty.

To claim the benefit of a lower rate of, or exemption from, withholding tax pursuant to an income tax treaty or to claim exemption from withholding because income is effectively connected with a U.S. trade or business, the non-U.S. holder must timely provide the appropriate, properly executed IRS forms. Certification to claim income is effectively connected with a U.S. trade or business generally is made on IRS Form W-8ECI. Certification to claim the benefit of a lower rate of, or exemption from, withholding tax pursuant to an income tax treaty is generally made on IRS Form W-8BEN or IRS Form W-8BEN-E.

In general, non-U.S. holders will be required to periodically update their forms.

Sale, Exchange or Other Taxable Disposition of a Bond

Subject to the discussions of backup withholding and FATCA withholding below, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale, exchange, redemption or other taxable disposition of a Bond unless (a) such gain is effectively connected with the conduct by the non-U.S. holder of a U.S. trade or business (and, if an applicable income tax treaty so provides, is attributable to a permanent establishment maintained in the United States by the non-U.S. holder) or (b) in the case of a non-U.S. holder who is an individual, the holder is present in the United States for 183 days or more during the taxable year in which such gain is realized and certain other conditions exist.

Except to the extent that an applicable income tax treaty otherwise provides, generally a non-U.S. holder that is described in clause (a) above will be subject to U.S. federal income tax on a net income basis with respect to gain that is effectively connected with the non-U.S. holder's conduct of a U.S. trade or business and such a non-U.S. holder that is treated as a corporation for U.S. federal income tax purposes may also, under certain circumstances, be subject to the branch profits tax as described above. Except to the extent that an applicable income tax treaty otherwise provides, an individual non-U.S. holder who is described in clause (b) above generally will be subject to a flat 30% tax on gain derived from the sale or other disposition, which may be offset by certain U.S. source capital losses.

Information Reporting and Backup Withholding

Payments of interest to a non-U.S. holder generally will be reported to the IRS and to the non-U.S. holder. Copies of applicable IRS information returns may be made available under the provisions of a specific tax treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides. Non-U.S. holders generally are exempt from backup withholding, currently at a rate of 24%, and additional information reporting on payments of principal, premium (if any), or interest, provided that the non-U.S. holder (a) certifies its nonresident status on the appropriate IRS Form W-8 (or a suitable substitute form) and certain other conditions are met or (b) otherwise establishes an exemption. Backup withholding is not an additional tax. Any backup withholding generally will be allowed as a credit or refund against the non-U.S. holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

FATCA

The current provisions of sections 1471 through 1474 of the Code and the Treasury Regulations thereunder (commonly referred to as "**FATCA**") generally impose a U.S. federal withholding tax of 30% on payments of interest on the Bonds and the gross proceeds, including the return of principal, from a sale or other disposition, including a redemption, of obligations that can produce U.S.-source interest, such as the Bonds, paid to certain foreign entities unless various information reporting and other requirements are satisfied. However, under recently released proposed Treasury Regulations, such gross proceeds are not subject to FATCA withholding. In its preamble to such proposed Treasury Regulations, the IRS has stated that taxpayers generally may rely on the proposed Treasury Regulations until final Treasury Regulations are issued.

In the case of payments made to a "foreign financial institution" (such as a bank, a broker, an investment fund or, in certain cases, a holding company), as a beneficial owner or as an intermediary, this tax generally will be imposed, subject to certain exceptions, unless such institution (i) has agreed to (and does) comply with the requirements of an agreement with the United States (an "FFI Agreement") or (ii) is required by (and does comply with) applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction (an "IGA") to, among other things, collect and provide to the U.S. tax authorities or other relevant tax authorities certain information regarding U.S. account holders of such institution and, in either case, such institution provides the withholding agent with a certification as to its FATCA status. In the case of payments made to a foreign entity that is not a financial institution (as a beneficial owner), the tax generally will be imposed, subject to certain exceptions, unless such entity provides the withholding agent with a

certification as to its FATCA status and, in certain cases, identifies any "substantial" U.S. owner (generally, any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity). If a Bond is held through a foreign financial institution that has agreed to comply with the requirements of an FFI Agreement or is subject to similar requirements under applicable foreign law enacted in connection with an IGA, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign financial institution) generally will be required, subject to certain exceptions, to withhold tax on payments made to (i) a person (including an individual) that fails to provide any required information or documentation or (ii) a foreign financial institution that has not agreed to comply with the requirements of an FFI Agreement and is not subject to similar requirements under applicable foreign law enacted in connection with an IGA.

No additional amounts will be payable on account of any withholding obligation that is imposed with respect to payments on the Bonds as a result of the failure of any holder or beneficial owner of a Bond, or any intermediary through which it directly or indirectly owns such Bond, to comply with the requirements of FATCA. Prospective purchasers of the Bonds should consult their own tax advisors regarding the effect, if any, of the FATCA rules for them based on their particular circumstances.

THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE MAY NOT BE APPLICABLE DEPENDING UPON YOUR PARTICULAR SITUATION. YOU SHOULD CONSULT YOUR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO YOU OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.

UNDERWRITING

KU and the underwriters have entered into an underwriting agreement with respect to the Bonds. Subject to certain conditions, each underwriter has severally, but not jointly, agreed to purchase the principal amount of Bonds indicated in the following table:

Underwriters	Principal Amount of Bonds
Barclays Capital Inc.	$100,000,000
Citigroup Global Markets Inc.	100,000,000
Goldman Sachs & Co. LLC	100,000,000
U.S. Bancorp Investments, Inc.	100,000,000
MUFG Securities Americas Inc.	25,000,000
PNC Capital Markets LLC	25,000,000
RBC Capital Markets, LLC	25,000,000
SunTrust Robinson Humphrey, Inc.	25,000,000
Total	$500,000,000

The underwriters are committed to take and pay for all of the Bonds being offered, if any are taken.

The Bonds sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus supplement. Any Bonds sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price of up to 0.525% of the principal amount of the Bonds. Any such securities dealers may resell any Bonds purchased from the underwriters to certain other brokers or dealers at a discount from the initial public offering price of up to 0.350% of the principal amount of the Bonds. If all the Bonds are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms.

The Bonds are a new issue of securities with no established trading market. KU has been advised by the underwriters that the underwriters intend to make a market in the Bonds as permitted by applicable laws and regulations. The underwriters are not obligated, however, to do so and any such market making may be discontinued at any time without notice at the sole discretion of the underwriters. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Bonds.

In connection with the offering, the underwriters may purchase and sell Bonds in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of Bonds than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Bonds while the offering is in progress.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased Bonds sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters, as well as other purchases by the underwriters for their own accounts, may stabilize, maintain or otherwise affect the market price of the Bonds. As a result, the price of the Bonds may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

It is expected that delivery of the Bonds of each series will be made on or about the day specified on the cover page of this prospectus supplement, which will be the tenth business day (T+10) following the date of this prospectus supplement. Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle within two business days (T+2), unless the parties to any such trade expressly agree otherwise.

Accordingly, the purchasers who wish to trade the Bonds on the date of this prospectus supplement or the next seven succeeding business days will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Bonds who wish to trade the Bonds on the date of this prospectus supplement or the next seven succeeding business days should consult their own advisors.

KU estimates that its share of the total expenses of the offering, excluding the underwriting discount, will be approximately $1 million.

KU has agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to KU and to persons and entities with relationships with KU, for which they received or will receive customary fees and expenses. In particular, certain of the underwriters or their affiliates are agents or lenders under the credit or other borrowing facilities of KU and its affiliates.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of KU (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with KU. If any of the underwriters or their affiliates have a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Bonds offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Bonds offered hereby. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The offering of the Bonds by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

Notice to Prospective Investors

This prospectus supplement does not constitute an offer to sell to, or a solicitation of an offer to buy from, anyone in any country or jurisdiction (i) in which such an offer or solicitation is not authorized, (ii) in which any person making such offer or solicitation is not qualified to do so or (iii) in which any such offer or solicitation would otherwise be unlawful. No action has been taken that would, or is intended to, permit a public offer of the Bonds or possession or distribution of this prospectus or any other offering or publicity material relating to the Bonds in any country or jurisdiction (other than the United States) where any such action for that purpose is required.

Notice to Prospective Investors in Canada

The Bonds may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of

the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement or the accompanying prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in the European Economic Area and the United Kingdom

The Bonds are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area ("EEA") or in the United Kingdom. For these purposes, (a) a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU)2016/97, as amended (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU)2017/1129 ("the Prospectus Regulation") and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA or in the United Kingdom has been prepared, and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA or in the United Kingdom may be unlawful under the PRIIPs Regulation. This prospectus supplement and the accompanying prospectus have been prepared on the basis that any offer of Bonds in any Member State of the EEA or in the United Kingdom will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Bonds. This prospectus supplement and the accompanying prospectus are not a prospectus for the purposes of the Prospectus Regulation.

Additional Notice to Prospective Investors in the United Kingdom

In the United Kingdom, the Bonds may not be offered other than by an underwriter that: (1) has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Market Act 2000 (the "FSMA") of the United Kingdom) received by it on connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA is complied with or does not apply; and (2) has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

The communication of this prospectus supplement, the accompanying prospectus and any other document or materials relating to the issue of the Bonds offered hereby is not being made, and the contents of such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed or otherwise communicated to, and must not be passed on to, the

general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to in this paragraph as "relevant persons"). In the United Kingdom, the Bonds offered hereby are only available to, and any investment or investment activity to which this prospectus supplement and the accompanying prospectus relate will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this prospectus supplement or the accompanying prospectus or any of their contents.

Notice to Prospective Investors in Hong Kong

The contents of this prospectus supplement and the accompanying prospectus have not been reviewed or approved by any regulatory authority in Hong Kong. The Bonds may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Bonds may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

VALIDITY OF THE BONDS

Bracewell LLP, New York, New York, and John R. Crockett III, General Counsel, Chief Compliance Officer and Corporate Secretary of KU will pass upon the validity of the Bonds for KU. Hunton Andrews Kurth LLP, New York, New York, will pass upon the validity of the Bonds for the underwriters. However, all matters pertaining to the organization of KU and KU's title to its property and the liens of the Mortgage upon KU's properties will be passed upon only by Mr. Crockett and Stoll Keenon Ogden PLLC, Louisville, Kentucky. As to matters involving the law of the Commonwealths of Kentucky and Virginia, Bracewell LLP and Hunton Andrews Kurth LLP will rely on the opinion of Mr. Crockett and Stoll Keenon Ogden PLLC. Hunton Andrews Kurth LLP acts and, in the past has acted, as counsel to KU and its affiliates in connection with various matters.

PROSPECTUS

PPL Corporation
PPL Capital Funding, Inc.
PPL Electric Utilities Corporation
Two North Ninth Street
Allentown, Pennsylvania 18101-1179
(610) 774-5151

LG&E and KU Energy LLC
Louisville Gas and Electric Company
220 West Main Street
Louisville, Kentucky 40202
(502) 627-2000

Kentucky Utilities Company
One Quality Street
Lexington, Kentucky 40507
(502) 627-2000

PPL Corporation

Common Stock, Preferred Stock,
Stock Purchase Contracts, Stock Purchase Units and Depositary Shares

PPL Capital Funding, Inc.

Debt Securities and Subordinated Debt Securities
Guaranteed by PPL Corporation as described in a supplement to this prospectus

PPL Electric Utilities Corporation

Debt Securities

LG&E and KU Energy LLC

Debt Securities

Louisville Gas and Electric Company

Debt Securities

Kentucky Utilities Company

Debt Securities

We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the supplements carefully before you invest.

We may offer the securities directly or through underwriters or agents. The applicable prospectus supplement will describe the terms of any particular plan of distribution.

Investing in the securities involves certain risks. See "Risk Factors" on page 2.

PPL Corporation's common stock is listed on the New York Stock Exchange and trades under the symbol "PPL."

These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 22, 2018.

TABLE OF CONTENTS

	Page
ABOUT THIS PROSPECTUS	1
RISK FACTORS	2
FORWARD-LOOKING INFORMATION	2
PPL CORPORATION	5
PPL CAPITAL FUNDING, INC.	6
PPL ELECTRIC UTILITIES CORPORATION	6
LG&E AND KU ENERGY LLC	6
LOUISVILLE GAS AND ELECTRIC COMPANY	7
KENTUCKY UTILITIES COMPANY	7
USE OF PROCEEDS	8
RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	9
WHERE YOU CAN FIND MORE INFORMATION	11
EXPERTS	13
VALIDITY OF THE SECURITIES AND THE PPL GUARANTEES	13

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that PPL Corporation, PPL Capital Funding, Inc. ("PPL Capital Funding"), PPL Electric Utilities Corporation ("PPL Electric"), LG&E and KU Energy LLC ("LKE"), Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") have each filed with the Securities and Exchange Commission, or SEC, using the "shelf" registration process. Under this shelf process, we may, from time to time, sell combinations of the securities described in this prospectus in one or more offerings. Each time we sell securities, we will provide a prospectus supplement that will contain a description of the securities we will offer and specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under "Where You Can Find More Information."

We may use this prospectus to offer from time to time:

- shares of PPL Corporation Common Stock, par value $.01 per share ("PPL Common Stock");
- shares of PPL Corporation Preferred Stock, par value $.01 per share ("PPL Preferred Stock");
- contracts or other rights to purchase shares of PPL Common Stock or PPL Preferred Stock ("PPL Stock Purchase Contracts");
- stock purchase units, each representing (1) a PPL Stock Purchase Contract and (2) debt securities or preferred trust securities of third parties (such as debt securities or subordinated debt securities of PPL Capital Funding, preferred trust securities of a subsidiary trust or United States Treasury securities) that are pledged to secure the stock purchase unit holders' obligations to purchase PPL Common Stock or PPL Preferred Stock under the PPL Stock Purchase Contracts ("PPL Stock Purchase Units");
- PPL Corporation's Depositary Shares, issued under a deposit agreement and representing a fractional interest in PPL Preferred Stock;
- PPL Capital Funding's unsecured and unsubordinated debt securities ("PPL Capital Funding Debt Securities");
- PPL Capital Funding's unsecured and subordinated debt securities ("PPL Capital Funding Subordinated Debt Securities");
- PPL Electric's First Mortgage Bonds issued under PPL Electric's 2001 indenture, as amended and supplemented ("PPL Electric First Mortgage Bonds"), which will be secured by the lien of the 2001 indenture on PPL Electric's electricity distribution and certain transmission properties (subject to certain exceptions to be described in a prospectus supplement);
- LKE's unsecured and unsubordinated debt securities;
- LG&E's First Mortgage Bonds issued under LG&E's 2010 indenture, as amended and supplemented ("LG&E First Mortgage Bonds"), which will be secured by the lien of the 2010 indenture on LG&E's Kentucky electricity generation, transmission and distribution properties and natural gas distribution properties (subject to certain exceptions to be described in a prospectus supplement); and
- KU's First Mortgage Bonds issued under KU's 2010 indenture, as amended and supplemented ("KU First Mortgage Bonds"), which will be secured by the lien of the 2010 indenture on KU's Kentucky electricity generation, transmission and distribution properties (subject to certain exceptions to be described in a prospectus supplement).

We sometimes refer to the securities listed above collectively as the "Securities."

PPL Corporation will fully and unconditionally guarantee the payment of principal, premium and interest on the PPL Capital Funding Debt Securities and PPL Capital Funding Subordinated Debt Securities as will be

described in supplements to this prospectus. We sometimes refer to PPL Corporation's guarantees of PPL Capital Funding Debt Securities as "PPL Guarantees" and PPL Corporation's guarantees of PPL Capital Funding Subordinated Debt Securities as the "PPL Subordinated Guarantees."

Information contained herein relating to each registrant is filed separately by such registrant on its own behalf. No registrant makes any representation as to information relating to any other registrant or Securities or guarantees issued by any other registrant, except that information relating to PPL Capital Funding's Securities is also attributed to PPL Corporation.

As used in this prospectus, the terms "we," "our" and "us" generally refer to:

- PPL Corporation with respect to Securities, PPL Guarantees or PPL Subordinated Guarantees issued by PPL Corporation or PPL Capital Funding;
- PPL Electric, with respect to Securities issued by PPL Electric;
- LKE, with respect to Securities issued by LKE;
- LG&E, with respect to Securities issued by LG&E; and
- KU, with respect to Securities issued by KU.

For more detailed information about the Securities, the PPL Guarantees and the PPL Subordinated Guarantees, you can read the exhibits to the registration statement. Those exhibits have been either filed with the registration statement or incorporated by reference to earlier SEC filings listed in the registration statement.

RISK FACTORS

Investing in the Securities involves certain risks. You are urged to read and consider the risk factors relating to an investment in the Securities described in the Annual Reports on Form 10-K of PPL Corporation, PPL Electric, LKE, LG&E and KU, as applicable, for the year ended December 31, 2017, and incorporated by reference in this prospectus. Before making an investment decision, you should carefully consider these risks as well as other information we include or incorporate by reference in this prospectus. The risks and uncertainties we have described are not the only ones affecting PPL Corporation, PPL Electric, LKE, LG&E and KU. The prospectus supplement applicable to each type or series of Securities we offer may contain a discussion of additional risks applicable to an investment in us and the particular type of Securities we are offering under that prospectus supplement.

FORWARD-LOOKING INFORMATION

Certain statements included or incorporated by reference in this prospectus, including statements concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact are "forward-looking statements" within the meaning of the federal securities laws. Although we believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements are subject to many risks and uncertainties, and actual results may differ materially from the results discussed in forward-looking statements. In addition to the specific factors discussed in the "Risk Factors" section in this prospectus and our reports that are incorporated by reference, the following are among the important factors that could cause actual results to differ materially and adversely from the forward-looking statements:

- the outcome of rate cases or other cost recovery or revenue filings;
- changes in U.S. or U.K. tax laws or regulations, including the 2017 Tax Cuts and Jobs Act;

- effects of cyber-based intrusions or natural disasters, threatened or actual terrorism, war or other hostilities;
- significant decreases in demand for electricity in the U.S.;
- expansion of alternative and distributed sources of electricity generation and storage;
- changes in foreign currency exchange rates for British pound sterling and the related impact on unrealized gains and losses on PPL's foreign currency economic hedges;
- the effectiveness of our risk management programs, including foreign currency and interest rate hedging;
- non-achievement by PPL WPD Limited and its subsidiaries ("WPD") of performance targets set by the Office of Gas and Electricity Markets ("Ofgem");
- the results of the potential mid-period review in the U.K. of the current price control period, RIIO-ED1, currently being reviewed by the U.K. regulator, Ofgem, with a decision as to whether to engage in such a review and the scope thereof to be announced in the spring of 2018;
- the effect of changes in the retail price index on WPD's revenues and index linked debt;
- developments related to ongoing negotiations regarding the U.K.'s intent to withdraw from European Union and any actions in response thereto;
- defaults by counterparties or suppliers for energy, capacity, coal, natural gas or key commodities, goods or services;
- capital market conditions, including the availability of capital or credit, changes in interest rates and certain economic indices, and decisions regarding capital structure;
- a material decline in the market value of PPL's equity;
- significant decreases in the fair value of debt and equity securities and its impact on the value of assets in defined benefit plans, and the potential cash funding requirements if fair value declines;
- interest rates and their effect on pension and retiree medical liabilities, asset retirement obligation liabilities and interest payable on certain debt securities;
- volatility in or the impact of other changes in financial markets and economic conditions;
- the potential impact of any unrecorded commitments and liabilities of PPL and its subsidiaries;
- new accounting requirements or new interpretations or applications of existing requirements;
- changes in the corporate credit ratings or securities analyst rankings of PPL and its securities;
- any requirement to record impairment charges pursuant to GAAP with respect to any of our significant investments;
- laws or regulations to reduce emissions of greenhouse gases or the physical effects of climate change;
- continuing ability to access fuel supply for LG&E and KU, as well as the ability to recover fuel costs and environmental expenditures in a timely manner at LG&E and KU and natural gas supply costs at LG&E;
- weather and other conditions affecting generation, transmission and distribution operations, operating costs and customer energy use;
- changes in political, regulatory or economic conditions in states, regions or countries where PPL or its subsidiaries conduct business;
- receipt of necessary governmental permits and approvals;
- new state, federal or foreign legislation or regulatory developments;

- the impact of any state, federal or foreign investigations applicable to PPL and its subsidiaries and the energy industry;
- our ability to attract and retain qualified employees;
- the effect of any business or industry restructuring;
- development of new projects, markets and technologies;
- performance of new ventures;
- business dispositions or acquisitions and our ability to realize expected benefits from such business transactions;
- collective labor bargaining negotiations; and
- the outcome of litigation against PPL and its subsidiaries.

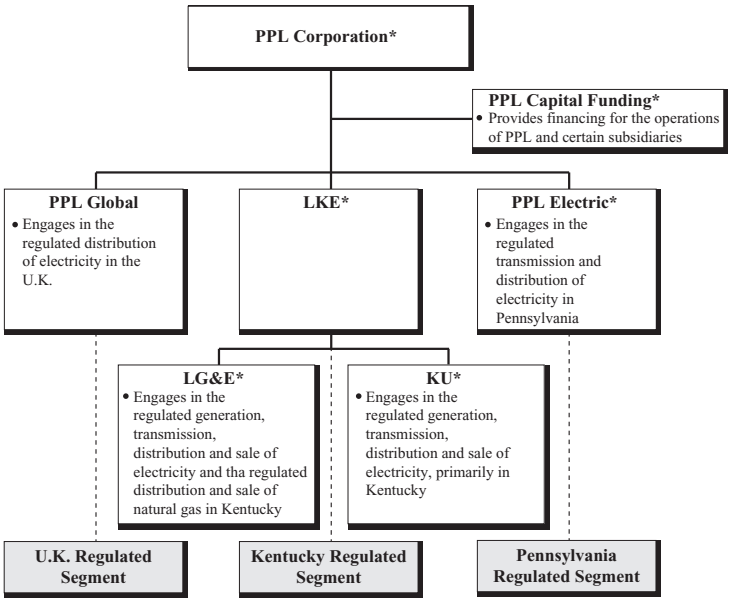
Any such forward-looking statements should be considered in light of these important factors and in conjunction with other documents we file with the SEC.

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

PPL CORPORATION

PPL Corporation, incorporated in 1994 and headquartered in Allentown, Pennsylvania, is a utility holding company. Through its regulated subsidiaries, PPL Corporation delivers electricity to customers in Pennsylvania, Kentucky, Virginia, Tennessee and the United Kingdom, and natural gas to customers in Kentucky and generates electricity from power plants in Kentucky.

PPL Corporation's principal subsidiaries are shown below (* denotes a registrant hereunder):



PPL Corporation conducts its operations through the following segments:

U.K. Regulated

The U.K. Regulated segment consists primarily of electricity distribution operations in the United Kingdom. Through its subsidiaries, as of December 31, 2017, PPL Global, LLC delivered electricity to approximately 7.9 million end-users in the United Kingdom. PPL Global, LLC is a wholly owned, indirect subsidiary of PPL Corporation.

Kentucky Regulated

The Kentucky Regulated segment consists of the operations of LKE, which owns and operates regulated public utilities engaged in the generation, transmission, distribution and sale of electricity and the distribution and sale of natural gas, representing primarily the activities of LG&E and KU. As of December 31, 2017, LG&E provided electric service to approximately 411,000 customers and provided natural gas service to approximately 326,000 customers in Kentucky, and KU delivered electricity to approximately 556,000 customers in Kentucky and Virginia. See "Louisville Gas and Electric Company" and "Kentucky Utilities Company," respectively, for more information.

Pennsylvania Regulated

PPL Corporation's Pennsylvania Regulated segment includes the regulated electricity delivery operations of PPL Electric. As of December 31, 2017, PPL Electric delivered electricity to approximately 1.4 million

customers in eastern and central Pennsylvania. See "PPL Electric Utilities Corporation" below for more information.

PPL Corporation's subsidiaries, including PPL Electric, LKE, LG&E and KU, are separate legal entities and are not liable for the debts of PPL Corporation, and PPL Corporation is not liable for the debts of its subsidiaries (other than under the PPL Guarantees of PPL Capital Funding Debt Securities and PPL Subordinated Guarantees of PPL Capital Funding Subordinated Debt Securities). None of PPL Electric, LKE, LG&E or KU will guarantee or provide other credit or funding support for the Securities to be offered by PPL Corporation pursuant to this prospectus.

PPL CAPITAL FUNDING, INC.

PPL Capital Funding is a Delaware corporation and wholly owned subsidiary of PPL Corporation. PPL Capital Funding's primary business is to provide PPL Corporation with financing for its operations. PPL Corporation will fully and unconditionally guarantee the payment of principal, premium and interest on the PPL Capital Funding Debt Securities pursuant to the PPL Guarantees and the PPL Capital Funding Subordinated Debt Securities pursuant to the PPL Subordinated Guarantees, as will be described in supplements to this prospectus.

PPL ELECTRIC UTILITIES CORPORATION

PPL Electric, headquartered in Allentown, Pennsylvania, is a wholly owned subsidiary of PPL Corporation, incorporated in Pennsylvania in 1920 and a regulated public utility that is an electricity transmission and distribution service provider in eastern and central Pennsylvania. As of December 31, 2017, PPL Electric delivered electricity to approximately 1.4 million customers in a 10,000 square mile territory in 29 counties of eastern and central Pennsylvania. PPL Electric also provides electricity supply to retail customers in this area as a provider of last resort under the Pennsylvania Electricity Generation Customer Choice and Competition Act.

PPL Electric is subject to regulation as a public utility by the Pennsylvania Public Utility Commission, and certain of its transmission activities are subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") under the Federal Power Act.

Neither PPL Corporation nor any of its subsidiaries or affiliates will guarantee or provide other credit or funding support for the Securities to be offered by PPL Electric pursuant to this prospectus.

LG&E AND KU ENERGY LLC

LKE, headquartered in Louisville, Kentucky, is a wholly owned subsidiary of PPL Corporation and a holding company that owns regulated utility operations through its subsidiaries, LG&E and KU, which constitute substantially all of LKE's assets. LG&E and KU are regulated public utilities engaged in the generation, transmission, distribution and sale of electricity. LG&E also engages in the distribution and sale of natural gas. LG&E and KU maintain separate corporate identities and serve customers in Kentucky under their respective names. KU also serves customers in Virginia under the Old Dominion Power name and in Tennessee under the KU name. LKE, formed in 2003, is the successor to a Kentucky entity formed in 1989.

See "Louisville Gas and Electric Company" and "Kentucky Utilities Company" below for additional information about LG&E and KU.

Neither PPL Corporation nor any of its subsidiaries or affiliates will guarantee or provide other credit or funding support for the Securities to be offered by LKE pursuant to this prospectus.

LOUISVILLE GAS AND ELECTRIC COMPANY

LG&E, headquartered in Louisville, Kentucky, is a wholly owned subsidiary of LKE and a regulated utility engaged in the generation, transmission, distribution and sale of electricity and distribution and sale of natural gas in Kentucky.

As of December 31, 2017, LG&E provided electric service to approximately 411,000 customers in Louisville and adjacent areas in Kentucky, covering approximately 700 square miles in nine counties and provided natural gas service to approximately 326,000 customers in its electric service area and eight additional counties in Kentucky.

LG&E is subject to regulation as a public utility by the Kentucky Public Service Commission ("KPSC"), and certain of its transmission activities are subject to the jurisdiction of the FERC under the Federal Power Act. LG&E was incorporated in 1913.

Neither PPL Corporation nor any of its subsidiaries or affiliates will guarantee or provide other credit or funding support for the Securities to be offered by LG&E pursuant to this prospectus.

KENTUCKY UTILITIES COMPANY

KU, headquartered in Lexington, Kentucky, is a wholly owned subsidiary of LKE and a regulated utility engaged in the generation, transmission, distribution and sale of electricity in Kentucky, Virginia and Tennessee.

As of December 31, 2017, KU provided electric service to approximately 525,000 customers in 77 counties in central, southeastern and western Kentucky, approximately 28,000 customers in five counties in southwestern Virginia, and three customers in Tennessee, covering approximately 4,800 non-contiguous square miles. As of December 31, 2017, KU also sold wholesale electricity to 10 municipalities in Kentucky under load following contracts. In Virginia, KU operates under the name Old Dominion Power Company.

KU is subject to regulation as a public utility by the KPSC and the Virginia State Corporation Commission, and certain of its transmission and wholesale power activities are subject to the jurisdiction of the FERC under the Federal Power Act. KU was incorporated in Kentucky in 1912 and in Virginia in 1991.

Neither PPL Corporation nor any of its subsidiaries or affiliates will guarantee or provide other credit or funding support for the Securities to be offered by KU pursuant to this prospectus.

The offices of PPL Corporation, PPL Capital Funding and PPL Electric are located at Two North Ninth Street, Allentown, Pennsylvania 18101-1179 (Telephone number (610) 774-5151).

The offices of LKE and LG&E are located at 220 West Main Street, Louisville, Kentucky 40202 (Telephone number (502) 627-2000).

The offices of KU are located at One Quality Street, Lexington, Kentucky 40507 (Telephone number (502) 627-2000).

The information above concerning PPL Corporation, PPL Capital Funding, PPL Electric, LKE, LG&E and KU and, if applicable, their respective subsidiaries is only a summary and does not purport to be comprehensive. For additional information about these companies, including certain assumptions, risks and uncertainties involved in the forward-looking statements contained or incorporated by reference in this prospectus, you should refer to the information described in "Where You Can Find More Information."

USE OF PROCEEDS

Except as otherwise described in a prospectus supplement, the net proceeds from the sale of the PPL Capital Funding Debt Securities and the PPL Capital Funding Subordinated Debt Securities will be loaned to PPL Corporation and/or its subsidiaries, and PPL Corporation and/or its subsidiaries are expected to use the proceeds of such loans, and the proceeds of the other Securities issued by PPL Corporation, for general corporate purposes, including repayment of debt. Except as otherwise described in a prospectus supplement, each of PPL Electric, LKE, LG&E and KU is expected to use the proceeds of the Securities it issues for general corporate purposes, including repayment of debt and for capital expenditures.

RATIOS OF EARNINGS TO FIXED CHARGES AND EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

PPL Corporation

The following table sets forth PPL Corporation's ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends for the periods indicated:

	Twelve Months Ended December 31,				
	2017	2016	2015 (b)	2014 (b)	2013 (b)
Ratio of earnings to fixed charges and ratio of earnings to combined fixed charges and preferred stock dividends (a)	3.1	3.8	2.8	2.8	2.4

(a) See PPL Corporation's reports on file with the SEC pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as described under "Where You Can Find More Information" for more information. PPL Corporation had no preferred securities outstanding during the periods indicated; therefore, the ratio of earnings to combined fixed charges and preferred stock dividends is the same as the ratio of earnings to fixed charges.

(b) Reflects PPL Corporation's former supply segment as discontinued operations. The supply segment substantially represented the operations of PPL Corporation's former subsidiary PPL Energy Supply, LLC, which was spun off on June 1, 2015.

PPL Electric

The following table sets forth PPL Electric's ratio of earnings to fixed charges for the periods indicated:

	Twelve Months Ended December 31,				
	2017	2016	2015	2014	2013
Ratio of earnings to fixed charges (a)	4.8	4.9	4.0	4.2	3.7

(a) See PPL Electric's reports on file with the SEC pursuant to the Exchange Act as described under "Where You Can Find More Information" for more information.

LKE

The following table sets forth LKE's ratio of earnings to fixed charges for the periods indicated.

	Twelve Months Ended December 31,				
	2017	2016	2015	2014	2013
Ratio of earnings to fixed charges (a)	4.1	4.1	4.2	4.2	4.6

(a) See LKE's reports on file with the SEC pursuant to the Exchange Act as described under "Where You Can Find More Information" for more information.

LG&E

The following table sets forth LG&E's ratio of earnings to fixed charges for the periods indicated.

	Twelve Months Ended December 31,				
	2017	2016	2015	2014	2013
Ratio of earnings to fixed charges (a)	5.5	5.3	5.9	6.3	8.1

(a) See LG&E's reports on file with the SEC pursuant to the Exchange Act as described under "Where You Can Find More Information" for more information.

KU

The following table sets forth KU's ratio of earnings to fixed charges for the periods indicated.

	Twelve Months Ended December 31,				
	2017	2016	2015	2014	2013
Ratio of earnings to fixed charges (a)	5.2	5.3	5.3	5.4	5.9

(a) See KU's reports on file with the SEC pursuant to the Exchange Act as described under "Where You Can Find More Information" for more information.

WHERE YOU CAN FIND MORE INFORMATION

Available Information

PPL Corporation, PPL Electric, LKE, LG&E and KU each file reports and other information with the SEC. You may obtain copies of this information by mail from the Public Reference Room of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. Further information on the operation of the SEC's Public Reference Room in Washington, D.C. can be obtained by calling the SEC at 1-800-SEC-0330.

PPL Corporation's Internet Web site is www.pplweb.com. Under the "Investors" heading of that website, PPL Corporation provides access to all SEC filings of PPL Corporation, PPL Electric, LKE, LG&E and KU free of charge, as soon as reasonably practicable after filing with the SEC. The information at PPL Corporation's Internet Web site is not incorporated in this prospectus by reference, and you should not consider it a part of this prospectus. Additionally, PPL Corporation's, PPL Electric's, LKE's, LG&E's and KU's filings are available at the SEC's Internet Web site (www.sec.gov).

In addition, reports, proxy statements and other information concerning PPL Corporation and PPL Electric, as applicable, can be inspected at their offices at Two North Ninth Street, Allentown, Pennsylvania 18101-1179; reports and other information concerning LKE and LG&E can be inspected at their offices at 220 West Main Street, Louisville, Kentucky 40202, and reports and other information concerning KU can be inspected at its office at One Quality Street, Lexington, Kentucky 40507.

Incorporation by Reference

Each of PPL Corporation, PPL Electric, LKE, LG&E and KU will "incorporate by reference" information into this prospectus by disclosing important information to you by referring you to another document that it files separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, and later information that we file with the SEC will automatically update and supersede that information. This prospectus incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about the registrants.

PPL Corporation

SEC Filings (File No. 1-11459)	Period/Date
Annual Report on Form 10-K	Year ended December 31, 2017
PPL Corporation's 2017 Notice of Annual Meeting and Proxy Statement (portions thereof incorporated by reference into PPL Corporation's Annual Report on Form 10-K for the year ended December 31, 2016)	Filed on April 5, 2017
Current Reports on Form 8-K	Filed on January 8, 2018 (Item 5.02 only), January 16, 2018 (Item 2.03 only) and January 18, 2018 (Item 5.02 only)
PPL Corporation's Registration Statement on Form 8-B	Filed on April 27, 1995

PPL Electric

SEC Filings (File No. 1-905)	Period/Date
Annual Report on Form 10-K	Year ended December 31, 2017

LKE

SEC Filings (File No. 333-173665)	Period/Date
Annual Report on Form 10-K	Year ended December 31, 2017
Current Report on Form 8-K	Filed on January 16, 2018 (Item 2.03 only)

LG&E

SEC Filings (File No. 1-2893)	Period/Date
Annual Report on Form 10-K	Year ended December 31, 2017
Current Report on Form 8-K	Filed on January 16, 2018 (Item 2.03 only)

KU

SEC Filings (File No. 1-3464)	Period/Date
Annual Report on Form 10-K	Year ended December 31, 2017
Current Report on Form 8-K	Filed on January 16, 2018 (Item 2.03 only)

Additional documents that PPL Corporation, PPL Electric, LKE, LG&E and KU file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, between the date of this prospectus and the termination of the offering of the Securities are also incorporated herein by reference. In addition, any additional documents that PPL Corporation, PPL Electric, LKE, LG&E or KU file with the SEC pursuant to these sections of the Exchange Act after the date of the filing of the registration statement containing this prospectus, and prior to the effectiveness of the registration statement, are also incorporated herein by reference. Unless specifically stated to the contrary, none of the information that PPL Corporation, PPL Electric, LKE, LG&E or KU files or discloses under Items 2.02 or 7.01 of any Current Report on Form 8-K that have been furnished or may from time to time be furnished with the SEC is or will be incorporated by reference into, or otherwise included in, this prospectus.

Each of PPL Corporation, PPL Electric, LKE, LG&E and KU will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus has been delivered, a copy of any and all of its filings with the SEC. You may request a copy of these filings by writing or telephoning the appropriate registrant at:

For PPL Corporation and PPL Electric:
Two North Ninth Street
Allentown, Pennsylvania 18101-1179
Attention: Treasurer
Telephone: 1-800-345-3085

For LKE and LG&E:
220 West Main Street
Louisville, Kentucky 40202
Attention: Treasurer
Telephone: 1-800-345-3085

For KU:
One Quality Street
Lexington, Kentucky 40507
Attention: Treasurer
Telephone: 1-800-345-3085

No separate financial statements of PPL Capital Funding are included herein or incorporated herein by reference. PPL Corporation and PPL Capital Funding do not consider those financial statements to be material to holders of the PPL Capital Funding Debt Securities or PPL Capital Funding Subordinated Debt Securities

because (1) PPL Capital Funding is a wholly owned subsidiary that was formed for the primary purpose of providing financing for PPL Corporation and its subsidiaries, (2) PPL Capital Funding does not currently engage in any independent operations and (3) PPL Capital Funding is a finance subsidiary and does not currently plan to engage, in the future, in more than minimal independent operations. See "PPL Capital Funding." Accordingly, PPL Corporation and PPL Capital Funding do not expect PPL Capital Funding to file such reports.

EXPERTS

The consolidated financial statements of PPL Corporation, PPL Electric Utilities Corporation and LG&E and KU Energy LLC, and the financial statements of Louisville Gas and Electric Company and Kentucky Utilities Company, and the related financial statement schedules, as of and for the years ended December 31, 2017 and December 31, 2016 incorporated in this prospectus by reference from such companies' Annual Reports on Form 10-K for the year ended December 31, 2017, and the effectiveness of PPL Corporation's internal control over financial reporting as of December 31, 2017, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of PPL Corporation, PPL Electric Utilities Corporation and LG&E and KU Energy LLC, and the financial statements of Louisville Gas and Electric Company and Kentucky Utilities Company for the year ended December 31, 2015 (including schedules) appearing in such companies' Annual Reports (Form 10-K) for the year ended December 31, 2017 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such financial statements and financial statement schedules are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

VALIDITY OF THE SECURITIES AND THE PPL GUARANTEES

Pillsbury Winthrop Shaw Pittman LLP, New York, New York, Simpson Thacher & Bartlett LLP, New York, New York or Davis Polk & Wardwell LLP, New York, New York and Frederick C. Paine, Esq., Senior Counsel of PPL Services Corporation will pass upon the validity of the Securities, the PPL Guarantees and the PPL Subordinated Guarantees for PPL Corporation, PPL Capital Funding and PPL Electric. Pillsbury Winthrop Shaw Pittman LLP and John P. Fendig, Esq. of LG&E and KU Energy LLC will pass upon the validity of any LKE, LG&E and KU Securities for those issuers. Sullivan & Cromwell LLP, New York, New York will pass upon the validity of the Securities, the PPL Guarantees and the PPL Subordinated Guarantees for any underwriters or agents. Pillsbury Winthrop Shaw Pittman LLP, Simpson Thacher & Bartlett LLP, Sullivan & Cromwell LLP and Davis Polk & Wardwell LLP will rely on the opinion of Mr. Paine as to matters involving the law of the Commonwealth of Pennsylvania and on the opinion of Mr. Fendig as to matters involving the laws of the Commonwealths of Kentucky and Virginia.

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 41 - 807 KAR 5:001 Section 16(7)(k)
Sponsoring Witness: Christopher M. Garrett

Description of Filing Requirement:

The most recent Federal Energy Regulatory Commission Form 1 (electric), Federal Energy Regulatory Commission Form 2 (gas), or Public Service Commission Form T (telephone).

Response:

See attached.

The Commission granted the request of KU in lieu of producing one copy of these documents in paper medium to file an electronic copy of the same on a physical electronic storage media when filing the remaining portions of their applications in paper medium.[5]

[5] Ibid.

THIS FILING IS	
Item 1: ☒ An Initial (Original) Submission	OR ☐ Resubmission No. ____

Form 1 Approved
OMB No.1902-0021
(Expires 11/30/2022)
Form 1-F Approved
OMB No.1902-0029
(Expires 11/30/2022)
Form 3-Q Approved
OMB No.1902-0205
(Expires 11/30/2022)

FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of Major Electric Utilities, Licensees and Others and Supplemental Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)	**Year/Period of Report**
Kentucky Utilities Company	**End of** 2019/Q4

INSTRUCTIONS FOR FILING FERC FORM NOS. 1 and 3-Q

GENERAL INFORMATION

I. Purpose

FERC Form No. 1 (FERC Form 1) is an annual regulatory requirement for Major electric utilities, licensees and others (18 C.F.R. § 141.1). FERC Form No. 3-Q (FERC Form 3-Q)is a quarterly regulatory requirement which supplements the annual financial reporting requirement (18 C.F.R. § 141.400). These reports are designed to collect financial and operational information from electric utilities, licensees and others subject to the jurisdiction of the Federal Energy Regulatory Commission. These reports are also considered to be non-confidential public use forms.

II. Who Must Submit

Each Major electric utility, licensee, or other, as classified in the Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject To the Provisions of The Federal Power Act (18 C.F.R. Part 101), must submit FERC Form 1 (18 C.F.R. § 141.1), and FERC Form 3-Q (18 C.F.R. § 141.400).

Note: Major means having, in each of the three previous calendar years, sales or transmission service that exceeds one of the following:

(1) one million megawatt hours of total annual sales,
(2) 100 megawatt hours of annual sales for resale,
(3) 500 megawatt hours of annual power exchanges delivered, or
(4) 500 megawatt hours of annual wheeling for others (deliveries plus losses).

III. What and Where to Submit

(a) Submit FERC Forms 1 and 3-Q electronically through the forms submission software. Retain one copy of each report for your files. Any electronic submission must be created by using the forms submission software provided free by the Commission at its web site: http://www.ferc.gov/docs-filing/forms/form-1/elec-subm-soft.asp. The software is used to submit the electronic filing to the Commission via the Internet.

(b) The Corporate Officer Certification must be submitted electronically as part of the FERC Forms 1 and 3-Q filings.

(c) Submit immediately upon publication, by either eFiling or mail, two (2) copies to the Secretary of the Commission, the latest Annual Report to Stockholders. Unless eFiling the Annual Report to Stockholders, mail the stockholders report to the Secretary of the Commission at:

Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

(d) For the CPA Certification Statement, submit within 30 days after filing the FERC Form 1, a letter or report (not applicable to filers classified as Class C or Class D prior to January 1, 1984). The CPA Certification Statement can be either eFiled or mailed to the Secretary of the Commission at the address above.

The CPA Certification Statement should:

a) Attest to the conformity, in all material aspects, of the below listed (schedules and pages) with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases), and

b) Be signed by independent certified public accountants or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the U. S. (See 18 C.F.R. §§ 41.10-41.12 for specific qualifications.)

Reference Schedules	Pages
Comparative Balance Sheet	110-113
Statement of Income	114-117
Statement of Retained Earnings	118-119
Statement of Cash Flows	120-121
Notes to Financial Statements	122-123

e) The following format must be used for the CPA Certification Statement unless unusual circumstances or conditions, explained in the letter or report, demand that it be varied. Insert parenthetical phrases only when exceptions are reported.

"In connection with our regular examination of the financial statements of _____ for the year ended on which we have reported separately under date of _____ , we have also reviewed schedules _____of FERC Form No. 1 for the year filed with the Federal Energy Regulatory Commission, for conformity in all material respects with the requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases. Our review for this purpose included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Based on our review, in our opinion the accompanying schedules identified in the preceding paragraph (except as noted below) conform in all material respects with the accounting requirements of the Federal Energy Regulatory Commission as set forth in its applicable Uniform System of Accounts and published accounting releases."

The letter or report must state which, if any, of the pages above do not conform to the Commission's requirements. Describe the discrepancies that exist.

(f) Filers are encouraged to file their Annual Report to Stockholders, and the CPA Certification Statement using eFiling. To further that effort, new selections, "Annual Report to Stockholders," and "CPA Certification Statement" have been added to the dropdown "pick list" from which companies must choose when eFiling. Further instructions are found on the Commission's website at http://www.ferc.gov/help/how-to.asp.

(g) Federal, State and Local Governments and other authorized users may obtain additional blank copies of FERC Form 1 and 3-Q free of charge from http://www.ferc.gov/docs-filing/forms/form-1/form-1.pdf and http://www.ferc.gov/docs-filing/forms.asp#3Q-gas .

IV. When to Submit:

FERC Forms 1 and 3-Q must be filed by the following schedule:

a) FERC Form 1 for each year ending December 31 must be filed by April 18th of the following year (18 CFR § 141.1), and

b) FERC Form 3-Q for each calendar quarter must be filed within 60 days after the reporting quarter (18 C.F.R. § 141.400).

V. Where to Send Comments on Public Reporting Burden.

The public reporting burden for the FERC Form 1 collection of information is estimated to average 1,168 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data-needed, and completing and reviewing the collection of information. The public reporting burden for the FERC Form 3-Q collection of information is estimated to average 168 hours per response.

Send comments regarding these burden estimates or any aspect of these collections of information, including suggestions for reducing burden, to the Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC 20426 (Attention: Information Clearance Officer); and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission). No person shall be subject to any penalty if any collection of information does not display a valid control number (44 U.S.C. § 3512 (a)).

GENERAL INSTRUCTIONS

I. Prepare this report in conformity with the Uniform System of Accounts (18 CFR Part 101) (USofA). Interpret all accounting words and phrases in accordance with the USofA.

II. Enter in whole numbers (dollars or MWH) only, except where otherwise noted. (Enter cents for averages and figures per unit where cents are important. The truncating of cents is allowed except on the four basic financial statements where rounding is required.) The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support. When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting period, and use for statement of income accounts the current year's year to date amounts.

III Complete each question fully and accurately, even if it has been answered in a previous report. Enter the word "None" where it truly and completely states the fact.

IV. For any page(s) that is not applicable to the respondent, omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3.

V. Enter the month, day, and year for all dates. Use customary abbreviations. **The "Date of Report" included in the header of each page is to be completed only for resubmissions** (see VII. below).

VI. Generally, except for certain schedules, all numbers, whether they are expected to be debits or credits, must be reported as positive. Numbers having a sign that is different from the expected sign must be reported by enclosing the numbers in parentheses.

VII For any resubmissions, submit the electronic filing using the form submission software only. Please explain the reason for the resubmission in a footnote to the data field.

VIII. Do not make references to reports of previous periods/years or to other reports in lieu of required entries, except as specifically authorized.

IX. Wherever (schedule) pages refer to figures from a previous period/year, the figures reported must be based upon those shown by the report of the previous period/year, or an appropriate explanation given as to why the different figures were used.

Definitions for statistical classifications used for completing schedules for transmission system reporting are as follows:

FNS - Firm Network Transmission Service for Self. "Firm" means service that can not be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff. "Self" means the respondent.

FNO - Firm Network Service for Others. "Firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Network Service" is Network Transmission Service as described in Order No. 888 and the Open Access Transmission Tariff.

LFP - for Long-Term Firm Point-to-Point Transmission Reservations. "Long-Term" means one year or longer and” firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. "Point-to-Point Transmission Reservations" are described in Order No. 888 and the Open Access Transmission Tariff. For all transactions identified as LFP, provide in a footnote the

termination date of the contract defined as the earliest date either buyer or seller can unilaterally cancel the contract.

OLF - Other Long-Term Firm Transmission Service. Report service provided under contracts which do not conform to the terms of the Open Access Transmission Tariff. "Long-Term" means one year or longer and “firm” means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions. For all transactions identified as OLF, provide in a footnote the termination date of the contract defined as the earliest date either buyer or seller can unilaterally get out of the contract.

SFP - Short-Term Firm Point-to-Point Transmission Reservations. Use this classification for all firm point-to-point transmission reservations, where the duration of each period of reservation is less than one-year.

NF - Non-Firm Transmission Service, where firm means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions.

OS - Other Transmission Service. Use this classification only for those services which can not be placed in the above-mentioned classifications, such as all other service regardless of the length of the contract and service FERC Form. Describe the type of service in a footnote for each entry.

AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment.

DEFINITIONS

I. Commission Authorization (Comm. Auth.) -- The authorization of the Federal Energy Regulatory Commission, or any other Commission. Name the commission whose authorization was obtained and give date of the authorization.

II. Respondent -- The person, corporation, licensee, agency, authority, or other Legal entity or instrumentality in whose behalf the report is made.

EXCERPTS FROM THE LAW

Federal Power Act, 16 U.S.C. § 791a-825r

Sec. 3. The words defined in this section shall have the following meanings for purposes of this Act, to with:

(3) ’Corporation' means any corporation, joint-stock company, partnership, association, business trust, organized group of persons, whether incorporated or not, or a receiver or receivers, trustee or trustees of any of the foregoing. It shall not include 'municipalities, as hereinafter defined;

(4) 'Person' means an individual or a corporation;

(5) 'Licensee, means any person, State, or municipality Licensed under the provisions of section 4 of this Act, and any assignee or successor in interest thereof;

(7) 'municipality means a city, county, irrigation district, drainage district, or other political subdivision or agency of a State competent under the Laws thereof to carry and the business of developing, transmitting, unitizing, or distributing power; .....

(11) "project' means. a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures (including navigation structures) which are a part of said unit, and all storage, diverting, or fore bay reservoirs directly connected therewith, the primary line or lines transmitting power there from to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water rights, rights-of-way, ditches, dams, reservoirs, Lands, or interest in Lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit;

"Sec. 4. The Commission is hereby authorized and empowered

(a) To make investigations and to collect and record data concerning the utilization of the water 'resources of any region to be developed, the water-power industry and its relation to other industries and to interstate or foreign commerce, and concerning the location, capacity, development -costs, and relation to markets of power sites; ... to the extent the Commission may deem necessary or useful for the purposes of this Act."

"Sec. 304. (a) Every Licensee and every public utility shall file with the Commission such annual and other periodic or special* reports as the Commission may be rules and regulations or other prescribe as necessary or appropriate to assist the Commission in the -proper administration of this Act. The Commission may prescribe the manner and FERC Form in which such reports salt be made, and require from such persons specific answers to all questions upon which the Commission may need information. The Commission may require that such reports shall include, among other things, full information as to assets and Liabilities, capitalization, net investment, and reduction thereof, gross receipts, interest due and paid, depreciation, and other reserves, cost of project and other facilities, cost of maintenance and operation of the project and other facilities, cost of renewals and replacement of the project works and other facilities, depreciation, generation, transmission, distribution, delivery, use, and sale of electric energy. The Commission may require any such person to make adequate provision for currently determining such costs and other facts. Such reports shall be made under oath unless the Commission otherwise specifies*.10

"Sec. 309. The Commission shall have power to perform any and all acts, and to prescribe, issue, make, and rescind such orders, rules and regulations as it may find necessary or appropriate to carry out the provisions of this Act. Among other things, such rules and regulations may define accounting, technical, and trade terms used in this Act; and may prescribe the FERC Form or FERC Forms of all statements, declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and the time within which they shall be field..."

General Penalties

The Commission may assess up to $1 million per day per violation of its rules and regulations. *See* FPA § 316(a) (2005), 16 U.S.C. § 825o(a).

FERC FORM NO. 1/3-Q:
REPORT OF MAJOR ELECTRIC UTILITIES, LICENSEES AND OTHER

IDENTIFICATION

01 Exact Legal Name of Respondent Kentucky Utilities Company	02 Year/Period of Report End of 2019/Q4
03 Previous Name and Date of Change *(if name changed during year)* / /	
04 Address of Principal Office at End of Period *(Street, City, State, Zip Code)* One Quality Street, Lexington, KY 40507	
05 Name of Contact Person Drew T. McCombs	06 Title of Contact Person Mgr-Financial Reporting
07 Address of Contact Person *(Street, City, State, Zip Code)* 220 West Main Street, Louisville, KY 40202	

08 Telephone of Contact Person,*Including Area Code* (502) 627-4643	09 This Report Is (1) ☒ An Original (2) ☐ A Resubmission	10 Date of Report *(Mo, Da, Yr)* / /

ANNUAL CORPORATE OFFICER CERTIFICATION

The undersigned officer certifies that:

I have examined this report and to the best of my knowledge, information, and belief all statements of fact contained in this report are correct statements of the business affairs of the respondent and the financial statements, and other financial information contained in this report, conform in all material respects to the Uniform System of Accounts.

01 Name Kent W. Blake	03 Signature	04 Date Signed *(Mo, Da, Yr)*
02 Title Chief Financial Officer	Kent W. Blake	03/25/2020

Title 18, U.S.C. 1001 makes it a crime for any person to knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LIST OF SCHEDULES (Electric Utility)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
1	General Information	101	
2	Control Over Respondent	102	
3	Corporations Controlled by Respondent	103	None
4	Officers	104	
5	Directors	105	
6	Information on Formula Rates	106(a)(b)	
7	Important Changes During the Year	108-109	
8	Comparative Balance Sheet	110-113	
9	Statement of Income for the Year	114-117	
10	Statement of Retained Earnings for the Year	118-119	
11	Statement of Cash Flows	120-121	
12	Notes to Financial Statements	122-123	
13	Statement of Accum Comp Income, Comp Income, and Hedging Activities	122(a)(b)	None
14	Summary of Utility Plant & Accumulated Provisions for Dep, Amort & Dep	200-201	
15	Nuclear Fuel Materials	202-203	None
16	Electric Plant in Service	204-207	
17	Electric Plant Leased to Others	213	None
18	Electric Plant Held for Future Use	214	
19	Construction Work in Progress-Electric	216	
20	Accumulated Provision for Depreciation of Electric Utility Plant	219	
21	Investment of Subsidiary Companies	224-225	
22	Materials and Supplies	227	
23	Allowances	228(ab)-229(ab)	
24	Extraordinary Property Losses	230	None
25	Unrecovered Plant and Regulatory Study Costs	230	None
26	Transmission Service and Generation Interconnection Study Costs	231	
27	Other Regulatory Assets	232	
28	Miscellaneous Deferred Debits	233	
29	Accumulated Deferred Income Taxes	234	
30	Capital Stock	250-251	
31	Other Paid-in Capital	253	
32	Capital Stock Expense	254	
33	Long-Term Debt	256-257	
34	Reconciliation of Reported Net Income with Taxable Inc for Fed Inc Tax	261	
35	Taxes Accrued, Prepaid and Charged During the Year	262-263	
36	Accumulated Deferred Investment Tax Credits	266-267	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
37	Other Deferred Credits	269	
38	Accumulated Deferred Income Taxes-Accelerated Amortization Property	272-273	None
39	Accumulated Deferred Income Taxes-Other Property	274-275	
40	Accumulated Deferred Income Taxes-Other	276-277	
41	Other Regulatory Liabilities	278	
42	Electric Operating Revenues	300-301	
43	Regional Transmission Service Revenues (Account 457.1)	302	None
44	Sales of Electricity by Rate Schedules	304	
45	Sales for Resale	310-311	
46	Electric Operation and Maintenance Expenses	320-323	
47	Purchased Power	326-327	
48	Transmission of Electricity for Others	328-330	
49	Transmission of Electricity by ISO/RTOs	331	None
50	Transmission of Electricity by Others	332	
51	Miscellaneous General Expenses-Electric	335	
52	Depreciation and Amortization of Electric Plant	336-337	
53	Regulatory Commission Expenses	350-351	
54	Research, Development and Demonstration Activities	352-353	
55	Distribution of Salaries and Wages	354-355	
56	Common Utility Plant and Expenses	356	None
57	Amounts included in ISO/RTO Settlement Statements	397	
58	Purchase and Sale of Ancillary Services	398	
59	Monthly Transmission System Peak Load	400	
60	Monthly ISO/RTO Transmission System Peak Load	400a	None
61	Electric Energy Account	401	
62	Monthly Peaks and Output	401	
63	Steam Electric Generating Plant Statistics	402-403	
64	Hydroelectric Generating Plant Statistics	406-407	
65	Pumped Storage Generating Plant Statistics	408-409	None
66	Generating Plant Statistics Pages	410-411	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LIST OF SCHEDULES (Electric Utility) (continued)

Enter in column (c) the terms "none," "not applicable," or "NA," as appropriate, where no information or amounts have been reported for certain pages. Omit pages where the respondents are "none," "not applicable," or "NA".

Line No.	Title of Schedule (a)	Reference Page No. (b)	Remarks (c)
67	Transmission Line Statistics Pages	422-423	
68	Transmission Lines Added During the Year	424-425	None
69	Substations	426-427	
70	Transactions with Associated (Affiliated) Companies	429	
71	Footnote Data	450	
	Stockholders' Reports Check appropriate box: [ ] Two copies will be submitted [X] No annual report to stockholders is prepared		

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	*(Mo, Da, Yr)* / /	End of 2019/Q4

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Kent W. Blake, Chief Financial Officer
220 West Main Street
Louisville, KY 40202

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

Kentucky August 17, 1912
Virginia December 1, 1991

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

Not Applicable

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Respondent furnished electric services in Kentucky and Virginia.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

(1) [ ] Yes...Enter the date when such independent accountant was initially engaged:
(2) [X] No

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	*(Mo, Da, Yr)* / /	End of 2019/Q4

CONTROL OVER RESPONDENT

1. If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the repondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiearies for whom trust was maintained, and purpose of the trust.

Kentucky Utilities Company (KU) is a wholly-owned subsidiary of LG&E and KU Energy LLC (LKE). LKE is a wholly-owned subsidiary of PPL Corporation (PPL), based in Allentown, PA.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts, and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.

Definitions
1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Line No.	Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)	Footnote Ref. (d)
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OFFICERS

1. Report below the name, title and salary for each executive officer whose salary is $50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Line No.	Title (a)	Name of Officer (b)	Salary for Year (c)
1	EXECUTIVE OFFICERS AT DECEMBER 31, 2019		
2			
3	Chairman of the Board, Chief Executive Officer		
4	and President	Paul W. Thompson	
5	Chief Operating Officer	Lonnie E. Bellar	
6	Chief Financial Officer	Kent W. Blake	
7	General Counsel, Chief Compliance Officer and		
8	Corporate Secretary	John R. Crockett III	
9	Vice President-Human Resources	Gregory J. Meiman	
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Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 104 Line No.: 4 Column: c

Salary information for all officers is on file in the office of the respondent.

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) / /	End of 2019/Q4

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Line No.	Name (and Title) of Director (a)	Principal Business Address (b)
1	BOARD OF DIRECTORS AT DECEMBER 31, 2019	
2		
3	Paul W. Thompson, Chairman of the Board, Chief	
4	Executive Officer and President	220 West Main Street, Louisville, KY 40202
5	Lonnie E. Bellar, Chief Operating Officer	220 West Main Street, Louisville, KY 40202
6	Kent W. Blake, Chief Financial Officer	220 West Main Street, Louisville, KY 40202
7	William H. Spence, Chairman and Chief Executive	
8	Officer of PPL	2 North Ninth Street, Allentown, PA 18101
9	Vincent Sorgi, President and Chief Operating Officer of PPL	2 North Ninth Street, Allentown, PA 18101
10	Joseph P. Bergstein, Jr., Senior Vice President and	
11	Chief Financial Officer of PPL	2 North Ninth Street, Allentown, PA 18101
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent have formula rates?	[X] Yes [ ] No

1. Please list the Commission accepted formula rates including FERC Rate Schedule or Tariff Number and FERC proceeding (i.e. Docket No) accepting the rate(s) or changes in the accepted rate.

Line No.	FERC Rate Schedule or Tariff Number	FERC Proceeding
1	Open Access Transmission Tariff (OATT)	
2	Attachment O - Schedules 7, 8, and 10	Docket No. ER19-984-000
3		
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9	Schedule 1	Docket No. ER16-1543-000
10	Schedule 4	Docket No. ER17-588-000
11	Schedule 9	Docket No. ER17-588-000
12	Wholesale Generation Requirements (Municipals)	
13	185 vs. 15.0.0 - City of Bardstown	Docket No. ER19-2720-000
14	157 vs. 15.0.0 - City of Nicholasville	Docket No. ER19-2720-000
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24	Wholesale Other	
25	408 vs. 1.0.0 - Appalachian Power Co.	Docket No. ER16-1349-000
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Name of Respondent Kentucky Utilities Company	This Report is: (1) X An Original (2) __ A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2019/Q4
FOOTNOTE DATA			

Schedule Page: 106 Line No.: 25 Column: a
High Knob Borderline Agreement

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

INFORMATION ON FORMULA RATES
FERC Rate Schedule/Tariff Number FERC Proceeding

Does the respondent file with the Commission annual (or more frequent) filings containing the inputs to the formula rate(s)? [X] Yes [ ] No

2. If yes, provide a listing of such filings as contained on the Commission's eLibrary website

Line No.	Accession No.	Document Date \ Filed Date	Docket No.	Description	Formula Rate FERC Rate Schedule Number or Tariff Number
1					
2	20190315-5270	03/15/2019	ER19-1361-000	Annual Informational	Attachment O - Schedules 7, 8 and 10
3				Attachment O Filing	
4		06/01/2019	ER19-984-000	Filing to Incorporate Reduction to Tax	Attachment O - Schedules 7, 8 and 10
5				Rates Provided For In Note K	
6				of Attachment O: (1) TCJA and	
7				(2) the State Income Tax	
8				Rate	
9	See Line 2				Schedule 1
10	Not applicable			Schedule Does Not Use Form 1 Inputs	Schedule 4
11	Not applicable			Schedule Does Not Use Form 1 Inputs	Schedule 9
12					
13	20190501-5231	05/01/2019	ER18-1799-000	Informational Filing of Annual Update	Wholesale Generation Requirements
14				to Formula Charges [Cities of	Rate Schedules 185 and 157
15				Bardstown and Nicholasville] of	
16				Kentucky Utilities Company	
17			ER19-2720-000	Amended Rate Schedules	Wholesale Generation Requirements
18				Nos 185 and 157 to Allow	Rate Schedules 185 and 157
19				Bardstown and Nicholasville to	
20				Request Delivery of Energy They	
21				Have Purchased As Preference	
22				Customers of the Southeastern	
23				Power Administration	
24					
25	Not applicable			Rates Are Not Changed Unless the	Wholesale Other Rate Schedule 408
26				Company Initiates a Section 205 Filing	
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

INFORMATION ON FORMULA RATES
Formula Rate Variances

1. If a respondent does not submit such filings then indicate in a footnote to the applicable Form 1 schedule where formula rate inputs differ from amounts reported in the Form 1.
2. The footnote should provide a narrative description explaining how the "rate" (or billing) was derived if different from the reported amount in the Form 1.
3. The footnote should explain amounts excluded from the ratebase or where labor or other allocation factors, operating expenses, or other items impacting formula rate inputs differ from amounts reported in Form 1 schedule amounts.
4. Where the Commission has provided guidance on formula rate inputs, the specific proceeding should be noted in the footnote.

Line No.	Page No(s).	Schedule	Column	Line No
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Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

IMPORTANT CHANGES DURING THE QUARTER/YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise, and number them in accordance with the inquiries. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.
2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.
3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.
5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.
7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.
8. State the estimated annual effect and nature of any important wage scale changes during the year.
9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.
10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder reported on Page 104 or 105 of the Annual Report Form No. 1, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.
11. (Reserved.)
12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page.
13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.
14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

PAGE 108 INTENTIONALLY LEFT BLANK
SEE PAGE 109 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

1. None.

2. None.

3. None.

4. None of a material nature.

5. On July 19, 2019, in Tennessee Public Utility Commission Docket 19-00001, KU received approval to abandon its service territory in Tennessee. KU previously served four customers with approximate annual revenues of $7,000 in Tennessee.

6. KU received FERC authorization in FERC Docket No. ES19-52-000 for up to $500 million in the form of money pool debt, commercial paper or any other type of short-term loan through November 30, 2021. KU's money pool balance was zero at December 31, 2019 and December 31, 2018. KU's commercial paper program limit of $350 million was established on April 30, 2013. As of December 31, 2019, and December 31, 2018, the outstanding commercial paper balance is $150 million and $235 million, respectively.

   KU had a letter of credit facility totaling $198 million expiring September 24, 2020. The facility was approved by Kentucky Public Service Commission Order in Case No. 2008-00309 on September 16, 2008, and by the Virginia State Corporation Commission on August 29, 2008, in Case No. PUE-2008-00077. On September 3, 2019, KU terminated this letter of credit facility.

   KU has a revolving credit facility totaling $400 million. The facility was approved by the Kentucky Public Service Commission Order, Case No. 2015-00137 on July 2, 2015 and by the Virginia State Corporation Commission on June 18, 2015, in Case No. PUE-2014-00031. The Kentucky Public Service Commission approved an extension of the credit facility in Case No. 2018-00153 on June 27, 2018. The Virginia State Corporation Commission authorized an extension of the facility under Case No. PUE-2018-00076 on July 5, 2018. On March 8, 2019, KU amended this revolving credit facility to extend the termination date from January 26, 2023 to January 26, 2024. There were no borrowings outstanding under this facility at December 31, 2019 and December 31, 2018.

   KU received authorization to issue up to $400 million in long-term debt from the Kentucky Public Service Commission Order, Case No. 2018-00153 on June 27, 2018 and from the Virginia State Corporation Commission on July 5, 2018, in Case No. PUR-2018-00076. In April 2019, KU reopened its 4.375% First Mortgage Bonds due 2045 and issued an additional $300 million of this series. KU received proceeds of $303 million, including premiums and underwriting fees, which were used to repay commercial paper and for other general corporate purposes.

   In September 2019, the County of Carroll, Kentucky remarketed $50 million of Environmental Facilities Revenue Bonds, 2004 Series A due 2034 previously issued on behalf of KU. The bonds were remarketed at a long-term rate and will bear interest at 1.75% through their mandatory purchase date of September 1, 2026.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

In September 2019, the County of Carroll, Kentucky remarketed $96 million of Pollution Control Revenue Bonds, 2016 Series A due 2042 previously issued on behalf of KU. The bonds were remarketed at a long-term rate and will bear interest at 1.55% through their mandatory purchase date of September 1, 2026.

In September 2019, the County of Carroll, Kentucky remarketed $54 million of Environmental Facilities Revenue Bonds, 2006 Series B due 2034 previously issued on behalf of KU. The bonds were remarketed at a long-term rate and will bear interest at 1.20% through their mandatory purchase date of June 1, 2021.

In September 2019, the County of Carroll, Kentucky remarketed $78 million of Environmental Facilities Revenue Bonds, 2008 Series A due 2032 previously issued on behalf of KU. The bonds were remarketed at a long-term rate and will bear interest at 1.20% through their mandatory purchase date of June 1, 2021.

In September 2019, the County of Mercer, Kentucky remarketed $13 million of Solid Waste Disposal Facility Revenue Bonds, 2000 Series A due 2023 previously issued on behalf of KU. The bonds were remarketed at a long-term rate and will bear interest at 1.30% through their maturity date of May 1, 2023.

7. None.

8. During the first quarter of 2019, exempt and non-exempt employees received routine wage increases in accordance with annual salary reviews. During the second quarter of 2019, KU USW and KU IBEW negotiated a wage increase of 2.5%, effective July 22, 2019. Additionally, the KU hourly employees received an annual increase of 2.5%, effective July 22, 2019.

9. See Notes 5 and 10 of Notes to Financial Statements on page 123.

10. None.

11. N/A

12. See Notes to Financial Statements on page 123.

13. John P. Malloy, Vice President, Gas Distribution, retired, effective November 8, 2019.

Tom A. Jessee, Vice President, Transmission, was named Vice President, Gas Operations, effective January 1, 2020.

Beth J. McFarland, Vice President, Customer Services, was named Vice President, Transmission, effective January 1, 2020.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
IMPORTANT CHANGES DURING THE QUARTER/YEAR (Continued)			

Eileen L. Saunders, Director, Safety and Technical Training, was named Vice President, Customer Services, effective January 1, 2020.

Vincent Sorgi, PPL Executive Vice President and Chief Financial Officer, was named President and Chief Operating Officer, effective July 1, 2019.

Joseph P. Bergstein, Jr, PPL Vice President-Investor Relations, was named Senior Vice President and Chief Financial Officer

William H. Spence, PPL Chairman and Chief Executive Officer, announced his retirement effective May 31, 2020 and will become Non-Executive Chairman of PPL's board of directors. Vincent Sorgi, PPL President and Chief Operating Officer, was named President and Chief Executive Officer, effective June 1, 2020.

Ralph Bowling, Vice President, Power Generation announced his retirement effective May 1, 2020. Steve Turner, General Manager, Ghent Station, was named Vice President, Power Generation, effective March 23, 2020.

14. KU is a participant in a cash pooling arrangement, but its proprietary capital ratio is above 30 percent.

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	*(Mo, Da, Yr)* / /	End of 2019/Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	**UTILITY PLANT**			
2	Utility Plant (101-106, 114)	200-201	9,880,639,710	9,559,622,667
3	Construction Work in Progress (107)	200-201	495,780,054	502,916,453
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		10,376,419,764	10,062,539,120
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	3,464,339,891	3,429,322,259
6	Net Utility Plant (Enter Total of line 4 less 5)		6,912,079,873	6,633,216,861
7	Nuclear Fuel in Process of Ref., Conv.,Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		6,912,079,873	6,633,216,861
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	**OTHER PROPERTY AND INVESTMENTS**			
18	Nonutility Property (121)		657,564	612,836
19	(Less) Accum. Prov. for Depr. and Amort. (122)		0	0
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	250,000	250,000
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		0	0
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		30,690,208	0
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets – Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		31,597,772	862,836
33	**CURRENT AND ACCRUED ASSETS**			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		9,833,693	12,611,870
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		58,730	61,030
38	Temporary Cash Investments (136)		2,285,927	960,025
39	Notes Receivable (141)		700,740	0
40	Customer Accounts Receivable (142)		140,210,928	130,948,341
41	Other Accounts Receivable (143)		25,791,511	33,150,250
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		1,450,900	1,603,257
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		570	2
45	Fuel Stock (151)	227	63,279,741	56,182,929
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	60,430,620	55,639,905
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	0	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	125,578	127,771

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) ☒ An Original (2) ☐ A Resubmission	*(Mo, Da, Yr)* / /	End of 2019/Q4

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	4,274,232	9,836,645
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		19,121,367	16,889,824
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	44,300
60	Rents Receivable (172)		1,308,141	548,853
61	Accrued Utility Revenues (173)		87,971,211	91,735,423
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		413,942,089	407,133,911
68	**DEFERRED DEBITS**			
69	Unamortized Debt Expenses (181)		18,127,140	16,624,735
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	426,210,642	446,191,303
73	Prelim. Survey and Investigation Charges (Electric) (183)		2,449,503	3,570,638
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	0
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		-36,111	0
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	59,165,311	51,407,634
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	658,956	971,521
81	Unamortized Loss on Reaquired Debt (189)		9,294,441	8,498,364
82	Accumulated Deferred Income Taxes (190)	234	313,445,798	332,076,723
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		829,315,680	859,340,918
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		8,186,935,414	7,900,554,526

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 110 Line No.: 28 Column: c

Balance represents prepaid pension.

Name of Respondent	This Report is:	Date of Report *(mo, da, yr)*	Year/Period of Report
Kentucky Utilities Company	(1) [x] An Original (2) [ ] A Resubmission	/ /	end of 2019/Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	308,139,978	308,139,978
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		0	0
7	Other Paid-In Capital (208-211)	253	696,858,083	628,858,083
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	321,289	321,289
11	Retained Earnings (215, 215.1, 216)	118-119	1,962,485,402	1,898,449,904
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	0	0
16	Total Proprietary Capital (lines 2 through 15)		2,967,162,174	2,835,126,676
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	2,641,852,405	2,341,852,405
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	0	0
22	Unamortized Premium on Long-Term Debt (225)		5,377,756	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		7,489,452	8,028,097
24	Total Long-Term Debt (lines 18 through 23)		2,639,740,709	2,333,824,308
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		22,733,605	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		3,336,648	2,956,059
29	Accumulated Provision for Pensions and Benefits (228.3)		20,244,990	32,200,381
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		141,909,343	199,407,981
35	Total Other Noncurrent Liabilities (lines 26 through 34)		188,224,586	234,564,421
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		149,934,887	235,079,778
38	Accounts Payable (232)		133,050,063	181,224,962
39	Notes Payable to Associated Companies (233)		0	0
40	Accounts Payable to Associated Companies (234)		51,685,327	53,103,480
41	Customer Deposits (235)		31,492,745	31,967,926
42	Taxes Accrued (236)	262-263	26,106,354	23,887,526
43	Interest Accrued (237)		19,982,288	16,266,827
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent	This Report is:	Date of Report *(mo, da, yr)*	Year/Period of Report
Kentucky Utilities Company	(1) [x] An Original (2) [ ] A Resubmission	/ /	end of 2019/Q4

COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		4,188,864	4,093,916
48	Miscellaneous Current and Accrued Liabilities (242)		19,893,364	19,134,885
49	Obligations Under Capital Leases-Current (243)		9,610,613	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		445,944,505	564,759,300
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		4,891,559	1,343,082
57	Accumulated Deferred Investment Tax Credits (255)	266-267	90,078,098	91,624,050
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	117,420	1,347,032
60	Other Regulatory Liabilities (254)	278	745,640,720	770,939,990
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	0	0
63	Accum. Deferred Income Taxes-Other Property (282)		952,459,720	913,660,553
64	Accum. Deferred Income Taxes-Other (283)		152,675,923	153,365,114
65	Total Deferred Credits (lines 56 through 64)		1,945,863,440	1,932,279,821
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		8,186,935,414	7,900,554,526

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENT OF INCOME

Quarterly
1. Report in column (c) the current year to date balance. Column (c) equals the total of adding the data in column (g) plus the data in column (i) plus the data in column (k). Report in column (d) similar data for the previous year. This information is reported in the annual filing only.
2. Enter in column (e) the balance for the reporting quarter and in column (f) the balance for the same three month period for the prior year.
3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in column (k) the quarter to date amounts for other utility function for the current year quarter.
4. Report in column (h) the quarter to date amounts for electric utility function; in column (j) the quarter to date amounts for gas utility, and in column (l) the quarter to date amounts for other utility function for the prior year quarter.
5. If additional columns are needed, place them in a footnote.

Annual or Quarterly if applicable
5. Do not report fourth quarter data in columns (e) and (f)
6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility columnin a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.
7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.

Line No.	Title of Account (a)	(Ref.) Page No. (b)	Total Current Year to Date Balance for Quarter/Year (c)	Total Prior Year to Date Balance for Quarter/Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
1	UTILITY OPERATING INCOME					
2	Operating Revenues (400)	300-301	1,739,801,102	1,759,605,385		
3	Operating Expenses					
4	Operation Expenses (401)	320-323	749,617,770	826,317,099		
5	Maintenance Expenses (402)	320-323	142,961,244	143,871,371		
6	Depreciation Expense (403)	336-337	288,636,282	254,858,841		
7	Depreciation Expense for Asset Retirement Costs (403.1)	336-337				
8	Amort. & Depl. of Utility Plant (404-405)	336-337	17,183,580	18,378,651		
9	Amort. of Utility Plant Acq. Adj. (406)	336-337				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)					
11	Amort. of Conversion Expenses (407)					
12	Regulatory Debits (407.3)		9,336,712	5,173,651		
13	(Less) Regulatory Credits (407.4)					
14	Taxes Other Than Income Taxes (408.1)	262-263	45,459,729	43,930,185		
15	Income Taxes - Federal (409.1)	262-263	36,049,104	23,379,362		
16	- Other (409.1)	262-263	4,938,881	6,351,854		
17	Provision for Deferred Income Taxes (410.1)	234, 272-277	199,243,965	189,340,010		
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)	234, 272-277	157,618,015	139,057,997		
19	Investment Tax Credit Adj. - Net (411.4)	266	432,019			
20	(Less) Gains from Disp. of Utility Plant (411.6)					
21	Losses from Disp. of Utility Plant (411.7)					
22	(Less) Gains from Disposition of Allowances (411.8)		111,111	62,535		
23	Losses from Disposition of Allowances (411.9)					
24	Accretion Expense (411.10)					
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)		1,336,130,160	1,372,480,492		
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg117,line 27		403,670,942	387,124,893		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENT OF INCOME FOR THE YEAR (Continued)

9. Use page 122 for important notes regarding the statement of income for any account thereof.
10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refund to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.
11 Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purches, and a summary of the adjustments made to balance sheet, income, and expense accounts.
12. If any notes appearing in the report to stokholders are applicable to the Statement of Income, such notes may be included at page 122.
13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.
14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.
15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No.
Current Year to Date (in dollars) (g)	Previous Year to Date (in dollars) (h)	Current Year to Date (in dollars) (i)	Previous Year to Date (in dollars) (j)	Current Year to Date (in dollars) (k)	Previous Year to Date (in dollars) (l)	
						1
1,739,801,102	1,759,605,385					2
						3
749,617,770	826,317,099					4
142,961,244	143,871,371					5
288,636,282	254,858,841					6
						7
17,183,580	18,378,651					8
						9
						10
						11
9,336,712	5,173,651					12
						13
45,459,729	43,930,185					14
36,049,104	23,379,362					15
4,938,881	6,351,854					16
199,243,965	189,340,010					17
157,618,015	139,057,997					18
432,019						19
						20
						21
111,111	62,535					22
						23
						24
1,336,130,160	1,372,480,492					25
403,670,942	387,124,893					26

Name of Respondent: Kentucky Utilities Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr): / /	Year/Period of Report: End of 2019/Q4

STATEMENT OF INCOME FOR THE YEAR (continued)

Line No.	Title of Account (a)	(Ref.) Page No. (b)	TOTAL Current Year (c)	TOTAL Previous Year (d)	Current 3 Months Ended Quarterly Only No 4th Quarter (e)	Prior 3 Months Ended Quarterly Only No 4th Quarter (f)
27	Net Utility Operating Income (Carried forward from page 114)		403,670,942	387,124,893		
28	Other Income and Deductions					
29	Other Income					
30	Nonutilty Operating Income					
31	Revenues From Merchandising, Jobbing and Contract Work (415)		7,529	35,581		
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)		1,565	22,558		
33	Revenues From Nonutility Operations (417)					
34	(Less) Expenses of Nonutility Operations (417.1)					
35	Nonoperating Rental Income (418)					
36	Equity in Earnings of Subsidiary Companies (418.1)	119				
37	Interest and Dividend Income (419)		541,750	200,281		
38	Allowance for Other Funds Used During Construction (419.1)		459,100	762,554		
39	Miscellaneous Nonoperating Income (421)		781,721	369,106		
40	Gain on Disposition of Property (421.1)		4,381	4,381		
41	TOTAL Other Income (Enter Total of lines 31 thru 40)		1,792,916	1,349,345		
42	Other Income Deductions					
43	Loss on Disposition of Property (421.2)		13			
44	Miscellaneous Amortization (425)					
45	Donations (426.1)		5,862,551	5,433,634		
46	Life Insurance (426.2)		-2,055,102	-1,677,444		
47	Penalties (426.3)		2,719	10		
48	Exp. for Certain Civic, Political & Related Activities (426.4)		773,592	737,915		
49	Other Deductions (426.5)		2,366,899	1,772,319		
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)		6,950,672	6,266,434		
51	Taxes Applic. to Other Income and Deductions					
52	Taxes Other Than Income Taxes (408.2)	262-263	7,200	2,004		
53	Income Taxes-Federal (409.2)	262-263	-754,263	-1,514,534		
54	Income Taxes-Other (409.2)	262-263	-189,038	-381,442		
55	Provision for Deferred Inc. Taxes (410.2)	234, 272-277	44,933	121,070		
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)	234, 272-277	1,112,624	114,190		
57	Investment Tax Credit Adj.-Net (411.5)					
58	(Less) Investment Tax Credits (420)		1,977,971	2,233,804		
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)		-3,981,763	-4,120,896		
60	Net Other Income and Deductions (Total of lines 41, 50, 59)		-1,175,993	-796,193		
61	Interest Charges					
62	Interest on Long-Term Debt (427)		101,614,350	92,155,316		
63	Amort. of Debt Disc. and Expense (428)		3,083,437	2,681,873		
64	Amortization of Loss on Reaquired Debt (428.1)		572,941	532,182		
65	(Less) Amort. of Premium on Debt-Credit (429)		157,244			
66	(Less) Amortization of Gain on Reaquired Debt-Credit (429.1)					
67	Interest on Debt to Assoc. Companies (430)		19,222	6,225		
68	Other Interest Expense (431)		4,637,710	4,792,603		
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)		310,965	469,250		
70	Net Interest Charges (Total of lines 62 thru 69)		109,459,451	99,698,949		
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)		293,035,498	286,629,751		
72	Extraordinary Items					
73	Extraordinary Income (434)					
74	(Less) Extraordinary Deductions (435)					
75	Net Extraordinary Items (Total of line 73 less line 74)					
76	Income Taxes-Federal and Other (409.3)	262-263				
77	Extraordinary Items After Taxes (line 75 less line 76)					
78	Net Income (Total of line 71 and 77)		293,035,498	286,629,751		

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 114 Line No.: 46 Column: c

The balance includes the increase in the cash surrender value less the monthly premium amounts that are paid from the cash surrender value balance.

Schedule Page: 114 Line No.: 46 Column: d

The balance includes the increase in the cash surrender value less the monthly premium amounts that are paid from the cash surrender value balance.

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) / /	End of 2019/Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		1,898,449,904	1,857,820,153
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4				
5				
6				
7				
8				
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10				
11				
12				
13				
14				
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		293,035,498	286,629,751
17	Appropriations of Retained Earnings (Acct. 436)			
18				
19				
20				
21				
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			
24				
25				
26				
27				
28				
29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
31	Without Par Value		-229,000,000	(246,000,000)
32				
33				
34				
35				
36	TOTAL Dividends Declared-Common Stock (Acct. 438)		-229,000,000	(246,000,000)
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		1,962,485,402	1,898,449,904
	APPROPRIATED RETAINED EARNINGS (Account 215)			
39				
40				

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) / /	End of 2019/Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly version.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, year to date, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b)
4. State the purpose and amount of each reservation or appropriation of retained earnings.
5. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, include them on pages 122-123.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
41				
42				
43				
44				
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		1,962,485,402	1,898,449,904
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account			
	Report only on an Annual Basis, no Quarterly			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52				
53	Balance-End of Year (Total lines 49 thru 52)			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
1	Net Cash Flow from Operating Activities:		
2	Net Income (Line 78(c) on page 117)	293,035,498	286,629,751
3	Noncash Charges (Credits) to Income:		
4	Depreciation and Depletion	288,636,282	254,858,841
5	Amortization of Plant and Regulatory Debits & Credits	33,354,329	23,748,406
6	Other NonCash Charges (Credits) to Income	-148,067	1,084,500
7			
8	Deferred Income Taxes (Net)	40,558,259	50,288,892
9	Investment Tax Credit Adjustment (Net)	-1,545,951	-2,233,804
10	Net (Increase) Decrease in Receivables	77,973	16,221,153
11	Net (Increase) Decrease in Inventory	-4,931,066	2,868,020
12	Net (Increase) Decrease in Allowances Inventory	2,193	3,467
13	Net Increase (Decrease) in Payables and Accrued Expenses	-15,944,909	20,463,106
14	Net (Increase) Decrease in Other Regulatory Assets	5,579,183	-3,238,676
15	Net Increase (Decrease) in Other Regulatory Liabilities	-3,168,588	34,416,571
16	(Less) Allowance for Other Funds Used During Construction	459,100	762,554
17	(Less) Undistributed Earnings from Subsidiary Companies		
18	Other (provide details in footnote):	-21,467,596	-55,077,546
19	Change in Other Deferred Debits	961,640	1,178,066
20	Change in Other Deferred Credits	-1,266,846	-34,909
21	Payment for Asset Retirement Obligations	-58,462,487	-49,793,767
22	Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	554,810,747	580,619,517
23			
24	Cash Flows from Investment Activities:		
25	Construction and Acquisition of Plant (including land):		
26	Gross Additions to Utility Plant (less nuclear fuel)	-577,907,431	-541,898,228
27	Gross Additions to Nuclear Fuel		
28	Gross Additions to Common Utility Plant		
29	Gross Additions to Nonutility Plant	-44,728	-434,123
30	(Less) Allowance for Other Funds Used During Construction	-459,100	-762,554
31	Other (provide details in footnote):	-32,746,157	-20,649,026
32			
33			
34	Cash Outflows for Plant (Total of lines 26 thru 33)	-610,239,216	-562,218,823
35			
36	Acquisition of Other Noncurrent Assets (d)		
37	Proceeds from Disposal of Noncurrent Assets (d)		
38			
39	Investments in and Advances to Assoc. and Subsidiary Companies		
40	Contributions and Advances from Assoc. and Subsidiary Companies		
41	Disposition of Investments in (and Advances to)		
42	Associated and Subsidiary Companies		
43			
44	Purchase of Investment Securities (a)		
45	Proceeds from Sales of Investment Securities (a)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENT OF CASH FLOWS

(1) Codes to be used:(a) Net Proceeds or Payments;(b)Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
(2) Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
(3) Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
(4) Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		1,208,927
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)	-610,239,216	-561,009,896
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)	305,535,000	17,875,000
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		190,122,352
67	Other (provide details in footnote):	68,000,000	45,000,000
68			
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)	373,535,000	252,997,352
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		-26,802,000
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):	-5,416,215	-914,049
77			
78	Net Decrease in Short-Term Debt (c)	-85,144,891	
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock	-229,000,000	-246,000,000
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)	53,973,894	-20,718,697
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)	-1,454,575	-1,109,076
87			
88	Cash and Cash Equivalents at Beginning of Period	13,632,925	14,742,001
89			
90	Cash and Cash Equivalents at End of period	12,178,350	13,632,925

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 120 Line No.: 6 Column: b

Other noncash charges (credits) to income:

Amortization of Debt Discount and Debt Issuance Costs	$	3,499,134
Net Change in Key Man Life Insurance		(2,055,102)
Provision for Pension and Postretirement Benefits		(1,907,199)
Amortization of Research and Development and Demonstration Expenditures		315,088
Loss on Sale of Assets		13
Rounding		(1)
Total	$	(148,067)

Schedule Page: 120 Line No.: 6 Column: c

Other noncash charges (credits) to income:

Amortization of Debt Discount and Debt Issuance Costs	$	3,222,719
Net Change in Key Man Life Insurance		(1,672,023)
Provision for Pension and Postretirement Benefits		(785,138)
Amortization of Research and Development and Demonstration Expenditures		315,088
Loss on Sale of Assets		3,854
Total	$	1,084,500

Schedule Page: 120 Line No.: 18 Column: b

Other operating cash flows:

Net change in Prepayments and Other Assets	$	(2,231,543)
Net change in Asset Retirement Obligations		(19,800,966)
Net change in Other Liabilities		315,504
Net change in Customer Advances for Construction		3,548,477
Pension and Postretirement Funding		(3,299,069)
Rounding		1
Total	$	(21,467,596)

Schedule Page: 120 Line No.: 18 Column: c

Other operating cash flows:

Net change in Prepayments and Other Assets	$	(620,097)
Net change in Customer Advances for Construction		500,886
Net change in Asset Retirement Obligations		(800,935)
Pension and Postretirement Funding		(54,236,000)
Net change in Other Liabilities		78,600
Total	$	(55,077,546)

Schedule Page: 120 Line No.: 31 Column: b

Other plant investing cash flows:

Costs of removal of utility plant	$	(32,746,157)

Schedule Page: 120 Line No.: 31 Column: c

Other plant investing cash flows:

Costs of removal of utility plant	$	(20,649,026)

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 120 Line No.: 53 Column: c

Other investing cash flows:

Proceeds for Key Man Life Insurance	$	1,208,927

Schedule Page: 120 Line No.: 67 Column: b

Other financing cash flows:

LG&E and KU Energy LLC Equity Contribution	$	68,000,000

Schedule Page: 120 Line No.: 67 Column: c

Other financing cash flows:

LG&E and KU Energy LLC Equity Contribution	$	45,000,000

Schedule Page: 120 Line No.: 76 Column: b

Other financing cash flows:

Debt issuance costs	$	(5,416,215)

Schedule Page: 120 Line No.: 76 Column: c

Other financing cash flows:

Debt issuance costs	$	(914,049)

Schedule Page: 120 Line No.: 90 Column: b

Cash and Cash Equivalents is comprised of the following amounts:

Cash (131)	$	9,833,693
Working Fund (135)		58,730
Temporary Cash Investments (136)		2,285,927
Total Cash and Cash Equivalents	$	12,178,350

Schedule Page: 120 Line No.: 90 Column: c

Cash and Cash Equivalents is comprised of the following amounts:

Cash (131)	$	12,611,870
Working Fund (135)	$	61,030
Temporary Cash Investments (136)	$	960,025
Total Cash and Cash Equivalents	$	13,632,925

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

NOTES TO FINANCIAL STATEMENTS

1. Use the space below for important notes regarding the Balance Sheet, Statement of Income for the year, Statement of Retained Earnings for the year, and Statement of Cash Flows, or any account thereof. Classify the notes according to each basic statement, providing a subheading for each statement except where a note is applicable to more than one statement.
2. Furnish particulars (details) as to any significant contingent assets or liabilities existing at end of year, including a brief explanation of any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount, or of a claim for refund of income taxes of a material amount initiated by the utility. Give also a brief explanation of any dividends in arrears on cumulative preferred stock.
3. For Account 116, Utility Plant Adjustments, explain the origin of such amount, debits and credits during the year, and plan of disposition contemplated, giving references to Cormmission orders or other authorizations respecting classification of amounts as plant adjustments and requirements as to disposition thereof.
4. Where Accounts 189, Unamortized Loss on Reacquired Debt, and 257, Unamortized Gain on Reacquired Debt, are not used, give an explanation, providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.
5. Give a concise explanation of any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.
6. If the notes to financial statements relating to the respondent company appearing in the annual report to the stockholders are applicable and furnish the data required by instructions above and on pages 114-121, such notes may be included herein.
7. For the 3Q disclosures, respondent must provide in the notes sufficient disclosures so as to make the interim information not misleading. Disclosures which would substantially duplicate the disclosures contained in the most recent FERC Annual Report may be omitted.
8. For the 3Q disclosures, the disclosures shall be provided where events subsequent to the end of the most recent year have occurred which have a material effect on the respondent. Respondent must include in the notes significant changes since the most recently completed year in such items as: accounting principles and practices; estimates inherent in the preparation of the financial statements; status of long-term contracts; capitalization including significant new borrowings or modifications of existing financing agreements; and changes resulting from business combinations or dispositions. However were material contingencies exist, the disclosure of such matters shall be provided even though a significant change since year end may not have occurred.
9. Finally, if the notes to the financial statements relating to the respondent appearing in the annual report to the stockholders are applicable and furnish the data required by the above instructions, such notes may be included herein.

PAGE 122 INTENTIONALLY LEFT BLANK
SEE PAGE 123 FOR REQUIRED INFORMATION.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

GLOSSARY OF TERMS AND ABBREVIATIONS

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

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

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

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

PPL - PPL Corporation, the parent holding company of LKE and other subsidiaries.

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

Other terms and abbreviations

401(h) account(s) - a sub-account established within a qualified pension trust to provide for the payment of retiree medical costs.

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

ARO - asset retirement obligation.

CCR(s) - Coal Combustion Residual(s). CCRs include fly ash, bottom ash and sulfur dioxide scrubber wastes.

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

Clean Water Act - federal legislation enacted to address certain environmental issues relating to water quality including effluent discharges, cooling water intake, and dredge and fill activities.

CPCN - Certificate of Public Convenience and Necessity. Authority granted by the KPSC pursuant to Kentucky Revised Statute 278.020 to provide utility service to or for the public or the construction of certain plant, equipment, property or facility for furnishing of utility service to the public.

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

construction, provide customers with tools and information regarding their energy usage and support energy efficiency.

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

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

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

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

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

GHG(s) - greenhouse gas(es).

HB 487 – House bill 487, Comprehensive Kentucky state tax legislation enacted on April 27, 2018.

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

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

KU 2010 Mortgage Indenture - KU's Indenture, dated as of October 1, 2010, to The Bank of New York Mellon, as supplemented.

kWh - kilowatt hour, basic unit of electrical energy.

LIBOR - London Interbank Offered Rate.

MATS - Mercury and Air Toxics Standards, regulations promulgated by the EPA.

MW - megawatt, one thousand kilowatts.

NERC - North American Electric Reliability Corporation.

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

OVEC - Ohio Valley Electric Corporation, located in Piketon, Ohio, an entity in which KU owns a 2.50% interest, which is recorded at cost. OVEC owns and operates two coal-fired power plants, the Kyger Creek plant

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

in Ohio and the Clifty Creek plant in Indiana, with combined capacities of 2,120 MW.

PP&E - property, plant and equipment.

RCRA - Resource Conservation and Recovery Act of 1976.

RFC – ReliabilityFirst Corporation, one of eight regional entities with delegated authority from NERC that work to safeguard the reliability of the bulk power systems throughout North America.

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

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

SERC - SERC Reliability Corporation, one of eight regional entities with delegated authority from NERC that work to safeguard the reliability of the bulk power systems throughout North America.

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

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

VEBA - Voluntary Employee Benefit Association Trust, accounts for health and welfare plans for future benefit payments for employees, retirees or their beneficiaries.

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

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

As permitted by the FERC for the Year Ended December 31, 2019 Form 1, the Notes to Financial Statements set forth below are principally from the Respondent's SEC Form 10-K for the Year Ended December 31, 2019, which was filed with the SEC on February 14, 2020.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

General

Capitalized terms and abbreviations appearing in the notes to financial statements are defined in the glossary. Dollars are in millions unless otherwise noted.

Presentation

The accompanying financial statements are prepared on the regulatory basis of accounting in accordance with the requirements of the FERC, which is a comprehensive basis of accounting other than GAAP. The significant differences between GAAP and FERC reporting are as follows:

Reporting Classifications	FERC reporting	GAAP reporting
Cost of removal obligations	Reported in accumulated depreciation.	Reported in regulatory liabilities.
Certain retirement work in progress amounts	Reported in accumulated depreciation.	Reported in asset retirement obligations.
Certain intangible assets	Reported in utility plant and accumulated depreciation.	Reported in other intangibles.
Debt maturity classification	Reported in total in the long-term debt section.	Reported separately in current liabilities for the short-term portion and in long-term debt for the long-term portion.
Deferred taxes	Reported gross on the Balance Sheet (a deferred asset and a deferred liability are recorded).	Reported as a net asset or net liability.
Income taxes	Income taxes, deferred taxes and investment tax credits are reported on separate lines on the Income Statement.	Income taxes, deferred taxes and investment tax credits are netted on a single line on the Income Statement.
Pension and OPEB non-service costs eligible for capitalization	Reported in PP&E.	Reported as a regulatory asset or regulatory liability

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

Reporting Classifications	FERC reporting	GAAP reporting
Regulatory asset maturity classification	Reported in total in deferred debits.	Short-term regulatory assets are reported in current assets and long-term regulatory assets are reported in other noncurrent assets.
Regulatory liability maturity classification	Reported in total in deferred credits.	Short-term regulatory liabilities are reported in current liabilities and long-term regulatory liabilities are reported in deferred credits and other noncurrent liabilities.
Deferred financing costs	Reported as deferred debits.	Reported as contra-liabilities and netted with long-term debt.
Operating lease right of use assets	Reported in PP&E	Reported in other noncurrent assets
Amounts presented within the Balance Sheet and Income Statement	Reported without purchase accounting adjustments.	Reported with purchase accounting adjustments.

Business and Consolidation

KU is engaged in the generation, transmission, distribution and sale of electricity in Kentucky. KU also serves customers in Virginia under the Old Dominion Power name.

The financial statements of KU include accounts as well as the accounts of all entities in which the company has a controlling financial interest. Entities for which a controlling financial interest is not demonstrated through voting interests are evaluated based on accounting guidance for Variable Interest Entities (VIEs). KU consolidates a VIE when it is determined to have a controlling interest in the VIE, and as a result is the primary beneficiary of the entity. KU is not the primary beneficiary in any significant VIEs. Investments in entities in which a company has the ability to exercise significant influence but does not have a controlling financial interest are accounted for under the equity method. All other investments are carried at cost or fair value. All significant intercompany transactions have been eliminated.

KU's financial statements include its share of any undivided interests in jointly owned facilities, as well as its share of the related operating costs of those facilities. See Note 9 for additional information.

Regulation

KU is a cost-based rate-regulated utility for which rates are set by regulators to enable KU to recover the costs of providing electric service and to provide a reasonable return to its shareholder. Base rates are generally established based on a future test period. As a result, the financial statements are subject to the accounting for certain types of regulation as prescribed by GAAP and reflect the effects of regulatory actions. Regulatory assets

are recognized for the effect of transactions or events where future recovery of underlying costs is probable in regulated customer rates. The effect of such accounting is to defer certain or qualifying costs that would otherwise currently be charged to expense. Regulatory liabilities are recognized for amounts expected to be returned through future regulated customer rates. In certain cases, regulatory liabilities are recorded based on an understanding or agreement with the regulator that rates have been set to recover expected future costs, and the regulated entity is accountable for any amounts charged pursuant to such rates and not yet expended for the intended purpose. The accounting for regulatory assets and regulatory liabilities is based on specific ratemaking decisions or precedent for each transaction or event as prescribed by the FERC or the applicable state regulatory commissions. See Note 5 for additional details regarding regulatory matters.

Accounting Records

KU's system of accounts is maintained in accordance with the Uniform System of Accounts prescribed by the FERC and adopted by the applicable state regulatory commissions.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Loss Accruals

Potential losses are accrued when (1) information is available that indicates it is "probable" that a loss has been incurred, given the likelihood of the uncertain future events and (2) the amount of the loss can be reasonably estimated. Accounting guidance defines "probable" as cases in which "the future event or events are likely to occur." KU continuously assesses potential loss contingencies for environmental remediation, litigation claims, regulatory penalties and other events. Loss accruals for environmental remediation are discounted when appropriate.

The accrual of contingencies that might result in gains is not recorded, unless realization is assured.

Price Risk Management

Interest rate contracts are used to hedge exposure to changes in the fair value of debt instruments and to hedge exposure to variability in expected cash flows associated with existing floating-rate debt instruments or forecasted fixed-rate issuances of debt. Similar derivatives may receive different accounting treatment, depending on management's intended use and documentation.

Certain contracts may not meet the definition of a derivative because they lack a notional amount or a net settlement provision. In cases where there is no net settlement provision, markets are periodically assessed to determine whether market mechanisms have evolved to facilitate net settlement. Certain derivative contracts may be excluded from the requirements of derivative accounting treatment because NPNS has been elected.

These contracts are accounted for using accrual accounting. Contracts that have been classified as derivative contracts are reflected on the balance sheets at fair value. The portion of derivative positions that deliver within a year are included in "Current Assets" and "Current Liabilities," while the portion of derivative positions that deliver beyond a year are recorded in "Other Noncurrent Assets" and "Deferred Credits and Other Noncurrent Liabilities."

Cash inflows and outflows related to derivative instruments are included as a component of operating, investing or financing activities on the Statements of Cash Flows, depending on the classification of the hedged items.

KU has elected not to offset net derivative positions against the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) under master netting arrangements.

Processes exist that allow for subsequent review and validation of the contract information as it relates to interest rate derivatives. The accounting department provides the treasury department with guidelines on appropriate accounting classifications for various contract types and strategies. Examples of accounting guidelines provided to the treasury department staff include:

- Derivative transactions may be marked to fair value through regulatory assets/liabilities if approved by the appropriate regulatory body. These transactions generally include the effect of interest rate swaps that are included in customer rates.

See Notes 12 and 13 for additional information on derivatives.

Revenue

Revenue Recognition

Operating revenues are recorded based on energy deliveries through the end of the calendar month. Unbilled retail revenues result because customers' bills are rendered throughout the month, rather than bills being rendered at the end of the month. Unbilled revenues for a month are calculated by multiplying an estimate of unbilled kWh by an average rate per customer class. Any difference between estimated and actual revenues is adjusted the following month when the previous unbilled estimate is reversed and actual billings occur.

KU's base rates are determined based on cost of service. Some regulators have also authorized the use of additional alternative revenue programs, which enables KU to adjust future rates based on past activities or completed events. Revenues from alternative revenue programs are recognized when the specific events permitting future billings have occurred. Revenues from alternative revenue programs are required to be presented separately from revenues from contracts with customers. These amounts are, however, presented as revenues from contracts with customers, with an offsetting adjustment to alternative revenue program revenue, when they are billed to customers in future periods. See Note 2 for additional information.

Accounts Receivable

Accounts receivable are reported on the Balance Sheets at the gross outstanding amount adjusted for an

allowance for doubtful accounts.

Allowance for Doubtful Accounts

Accounts receivable collectability is evaluated using a combination of factors, including past due status based on contractual terms, trends in write-offs and the age of the receivable. Specific events, such as bankruptcies, are also considered when applicable. Adjustments to the allowance for doubtful accounts are made when necessary based on the results of analysis, the aging of receivables and historical and industry trends.

Accounts receivable are written off in the period in which the receivable is deemed uncollectible.

The changes in the allowance for doubtful accounts at December 31 were:

	Balance at Beginning of Period	Additions: Charged to Income	Additions: Charged to Other Accounts	Deductions (a)	Balance at End of Period
2019	$ 2	$ 4	$ 1	$ 6	$ 1
2018	1	5	2	6	2

(a) Primarily related to uncollectible accounts written off.

Cash

Cash Equivalents

All highly liquid investments with original maturities of three months or less are considered to be cash equivalents.

Fair Value Measurements

KU values certain financial and nonfinancial assets and liabilities at fair value. Generally, the most significant fair value measurements relate to price risk management assets and liabilities, investments in securities in defined benefit plans, and cash and cash equivalents. KU uses, as appropriate, a market approach (generally, data from market transactions), an income approach (generally, present value techniques and option-pricing models) and/or a cost approach (generally, replacement cost) to measure the fair value of an asset or liability. These valuation approaches incorporate inputs such as observable, independent market data and/or unobservable data that management believes are predicated on the assumptions market participants would use to price an asset or liability. These inputs may incorporate, as applicable, certain risks such as nonperformance risk, which includes credit risk.

KU classifies fair value measurements within one of three levels in the fair value hierarchy. The level assigned

to a fair value measurement is based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are as follows:

- **Level 1** - quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

- **Level 2** - inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for substantially the full term of the asset or liability.

- **Level 3** - unobservable inputs that management believes are predicated on the assumptions market participants would use to measure the asset or liability at fair value.

Assessing the significance of a particular input requires judgment that considers factors specific to the asset or liability. As such, KU's assessment of the significance of a particular input may affect how the assets and liabilities are classified within the fair value hierarchy.

Investments

Generally, the original maturity date of an investment and management's intent and ability to sell an investment prior to its original maturity determine the classification of investments as either short-term or long-term. Investments that would otherwise be classified as short-term, but are restricted as to withdrawal or use for other than current operations or are clearly designated for expenditure in the acquisition or construction of noncurrent assets or for the liquidation of long-term debts, are classified as long-term.

Short-term Investments

Short-term investments generally include certain deposits as well as securities that are considered highly liquid or provide for periodic reset of interest rates. Investments with original maturities greater than three months and less than a year, as well as investments with original maturities of greater than a year that management has the ability and intent to sell within a year, are included in “Other current assets” on the Balance Sheets.

Long-Lived and Intangible Assets

Property, Plant and Equipment

PP&E is recorded at original cost, unless impaired. If impaired, the asset is written down to fair value at that time, which becomes the new cost basis of the asset. Original cost for constructed assets includes material, labor, contractor costs, certain overheads and financing costs, where applicable. Included in PP&E are capitalized costs of software projects that were developed or obtained for internal use. The cost of repairs and minor replacements are charged to expense as incurred. KU records costs associated with planned major maintenance projects in the period in which work is performed and costs are incurred.

KU generally does not record AFUDC as a return is provided on construction work in progress.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Depreciation

Depreciation is recorded over the estimated useful lives of property using various methods including the straight-line, composite and group methods. When a component of PP&E that was depreciated under the composite or group method is retired, the original cost is charged to accumulated depreciation. When all or a significant portion of an operating unit that was depreciated under the composite or group method is retired or sold, the property and the related accumulated depreciation account is reduced and any gain or loss is included in income, unless otherwise required by regulators. KU accrues costs of removal net of estimated salvage value through depreciation, which is included in the calculation of customer rates over the assets' depreciable lives in accordance with regulatory practices. Cost of removal amounts accrued through depreciation rates are accumulated as a regulatory liability until the removal costs are incurred. For KU, all ARO depreciation expenses are reclassified to a regulatory asset. See "Asset Retirement Obligations" below and Note 5 for additional information.

KU's weighted-average rates of depreciation for regulated utility plant were 4.02% and 3.74% for the years ended December 31, 2019 and 2018.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price paid over the fair value of the identifiable net assets acquired in a business combination.

Other acquired intangible assets are initially measured based on their fair value. Intangibles that have finite useful lives are amortized over their useful lives based upon the pattern in which the economic benefits of the intangible assets are consumed or otherwise used. Costs incurred to obtain an initial license and renew or extend terms of licenses are capitalized as intangible assets.

When determining the useful life of an intangible asset, including intangible assets that are renewed or extended, KU considers:

- the expected use of the asset;
- the expected useful life of other assets to which the useful life of the intangible asset may relate;
- legal, regulatory, or contractual provisions that may limit the useful life;
- the company's historical experience as evidence of its ability to support renewal or extension;
- the effects of obsolescence, demand, competition, and other economic factors; and,
- the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Asset Impairment (Excluding Investments)

KU reviews long-lived assets that are subject to depreciation or amortization, including finite-lived intangibles, for impairment when events or circumstances indicate carrying amounts may not be recoverable.

A long-lived asset classified as held and used is impaired when the carrying amount of the asset exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If

impaired, the asset's carrying value is written down to its fair value.

A long-lived asset classified as held for sale is impaired when the carrying amount of the asset (disposal group) exceeds its fair value less cost to sell. If impaired, the asset's (disposal group's) carrying value is written down to its fair value less cost to sell.

KU reviews goodwill for impairment at the reporting unit level annually or more frequently when events or circumstances indicate that the carrying amount of a reporting unit may be greater than the unit's fair value. Additionally, goodwill must be tested for impairment in circumstances when a portion of goodwill has been allocated to a business to be disposed. KU is a single operating and reporting unit.

KU may elect either to initially make a qualitative evaluation about the likelihood of an impairment of goodwill or to bypass the qualitative evaluation and test goodwill for impairment using a two-step quantitative test. If the qualitative evaluation (referred to as "step zero") is elected and the assessment results in a determination that it is not more likely than not that the fair value of a reporting unit is less than the carrying amount, the two-step quantitative impairment test is not necessary. However, the quantitative impairment test is required if management concludes it is more likely than not that the fair value of a reporting unit is less than the carrying amount based on the step zero assessment.

If the carrying amount of the reporting unit, including goodwill, exceeds its fair value, the implied fair value of goodwill must be calculated in the same manner as goodwill in a business combination. The fair value of a reporting unit is allocated to all assets and liabilities of that unit as if the reporting unit had been acquired in a business combination. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. If the implied fair value of goodwill is less than the carrying amount, goodwill is written down to its implied fair value.

KU qualitatively tested the goodwill of its reporting units for impairment as of the fourth quarter of 2019. No impairment was recognized.

Asset Retirement Obligations

KU records liabilities to reflect various legal obligations associated with the retirement of long-lived assets. Initially, this obligation is measured at fair value and offset with an increase in the value of the capitalized asset, which is depreciated over the asset's useful life. Until the obligation is settled, the liability is increased through the recognition of accretion expense classified within “Other operation and maintenance” on the Statements of Income to reflect changes in the obligation due to the passage of time. All ARO accretion and depreciation expenses are reclassified as a regulatory asset. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, at the time of retirement, the related ARO regulatory asset is offset against the associated cost of removal regulatory liability, PP&E and ARO liability.

Estimated ARO costs and settlement dates, which affect the carrying value of the ARO and the related capitalized asset, are reviewed periodically to ensure that any material changes are incorporated into the latest estimate of the ARO. Any change to the capitalized asset, positive or negative, is generally amortized over the

remaining life of the associated long-lived asset. See Note 5 and Note 15 for additional information on AROs.

Compensation and Benefits

Defined Benefits

KU does not directly sponsor any defined benefit plan. KU participates in defined benefit pension and other postretirement plans sponsored by LKE. An asset or liability is recorded to recognize the funded status of all defined benefit plans with an offsetting entry to regulatory assets or liabilities. Consequently, the funded status of all defined benefit plans is fully recognized on the Balance Sheets.

The expected return on plan assets is determined based on a market-related value of plan assets, which is calculated by rolling forward the prior year market-related value with contributions, disbursements and long-term expected return on investments. One-fifth of the difference between the actual value and the expected value is added (or subtracted if negative) to the expected value to determine the new market-related value.

LKE uses an accelerated amortization method for the recognition of gains and losses for its defined benefit pension plans. Under the accelerated method, actuarial gains and losses in excess of 30% of the plan's projected benefit obligation are amortized on a straight-line basis over one-half of the expected average remaining service of active plan participants. Actuarial gains and losses in excess of 10% of the greater of the plan's projected benefit obligation or the market-related value of plan assets and less than 30% of the plan's projected benefit obligation are amortized on a straight-line basis over the expected average remaining service period of active plan participants.

See Note 5 for a discussion of the regulatory treatment of defined benefit costs and Note 8 for a discussion of defined benefits.

Taxes

Income Taxes

KU is included in PPL’s consolidated U.S. federal income tax return.

Significant management judgment is required in developing KU's provision for income taxes, primarily due to the uncertainty related to tax positions taken or expected to be taken in tax returns and valuation allowances on deferred tax assets.

Significant management judgment is also required to determine the amount of benefit to be recognized in relation to an uncertain tax position. KU uses a two-step process to evaluate tax positions. The first step requires KU to determine whether, based on the technical merits supporting a particular tax position, it is more likely than not (greater than a 50% chance) that the tax position will be sustained. This determination assumes that the relevant taxing authority will examine the tax position and is aware of all the relevant facts surrounding the tax position. The second step requires KU to recognize in the financial statements the benefit of a tax position that meets the more-likely-than-not recognition criterion. The benefit recognized is measured at the largest amount

of benefit that has a likelihood of realization, upon settlement, that exceeds 50%. Unrecognized tax benefits are classified as current to the extent management expects to settle an uncertain tax position by payment or receipt of cash within one year of the reporting date. The amounts ultimately paid upon resolution of issues raised by taxing authorities may differ materially from the amounts accrued and may materially impact KU's financial statements in future periods. At December 31, 2019, no significant changes in unrecognized tax benefits are projected over the next 12 months.

Deferred income taxes reflect the net future tax effects of temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their basis for income tax purposes, as well as the tax effects of net operating losses and tax credit carryforwards.

KU records valuation allowances to reduce deferred tax assets to the amounts that are more likely than not to be realized. KU considers the reversal of temporary differences, future taxable income and ongoing prudent and feasible tax planning strategies in initially recording and subsequently reevaluating the need for valuation allowances. If KU determines that it is able to realize deferred tax assets in the future in excess of recorded net deferred tax assets, adjustments to the valuation allowances increase income by reducing tax expense in the period that such determination is made. Likewise, if KU determines that it is not able to realize all or part of net deferred tax assets in the future, adjustments to the valuation allowances would decrease income by increasing tax expense in the period that such determination is made. The amount of deferred tax assets ultimately realized may differ materially from the estimates utilized in the computation of valuation allowance and may materially impact the financial statements in the future.

KU defers investment tax credits when the credits are utilized and amortize the deferred amounts over the average lives of the related assets.

KU recognizes tax-related interest and penalties in "Income Taxes" on its Statements of Income.

See Note 4 for additional discussion regarding income taxes, including the impact of the TCJA.

KU's provision for deferred income taxes for regulated assets and liabilities is based upon the ratemaking principles reflected in rates established by the regulators. The difference in the provision for deferred income taxes for regulated assets and liabilities and the amount that otherwise would be recorded under GAAP is deferred and included on the Balance Sheets in noncurrent "Regulatory assets" or "Regulatory liabilities."

KU's income tax provision is calculated in accordance with an intercompany tax sharing agreement which provides that taxable income be calculated as if KU filed a separate return. Tax benefits are not shared between companies. KU is only entitled to tax benefits that it generated. The effect of PPL filing a consolidated tax return is taken into account in the settlement of current taxes and the recognition of deferred taxes. KU had an intercompany tax payable of $6 million and $5 million at December 31, 2019 and 2018.

Taxes, Other Than Income

KU presents sales taxes in "Other current liabilities" on the Balance Sheets. These taxes are not reflected on the Statements of Income. See Note 4 for details on taxes included in "Taxes, other than income" on the Statements

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

of Income.

Other

Leases

KU evaluates whether arrangements entered into contain leases for accounting purposes. See Note 7 for additional information.

Fuel, Materials and Supplies

Fuel and materials and supplies are valued using the average cost method. Fuel costs for electric generation are charged to expense as used. See Note 5 for further discussion of the fuel adjustment clause.

"Fuel, materials and supplies" on the Balance Sheets consisted of the following at December 31:

	2019	2018
Fuel	$ 63	$ 56
Materials and supplies	65	65
Total	$ 128	$ 121

Guarantees

Generally, the initial measurement of a guarantee liability is the fair value of the guarantee at its inception. However, there are certain guarantees excluded from the scope of accounting guidance and other guarantees that are not subject to the initial recognition and measurement provisions of accounting guidance that only require disclosure. See Note 10 for further discussion of recorded and unrecorded guarantees.

New Accounting Guidance Adopted

Accounting for Leases

Effective January 1, 2019, KU adopted accounting guidance that requires lessees to recognize a right of use asset and lease liability for leases, unless determined to meet the definition of a short-term lease. For income statement purposes, the FASB retained a dual model for lessees, requiring leases to be classified as either operating or finance. Operating leases result in straight-line expense recognition. Currently, KU only has operating leases.

Lessor accounting under the new guidance is similar to the current model, but updated to align with certain changes to the lessee model and current revenue recognition guidance. Lessors classify leases as operating, direct financing, or sales-type.

In adopting this new guidance, KU elected to use the following practical expedients:

- KU did not re-assess the lease classifications or initial direct costs of existing leases. KU also did not re-assess existing contracts for leases or lease classification.

- KU did not evaluate land easements that were not previously accounted for as leases under this new guidance. New land easements are evaluated under the new guidance beginning January 1, 2019.

See Note 7 for the required disclosures resulting from the adoption of this guidance.

Amounts recorded on the Balance Sheet as of January 1, 2019 as a result of the adoption of this guidance, using a modified retrospective transition method with transition applied as of the beginning of the period of adoption include $31 million of right-of-use assets, $9 million of current lease liabilities and $26 million of noncurrent lease liabilities. Right-of-use assets are recorded in "Other noncurrent assets" on the Balance Sheet, current lease liabilities are recorded in "Other current liabilities" on the Balance Sheet and noncurrent lease liabilities are recorded in "Other deferred credits and noncurrent liabilities" on the Balance Sheet.

Improvements to Accounting for Hedging Activities

Effective January 1, 2019, KU adopted accounting guidance, using a modified retrospective approach, which reduces complexity when applying hedge accounting as well as improves the transparency of an entity's risk management activities. This guidance eliminates the separate measurement and reporting of hedge ineffectiveness for cash flow and net investment hedges and provides for the ability to perform subsequent qualitative effectiveness assessments. The guidance also allows entities to apply the short-cut method to partial-term fair value hedges of interest rate risk as well as expands the ability to apply the critical terms match method to cash flow hedges of groups of forecasted transactions.

See Note 13 for the additional disclosures of the income statement impacts of hedging activities required from the adoption of this guidance. Disclosures related to ineffectiveness are no longer required. Other impacts of adopting this guidance were not material.

2. Revenue from Contracts with Customers

KU generates substantially all of its revenues from contracts with customers primarily from regulated tariff-based sales of electricity.

KU is engaged in the generation, transmission, distribution and sale of electricity in Kentucky and Virginia. Revenue from these activities is generated from tariffs approved by applicable regulatory authorities including the FERC, KPSC and VSCC. KU satisfies its performance obligations upon delivery of electricity to customers. This revenue is recognized over-time as the customer simultaneously receives and consumes the benefits provided. The amount of revenue recognized is the billed volume of electricity delivered multiplied by a tariff rate per-unit of energy, plus any applicable fixed charges or additional regulatory mechanisms. Customers are billed monthly and outstanding amounts are typically due within 22 days of the date of the bill. Additionally, unbilled revenues are recognized as a result of customers' bills rendered throughout the month, rather than bills

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
	(1) X An Original	(Mo, Da, Yr)	
Kentucky Utilities Company	(2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

being rendered at the end of the month. Unbilled revenues for a month are calculated by multiplying an estimate of unbilled kWh delivered but not yet billed by the estimated average cents per kWh. Any difference between estimated and actual revenues is adjusted the following month when the previous unbilled estimate is reversed and actual billings occur. This method of recognition fairly presents the transfer of electricity to the customer as the amount recognized is based on actual and estimated volumes delivered and the tariff rate per-unit of energy and any applicable fixed charges or regulatory mechanisms as set by the respective regulatory body.

Customers generally have no minimum purchase commitment. Performance obligations are limited to the service requested and received to date. Accordingly, there is no unsatisfied performance obligation associated with these customers.

The following table reconciles "Operating Revenues" included the Statement of Income with revenues generated from contracts with customers for the year ended December 31.

	2019	2018
Operating Revenues	$ 1,740	$ 1,760
Revenues derived from:		
Alternative revenue programs (a)	(14)	26
Other (b)	(12)	(12)
Revenues from Contracts with Customers	$ 1,714	$ 1,774

(a) Alternative revenue programs include the ECR and DSM programs and the generation formula rate. This line item shows the over/under collection of these rate mechanisms with over-collections of revenue shown as positive amounts in the table and above and under-collections shown as negative amounts.
(b) Represents additional revenues outside the scope of revenues from contracts with customers such as leases and other miscellaneous revenues.

The following table shows revenues from contracts with customers disaggregated by customer class for the year ended December 31.

	2019	2018
Residential	$ 654	$ 659
Commercial	442	410
Industrial	382	390
Other (a)	156	149
Wholesale - municipal	43	118
Wholesale - other (b)	37	48
Revenues from Contracts with Customers	$ 1,714	$ 1,774

(a) Primarily includes revenues from pole attachments, street lighting, other public authorities and other non-core business.
(b) Includes wholesale power and transmission revenues.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
	(1) X An Original	(Mo, Da, Yr)	
Kentucky Utilities Company	(2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Contract receivables from customers are primarily included in “Accounts receivable - Customer” and “Unbilled revenues” on the Balance Sheets. Accounts receivable balances of $4 million and $5 million were impaired for the years ended December 31, 2019 and 2018.

Contract liabilities resulting from contracts with customers were $4 million at December 31, 2019 and December 31, 2018. Revenue recognized during the year ended December 31, 2019 that was included in the opening contract liability balance at December 31, 2018 was $4 million.

Contract liabilities resulting from contracts with customers were $4 million at December 31, 2018 and December 31, 2017. Revenue recognized during the year ended December 31, 2018 that was included in the opening contract liability balance at December 31, 2017 was $4 million.

Contract liabilities result from recording contractual billings in advance for customer attachments to KU’s infrastructure and payments received in excess of revenues earned to date. Advanced billings for customer attachments are recognized as revenue ratably over the billing period. Payments received in excess of revenues earned to date are recognized as revenue as services are delivered in subsequent periods.

3. Preferred Securities

KU is authorized to issue up to 5,300,000 shares of preferred stock and 2,000,000 shares of preference stock without par value. KU had no preferred or preference stock issued or outstanding in 2019 or 2018.

4. Income and Other Taxes

The provision for KU's deferred income taxes for regulated assets and liabilities is based upon the ratemaking principles reflected in rates established by the KPSC, VSCC and the FERC. The difference in the provision for deferred income taxes for regulated assets and liabilities and the amount that otherwise would be recorded under GAAP is deferred and included in "Regulatory assets" or "Regulatory liabilities" on the Balance Sheets.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Significant components of KU's deferred income tax assets and liabilities at December 31 were as follows:

	2019	2018
Deferred Tax Assets		
Contribution in aid of construction	$ 8	$ 7
Regulatory liabilities	25	28
Accrued pension and postretirement costs	-	7
Deferred investment tax credits	23	23
Income taxes due to customers	156	160
State tax credit carryforwards	5	-
Lease liabilities	8	-
Valuation allowances	(4)	-
Other	3	3
Total deferred tax assets	224	228
Deferred Tax Liabilities		
Plant - net	959	911
Regulatory assets	45	50
Accrued pension costs	2	-
Lease right-of-use assets	7	-
Other	3	2
Total deferred tax liabilities	1,016	963
Net deferred tax liability	$ 792	$ 735

At December 31, 2019 KU had $5 million of state credit carryforwards of which $4 million will expire in 2028 and $1 million that has an indefinite carryforward period. In 2019, KU recorded a $4 million valuation allowance related to state credit carryforwards due to insufficient projected Kentucky taxable income.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Details of the components of income tax expense and a reconciliation of federal income taxes derived from statutory tax rates applied to "Income Before Income Taxes" to income taxes for reporting purposes, and details of "Taxes, other than income" were:

	2019	2018
Income Tax Expense (Benefit)		
Current - Federal	$ 35	$ 22
Current - State	5	6
Total Current Expense (Benefit)	40	28
Deferred - Federal	28	40
Deferred - State	13	10
Total Deferred Expense (Benefit)	41	50
Amortization of investment tax credit - Federal	(2)	(2)
Total income tax expense	$ 79	$ 76
Total income tax expense (benefit) - Federal	$ 61	$ 60
Total income tax expense (benefit) - State	18	16
Total income tax expense (benefit)	$ 79	$ 76

	2019	2018
Reconciliation of Income Tax Expense (Benefit)		
Federal income tax on Income Before Income Taxes at statutory tax rate (a)	$ 78	$ 76
Increase (decrease) due to:		
State income taxes, net of federal income tax benefit	15	13
Amortization of investment tax credit	(2)	(2)
Amortization of excess deferred federal and state income taxes (b)	(13)	(12)
Kentucky recycling credit, net of federal income tax expense (c)	(4)	-
Valuation allowance adjustments (c)	4	-
Other	1	1
Total increase	1	-
Total income tax expense	$ 79	$ 76
Effective income tax rate	21.2%	21.0%

(a) The U.S. federal corporate tax rate was reduced from 35% to 21%, as enacted by the TCJA, effective January 1, 2018.

(b) In 2019 and 2018, KU recorded lower income tax expense for the amortization of excess deferred income taxes that primarily resulted from the U.S. federal corporate income tax rate reduction from 35% to 21% as enacted by the TCJA. This amortization represents each year's refund amount, prior to a tax gross-up, to be paid to customers for previously collected deferred taxes at higher income tax rates.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
	(1) X An Original	(Mo, Da, Yr)	
Kentucky Utilities Company	(2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

(c) In 2019, KU recorded a deferred income tax benefit associated with two projects placed into service that prepare a generation waste material for reuse and, as a result, qualify for a Kentucky recycling credit. The applicable credit provides tax benefits for a portion of the equipment costs for major recycling projects in Kentucky. This amount has been reserved due to insufficient Kentucky taxable income projected at KU.

	2019	2018
Taxes, other than income		
Property and other	$ 35	$ 34
Total	$ 35	$ 34

Unrecognized Tax Benefits

KU's income tax provision is calculated in accordance with an intercompany tax sharing agreement, which provides that taxable income be calculated as if KU filed a separate return. Based on this tax sharing agreement, KU indirectly files tax returns in two major tax jurisdictions. At December 31, 2019, these jurisdictions, as well as the tax years that are no longer subject to examination, were as follows:

U.S. (federal)	2015 and prior
Kentucky (state)	2014 and prior

Tax Cuts and Jobs Act (TCJA)

On December 22, 2017, President Trump signed into law the TCJA. Substantially all of the provisions of the TCJA were effective for taxable years beginning after December 31, 2017. In 2018 PPL completed its assessment of the impact of the TCJA on its 2017 consolidated federal income tax return using guidance issued by the U.S. Treasury Department and the IRS and on its 2017 and 2018 financial statements in accordance with SEC guidance.

Regulatory Treatment of the TCJA

On November 15, 2018, the FERC issued a policy statement, Docket No. PL19-2-000, requiring companies to disclose the following items related to the accounting and rate treatment of excess and deficient accumulated deferred income taxes (ADIT) in light of the U.S. federal corporate income tax rate change from 35% to 21%, as enacted by the TCJA. The FERC accounts affected include the following:

- Account 190 - Accumulated deferred income taxes
- Account 282 - Accumulated deferred income taxes – other property
- Account 283 - Accumulated deferred income taxes – other
- Account 254 - Other regulatory liabilities
- Account 410.1 - Provision for deferred income taxes
- Account 411.1 - Provision for deferred income taxes - Cr.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
	(1) X An Original	(Mo, Da, Yr)	
Kentucky Utilities Company	(2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Deferred tax assets and liabilities are measured at the enacted tax rate expected to apply when temporary differences are to be realized or settled. Thus, at the date of enactment, KU's deferred taxes are remeasured based upon new federal or state corporate income tax rates. The changes in deferred taxes are primarily recorded as an offset to either a regulatory asset or regulatory liability and are reflected in future rates charged to customers. Protected excess ADIT balances are governed by IRS normalization requirements and must be amortized using the Average Rate Assumption Method (ARAM). Unprotected excess ADIT balances are being amortized in accordance with regulatory approvals as discussed below.

For the Kentucky jurisdiction, unprotected excess ADIT balances resulting from the TCJA were amortized over a 15-year period starting January 1, 2018 per final orders in Case Nos. 2018-00034 and 2018-00294. Additionally, in Case No. 2018-00294, KU was approved to use a 15-year amortization period beginning May 1, 2019 for unprotected excess ADIT balances resulting from Kentucky tax reform HB 487.

For the Virginia jurisdiction, unprotected excess ADIT balances resulting from the TCJA are currently amortized over a 5-year period beginning June 1, 2018 per the final order in Case No. PUR-2017-00106.

For the FERC Jurisdiction, KU plans to address the amortization of unprotected excess ADIT in future rate filings.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The table below shows the related amounts associated with the reversal and elimination of ADIT balances; the amount of excess and deficient ADIT that is protected and unprotected; the accounts to which the excess or deficient ADIT will be amortized; and the amortization period of the excess and deficient ADIT to be returned or recovered through rates for both protected and unprotected ADIT. Additionally, a reconciliation to Form 1 page 278 – Other Regulatory Liabilities is provided.

	Unamortized Net Excess ADIT as of 12/31/18 (a)	2019 Amortization of Excess ADIT (b)	Unamortized Net Excess ADIT as of 12/31/19
Protected:			
Account 282 - Property Related	479,244,310	11,595,395	467,648,915
Account 282 - Coal Combustion Residual AROs	3,769,797	305,534	3,464,263
Account 190 - Net Operating Losses	(10,077,095)	(235,698)	(9,841,397)
Total Protected	472,937,012	11,665,231	461,271,781
Unprotected			
Account 190 - Other Temporary Differences	(44,382,732)	(3,210,505)	(41,172,227)
Account 282 - Other Temporary Differences	7,816,523	535,702	7,280,821
Account 283 - Other Temporary Differences	47,142,502	3,409,695	43,732,807
Total Unprotected	10,576,293	734,892	9,841,401
Total Excess Deferred Tax	483,513,305	12,400,123	471,113,182
Tax Gross-up Factor			1.332445
Excess Deferred Tax Regulatory Liability			627,732,421
Regulatory Liability on Unamortized Investment Tax Credits (ITC)			29,946,016
Total Tax Regulatory Liability			657,678,437
ASC 740 Regulatory Liability - FERC Form 1 page 278			657,678,437
Difference			0

(a) Excess ADIT balances resulting from U.S. federal (TCJA) and Kentucky (HB 487) corporate income tax rate reductions effective January 1, 2018, U.S. federal corporate income tax rate reduction in 1986, and Kentucky corporate income tax rate reductions in 2005 through 2007.

(b) Excess ADIT balances are recorded to account 254 and reversed through accounts 410.1/411.1. See discussion above for amortization periods used for protected and unprotected excess ADIT.

Other

Kentucky State Tax Reform

HB 487, which became law on April 27, 2018, provides for significant changes to the Kentucky tax code including (1) adopting mandatory combined reporting for corporate members of unitary business groups for

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
	(1) X An Original	(Mo, Da, Yr)	
Kentucky Utilities Company	(2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

taxable years beginning on or after January 1, 2019 (members of a unitary business group may make an eight-year binding election to file consolidated corporate income tax returns with all members of their federal affiliated group) and (2) a reduction in the Kentucky corporate income tax rate from 6% to 5% for taxable years beginning after December 31, 2017.

As indicated in Note 1, LG&E's and KU's accounting for income taxes is impacted by rate regulation. Therefore, reductions in regulated accumulated deferred income tax balances due to the reduction in the Kentucky corporate income tax rate to 5% under the provisions of HB 487 will result in amounts previously collected from utility customers for these deferred taxes to be refundable to such customers in future periods. In the second quarter of 2018, KU recorded the impact of the reduced tax rate, related to the remeasurement of deferred income taxes, as an increase in regulatory liabilities of $19 million. In a separate regulatory proceeding, KU requested to begin returning state excess deferred income taxes to customers in conjunction with the 2018 Kentucky base rate case, which was filed on September 28, 2018. See Note 5 for additional information related to the rate case proceedings.

5. Utility Rate Regulation

Regulatory Assets and Liabilities

KU reflects the effects of regulatory actions in the financial statements for its cost-based rate-regulated utility operations. Regulatory assets and liabilities are classified as current if, upon initial recognition, the entire amount related to that item will be recovered or refunded within a year of the balance sheet date.

KU is subject to the jurisdiction of the KPSC, FERC and VSCC.

KU's Kentucky base rates are calculated based on a return on capitalization (common equity, long-term debt and short-term debt) including adjustments for certain net investments and costs recovered separately through other means. As such, KU generally earns a return on regulatory assets.

KU's Virginia base rates are calculated based on a return on rate base (net utility plant plus working capital less accumulated deferred income taxes and miscellaneous deductions). As all regulatory assets and liabilities, except for regulatory assets and liabilities related to the levelized fuel factor, pension and postretirement benefits, and AROs related to certain CCR impoundments, are excluded from the return on rate base utilized in the calculation of Virginia base rates, no return is earned on the related assets.

KU's rates to municipal customers for wholesale power requirements are calculated based on annual updates to a formula rate that utilizes a return on rate base (net utility plant plus working capital less accumulated deferred income taxes and miscellaneous deductions). As all regulatory assets and liabilities are excluded from the return on rate base utilized in the development of municipal rates, no return is earned on the related assets.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

The following table provides information about the regulatory assets and liabilities of cost-based rate-regulated utility operations at December 31:

	December 31, 2019	December 31, 2018
Current Regulatory Assets:		
Plant outage costs	$ 16	$ 3
Other	-	1
Total current regulatory assets	$ 16	$ 4
Noncurrent Regulatory Assets:		
Defined benefit plans	$ 127	$ 156
Storm costs	10	14
Unamortized loss on debt	9	8
Terminated interest rate swaps	34	36
AROs	203	198
Other	3	6
Total noncurrent regulatory assets	$ 386	$ 418
Current Regulatory Liabilities:		
Environmental cost recovery	$ 4	$ 10
Fuel adjustment clause	8	-
TCJA customer refund	2	10
Generation formula rate	1	7
Other	2	4
Total current regulatory liabilities	$ 17	$ 31
Noncurrent Regulatory Liabilities:		
Accumulated cost of removal of utility plant	$ 374	$ 395
Power purchase agreement - OVEC	16	18
Net deferred taxes	624	640
Defined benefit plans	40	32
Terminated interest rate swaps	34	36
Other	2	3
Total noncurrent regulatory liabilities	$ 1,090	$ 1,124

Following is an overview of selected regulatory assets and liabilities detailed in the preceding tables. Specific developments with respect to certain of these regulatory assets and liabilities are discussed in "Regulatory Matters."

Defined Benefit Plans

Defined benefit plan regulatory assets and liabilities represent prior service costs and net actuarial gains and losses that will be recovered in defined benefit plans expense through future base rates based upon established

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

regulatory practices and, generally, are amortized over the average remaining service lives of plan participants. These regulatory assets and liabilities are adjusted at least annually or whenever the funded status of defined benefit plans is remeasured.

As a result of the 2014 Kentucky rate case settlement that became effective July 1, 2015, the difference between pension cost calculated in accordance with KU's pension accounting policy and pension cost calculated using a 15-year amortization period for actuarial gains and losses is recorded as a regulatory asset. As of December 31, 2019 and 2018, the balances were $22 million and $20 million.

Storm Costs

KU has the ability to request from the KPSC and VSCC, as applicable, the authority to treat expenses related to specific extraordinary storms as a regulatory asset and defer such costs for regulatory accounting and reporting purposes. Once such authority is granted, KU can request recovery of those expenses in a base rate case and begin amortizing the costs when recovery starts. KU’s regulatory assets for storm costs are being amortized through various dates ending in 2029.

Unamortized Loss on Debt

Unamortized loss on reacquired debt represents losses on long-term debt reacquired or redeemed that have been deferred and will be amortized and recovered over either the original life of the extinguished debt or the life of the replacement debt (in the case of refinancing). Such costs are being amortized through 2042.

Accumulated Cost of Removal of Utility Plant

KU charges costs of removal through depreciation expense with an offsetting credit to a regulatory liability. The regulatory liability is relieved as costs are incurred.

TCJA Customer Refund

As a result of the reduced U.S. federal corporate income tax rate as enacted by the TCJA, the regulators of KU have ruled that these tax benefits should be refunded to customers. In some instances, timing differences occur between the recognition of these tax benefits and the refund of the benefit to the customers which create a regulatory asset or liability.

KU distributed these tax savings for Kentucky customers through the TCJA bill credit prior to incorporating them into base rates effective May 1, 2019. See “Regulatory Matters” for additional information. The remaining liability represents TCJA savings to be distributed to Virginia customers in 2020.

Net Deferred Taxes

Regulatory liabilities associated with net deferred taxes represent the future revenue impact from the adjustment of deferred income taxes required primarily for excess deferred taxes and unamortized investment tax credits, largely a result of the TCJA enacted in 2017. See Note 4 for additional information on the TCJA.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Environmental Cost Recovery

Kentucky law permits KU to recover the costs, including a return of operating expenses and a return of and on capital invested, of complying with the Clean Air Act and those federal, state or local environmental requirements, which apply to coal combustion wastes and by-products from coal-fired electricity generating facilities. The KPSC requires reviews of the past operations of the environmental surcharge for six-month and two-year billing periods to evaluate the related charges, credits and rates of return, as well as to provide for the roll-in of ECR amounts to base rates each two-year period. The KPSC has authorized return on equity of 9.725% for all existing approved ECR plans and projects. The ECR regulatory asset or liability represents the amount that has been under- or over-recovered due to timing or adjustments to the mechanism and is typically recovered or refunded within 12 months.

Fuel Adjustment Clauses

KU's retail electric rates contain a fuel adjustment clause, whereby variances in the cost of fuel to generate electricity, including transportation costs, from the costs embedded in base rates are adjusted in KU's rates. The KPSC requires public hearings at six-month intervals to examine past fuel adjustments and at two-year intervals to review past operations of the fuel adjustment clause and, to the extent appropriate, reestablish the fuel charge included in base rates. The regulatory assets or liabilities represent the amounts that have been under- or over-recovered due to timing or adjustments to the mechanism and are typically recovered within 12 months.

KU also employs a levelized fuel factor mechanism for Virginia customers using an average fuel cost factor based primarily on projected fuel costs. The Virginia levelized fuel factor allows fuel recovery based on projected fuel costs for the coming year plus an adjustment for any under- or over-recovery of fuel expenses from the prior year. The regulatory assets or liabilities represent the amounts that have been under- or over-recovered due to timing or adjustments to the mechanism and are typically recovered or refunded within 12 months.

AROs

As discussed in Note 1, all ARO accretion and depreciation expenses are reclassified as a regulatory asset. ARO regulatory assets associated with certain CCR projects are amortized to expense in accordance with regulatory approvals. For other AROs, at the time of retirement, the related ARO regulatory asset is offset against the associated cost of removal regulatory liability, PP&E and ARO liability.

Power Purchase Agreement - OVEC

As a result of purchase accounting associated with PPL's acquisition of LKE, the fair value of the OVEC power purchase agreement was recorded on the Balance Sheets with an offset to a regulatory liability. The regulatory liability is being amortized using the units-of-production method until March 2026, the expiration date of the agreement at the date of the acquisition. KU’s customer rates continue to reflect the original contracts. See Notes 10 and 14 for additional discussion of the power purchase agreement.

Terminated Interest Rate Swaps

Net realized gains and losses on all interest rate swaps are probable of recovery through regulated rates. As such, any gains and losses on these derivatives are included in regulatory assets or liabilities and are primarily recognized in "Interest Expense" on the Statements of Income over the life of the associated debt.

Plant Outage Costs

Since July 1, 2017, plant outage costs in Kentucky have been normalized for ratemaking purposes based on an average level of expenses. Plant outage expenses that are greater or less than the average are collected from or returned to customers, through future base rates. Effective May 1, 2019 plant outage costs are normalized based on a five-year average of historical expenses with over or under recoveries collected or returned over an eight-year period.

Generation Formula Rates

KU provides wholesale requirements service to its municipal customers and bills for this service pursuant to a FERC approved generation formula rate. Under this formula, rates are put into effect each July utilizing a return on rate base calculation and actual expenses from the preceding year. The regulatory asset or liability represents the difference between the revenue requirement in effect for the current year and actual expenditures incurred for the current year.

Regulatory Matters

Kentucky Activities

Rate Case Proceedings

In September 2018, KU filed a request with the KPSC for an increase in annual base electricity rates of approximately $112 million. KU's application also sought to include changes associated with the TCJA and state tax reform in the calculation of the proposed base rates and to terminate the TCJA bill credit mechanism when new base rates would go into effect. The elimination of the TCJA bill credit mechanism will result in an estimated annual electricity revenue increase of approximately $58 million. The application was based on a forecasted test year of May 1, 2019 through April 30, 2020 with a requested return-on-equity of 10.42%.

In March 2019, KU, along with substantially all intervening parties to the proceeding, filed stipulation and recommendation agreements (stipulations) with the KPSC resolving all material issues with the parties. In addition to terminating the TCJA bill credit mechanism, the proposed stipulations provided for increases in annual revenue requirements associated with base electricity rates of approximately $58 million, based on a 9.725% return-on-equity.

On April 30, 2019, the KPSC issued orders ruling on open issues and approving the proposed stipulations filed in March 2019. The orders provide for increases in the revenue requirements associated with base electricity rates of $56 million. With the termination of the TCJA bill credit mechanism, this represents annual revenue

increases of $114 million. The new base rates and all elements of the orders became effective on May 1, 2019.

Federal Matters

FERC Transmission Rate Filing

In 2018, LG&E and KU applied to the FERC requesting elimination of certain on-going credits to a sub-set of transmission customers relating to the 1998 merger of LG&E's and KU's parent entities and the 2006 withdrawal of LG&E and KU from the Midcontinent Independent System Operator, Inc. (MISO), a regional transmission operator and energy market. The application seeks termination of LG&E's and KU's commitment to provide certain Kentucky municipalities mitigation for certain horizontal market power concerns arising out of the 1998 LG&E and KU merger and 2006 MISO withdrawal. The amounts at issue are generally waivers or credits granted to a limited number of Kentucky Municipalities for either certain LG&E and KU or MISO transmission charges incurred for transmission service received. Due to the development of robust, accessible energy markets over time, LG&E and KU believe the mitigation commitments are no longer relevant or appropriate. In March 2019, the FERC granted LG&E's and KU's request to remove the on-going credits, conditioned upon the implementation by LG&E and KU of a transition mechanism for certain existing power supply arrangements, subject to FERC review and approval. In July 2019, LG&E and KU proposed their transition mechanism to the FERC and in September 2019, the FERC rejected the proposed transition mechanism and issued a separate order providing clarifications of certain aspects of the March order. In October 2019, LG&E and KU filed requests for rehearing and clarification on the two September orders. These rehearing requests are currently pending before FERC. Additionally, certain petitions for review of FERC's orders have been filed by multiple parties, including LG&E and KU, at the D.C. Circuit Court of Appeals. LG&E and KU cannot predict the outcome of the proceedings. LG&E and KU currently receive recovery of waivers and credits provided through other rate mechanisms.

TCJA Impact on FERC Rates

In November 2019, the FERC published Final Rules providing that public utility transmission providers include mechanisms in their formula rates to deduct excess ADIT from, or add deficient ADIT to, rate base and adjust their income tax allowances by amortized excess or deficient ADIT, and to make a related compliance filing.

In February 2019, in connection with the requirements of the TCJA and Kentucky HB 487, KU filed a request with the FERC to amend its transmission formula rates resulting from the laws' reductions to corporate income tax rates. The FERC approved this request effective June 1, 2019. KU is currently reviewing the Final Rule and will submit a compliance filing addressing excess ADIT by June 1, 2020. KU does not anticipate the impact of the TCJA and Kentucky HB 487 related to its FERC-jurisdictional rates to be significant.

6. Financing Activities

Credit Arrangements and Short-term Debt

KU maintains credit facilities to enhance liquidity, provide credit support and provide a backstop to its commercial paper program. The amounts borrowed below are recorded as "Short-term debt" on the Balance

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Sheets. The following credit facilities were in place at December 31:

	December 31, 2019			December 31, 2018		
	Syndicated Credit Facility (a) (b)	Term Loan Credit Facility (c)	Total Credit Facilities	Syndicated Credit Facility (a) (b)	Term Loan Credit Facility (c)	Total Credit Facilities
Expiration Date	Jan. 2024			Jan. 2023	Oct. 2020	
Capacity	$ 400	$ -	$ 400	$ 400	$ 198	$ 598
Borrowed	$ -	$ -	$ -	$ -	$ -	$ -
Commercial Paper and Letter of Credit Issuances	$ 150	$ -	$ 150	$ 235	$ 198	$ 433
Unused Capacity	$ 250	$ -	$ 250	$ 165	$ -	$ 165

(a) KU pays customary fees under its facilities and borrowings generally bear interest at LIBOR-based rates plus an applicable margin.
(b) The facilities contain a financial covenant requiring debt to total capitalization not to exceed 70% as calculated in accordance with the facility and other customary covenants. Additionally, as it relates to the syndicated credit facility and subject to certain conditions, KU may request up to a $250 million increase in its facility's capacity.
(c) KU's letter of credit facility was terminated in September 2019 in connection with the bond remarketings discussed below.

KU maintains a commercial paper program to provide an additional financing source to fund short-term liquidity needs. Commercial paper issuances, included in "Short-term debt" on the Balance Sheets, are supported by KU's syndicated credit facility. The following commercial paper program was in place at December 31:

	2019	2018
Weighted - Average Interest Rate	2.02%	2.94%
Capacity	$ 350	$ 350
Commercial Paper Issuances	$ 150	$ 235
Unused Capacity	$ 200	$ 115

See Note 11 for discussion of intercompany borrowings.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Long-term Debt

	December 31, 2019	December 31, 2018
First Mortgage Bonds	$ 2,642	$ 2,342
Total Long-term Debt Before Adjustments	2,642	2,342
Other		
Unamortized premium	5	-
Unamortized discount	(8)	(8)
Unamortized debt issuance costs	(16)	(13)
Total Long-term Debt	2,623	2,321
Less current portion of Long-term Debt	500	96
Total Long-term Debt, noncurrent	$ 2,123	$ 2,225
Weighted-Average Rate (a)	3.93%	
Maturities (a)	2020 - 2045	

(a) The table reflects principal maturities only, based on stated maturities or earlier put dates, and the weighted-average rates as of December 31, 2019.

KU's first mortgage bonds are secured by the lien of the KU 2010 Mortgage Indenture which creates a lien, subject to certain exceptions and exclusions, on substantially all of KU's real and tangible personal property located in Kentucky and used or to be used in connection with the generation, transmission and distribution of electricity. The aggregate carrying value of the property subject to the lien was $6.6 billion and $6.3 billion at December 31, 2019 and 2018.

The first mortgage bonds were issued to the respective trustees of tax-exempt revenue bonds to secure obligations to make payments with respect to each series of bonds. The first mortgage bonds were issued in the same principal amounts, contain payment and redemption provisions that correspond to and bear the same interest rate as such tax-exempt revenue bonds. The related tax-exempt revenue bonds were issued by various governmental entities, principally counties in Kentucky, on behalf of KU. The related revenue bond documents allow KU to convert the interest rate mode on the bonds from time to time to a commercial paper rate, daily rate, weekly rate, term rate of at least one year or, in some cases, an auction rate or a LIBOR index rate.

At December 31, 2019, the aggregate tax-exempt revenue bonds issued on behalf of KU that were in a term rate mode totaled $308 million. At December 31, 2019, the aggregate tax-exempt revenue bonds issued on behalf of KU that were in a variable rate mode totaled $33 million. These variable rate tax-exempt revenue bonds are subject to tender for purchase by KU at the option of the holder and to mandatory tender for purchase by KU upon the occurrence of certain events.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

None of the outstanding debt securities noted above have sinking fund requirements. The aggregate maturities of long-term debt, based on stated maturities or earlier put dates, for the periods 2020 through 2024 and thereafter are as follows:

2020	$	500
2021		132
2022		-
2023		13
2024		-
Thereafter		1,997
Total	$	2,642

In April 2019, KU reopened its 4.375% First Mortgage Bonds due 2045 and issued an additional $300 million of this series. KU received proceeds of $303 million, including premiums and underwriting fees, which were used to repay commercial paper and for other general corporate purposes.

In September 2019, the County of Carroll, Kentucky remarketed $50 million of Environmental Facilities Revenue Bonds, 2004 Series A due 2034 previously issued on behalf of KU. The bonds were remarketed at a long-term rate and will bear interest at 1.75% through their mandatory purchase date of September 1, 2026.

In September 2019, the County of Carroll, Kentucky remarketed $96 million of Pollution Control Revenue Bonds, 2016 Series A due 2042 previously issued on behalf of KU. The bonds were remarketed at a long-term rate and will bear interest at 1.55% through their mandatory purchase date of September 1, 2026.

In September 2019, the County of Carroll, Kentucky remarketed $54 million of Environmental Facilities Revenue Bonds, 2006 Series B due 2034 previously issued on behalf of KU. The bonds were remarketed at a long-term rate and will bear interest at 1.20% through their mandatory purchase date of June 1, 2021.

In September 2019, the County of Carroll, Kentucky remarketed $78 million of Environmental Facilities Revenue Bonds, 2008 Series A due 2032 previously issued on behalf of KU. The bonds were remarketed at a long-term rate and will bear interest at 1.20% through their mandatory purchase date of June 1, 2021.

In September 2019, the County of Mercer, Kentucky remarketed $13 million of Solid Waste Disposal Facility Revenue Bonds, 2000 Series A due 2023 previously issued on behalf of KU. The bonds were remarketed at a long-term rate and will bear interest at 1.30% through their maturity date of May 1, 2023.

Legal Separateness

The subsidiaries of PPL are separate legal entities. PPL's subsidiaries are not liable for the debts of PPL. Accordingly, creditors of PPL may not satisfy their debts from the assets of PPL's subsidiaries absent a specific contractual undertaking by a subsidiary to pay PPL's creditors or as required by applicable law or regulation. Similarly, PPL is not liable for the debts of its subsidiaries, nor are its subsidiaries liable for the debts of one another. Accordingly, creditors of PPL's subsidiaries may not satisfy their debts from the assets of PPL or its

other subsidiaries absent a specific contractual undertaking by PPL or its other subsidiaries to pay the creditors or as required by applicable law or regulation.

Similarly, the subsidiaries of LKE are each separate legal entities. These subsidiaries are not liable for the debts of LKE. Accordingly, creditors of LKE may not satisfy their debts from the assets of its subsidiaries absent a specific contractual undertaking by a subsidiary to pay the creditors or as required by applicable law or regulation. Similarly, LKE is not liable for the debts of its subsidiaries, nor are its subsidiaries liable for the debts of one another. Accordingly, creditors of its subsidiaries may not satisfy their debts from the assets of LKE (or its other subsidiaries) absent a specific contractual undertaking by that parent or other subsidiary to pay such creditors or as required by applicable law or regulation.

Distributions and Related Restrictions

KU is subject to Section 305(a) of the Federal Power Act, which makes it unlawful for a public utility to make or pay a dividend from any funds "properly included in capital account." The meaning of this limitation has never been clarified under the Federal Power Act. KU believes, however, that this statutory restriction, as applied to its circumstances, would not be construed or applied by the FERC to prohibit the payment from retained earnings of dividends that are not excessive and are for lawful and legitimate business purposes. In February 2012, KU petitioned the FERC requesting authorization to pay dividends in the future based on retained earnings balances calculated without giving effect to the impact of purchase accounting adjustments for the acquisition of LKE by PPL. In May 2012, the FERC approved the petition with the further condition that KU may not pay dividends if such payment would cause its adjusted equity ratio to fall below 30% of total capitalization. Accordingly, at December 31, 2019, net assets of $1.7 billion were restricted for purposes of paying dividends to LKE, and net assets of $1.8 billion were available for payment of dividends to LKE. KU believes it will not be required to change its current dividend practice as a result of the foregoing requirement. In addition, under Virginia law, KU is prohibited from making loans to affiliates without the prior approval of the VSCC. There are no comparable statutes under Kentucky law applicable to KU. However, orders from the KPSC require KU to obtain prior consent or approval before lending amounts to PPL or LKE.

7. Leases

KU determines whether contractual arrangements contain a lease by evaluating whether those arrangements either implicitly or explicitly identify an asset, whether KU has the right to obtain substantially all of the economic benefits from use of the asset throughout the term of the arrangement, and whether KU has the right to direct the use of the asset. Renewal options are included in the lease term if it is reasonably certain KU will exercise those options. Periods for which KU is reasonably certain not to exercise termination options are also included in the lease term. KU has certain agreements with lease and non-lease components, such as office space leases, which are generally accounted for separately.

KU has entered into various operating leases primarily for office space, vehicles and railcars. The leases generally have fixed payments with expiration dates ranging from 2020 to 2025, some of which have options to extend the leases from one year to ten years and some have options to terminate at KU's discretion. For leases that existed as of December 31, 2018, payments associated with renewal options are not included in the measurement of the lease liability and right of use (ROU) asset.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Short-term Leases

Short-term leases are leases with a term that is 12 months or less and do not include a purchase option to extend the initial term of the lease to greater than 12 months that KU is reasonably certain to exercise. KU has made an accounting policy election to not recognize the ROU asset and the lease liability arising from leases classified as short-term. Expenses related to short-term leases are included in the tables below.

Discount Rate

The discount rate for a lease is the rate implicit in the lease unless that rate cannot be readily determined. In that case, KU is required to use its incremental borrowing rate, which is the rate KU would have to pay to borrow, on a collateralized basis over a similar term, an amount equal to the lease payments in a similar economic environment.

KU receives secured borrowing rates from financial institutions based on their applicable credit profiles. KU uses the secured rate which corresponds with the term of the applicable lease.

Practical Expedients

See Note 2 for information on the adoption of the new lease guidance as well as the practical expedients KU has elected as part of the transition.

Lessee Transactions

The following table provides the components of lease cost for KU's operating leases for the periods ended December 31, 2019.

	Twelve Months
Lease cost:	
Operating lease cost	$ 13
Short-term lease cost	1
Total lease cost	$ 14

The following table provides other key information related to KU's operating leases at December 31, 2019.

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 11
Right-of-use asset obtained in exchange for new operating lease liabilities	$ 11

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The following table provides the total future minimum rental payments for operating leases, as well as a reconciliation of these undiscounted cash flows to the lease liabilities recognized on the Balance Sheets as of December 31, 2019.

2020	$	11
2021		8
2022		5
2023		4
2024		4
Thereafter		4
Total	$	36
Weighted-average discount rate		4.01%
Weighted-average remaining lease term (in years)		5
Current lease liabilities (a)	$	10
Non-current lease liabilities (a)	$	23
Right-of-use assets (b)	$	28

(a) Current lease liabilities are included in "Other Current Liabilities" on the Balance Sheets. Non-current lease liabilities are included in "Other deferred credits and noncurrent liabilities" on the Balance Sheets. The difference between the total future minimum lease payments and the recorded lease liabilities is due to the impact of discounting.
(b) Right-of-use assets are included in "Other noncurrent assets" on the Balance Sheets.

At December 31, 2018, the total future minimum rental payments for all operating leases were estimated to be:

2019	$	10
2020		9
2021		7
2022		4
2023		3
Thereafter		6
Total	$	39

Lessor Transactions

Third parties lease land from KU at certain generation plants to produce refined coal used in generation of electricity. The leases are operating leases and expire in 2021. Payments are allocated among lease and non-lease components as stated in the agreements. Lease payments are fixed or are determined based on the

amount of refined coal used in electricity generation at the facility. Payments received are primarily recorded as a regulatory liability and are amortized in accordance with regulatory approvals.

At December 31, 2019, KU expects to receive the following lease payments over the remaining term of its operating lease agreements:

2020	$	7
2021		5
2022		-
2023		-
2024		-
Thereafter		-
Total	$	12
Lease income recognized for the twelve months ended December 31, 2019	$	8

8. Retirement and Postemployment Benefits

Defined Benefits

KU does not directly sponsor any defined benefit plans. KU is allocated a portion of the funded status and costs of the plan sponsored by LKE based on its participation in the plan, which management believes are reasonable. The LKE plan was closed to new salaried and bargaining unit employees hired after December 31, 2005. Employees hired after December 31, 2005 receive additional company contributions above the standard matching contributions to their savings plans.

The majority of employees are eligible for certain health care and life insurance benefits upon retirement through a contributory plan sponsored by LKE. Postretirement health benefits may be paid from 401(h) accounts established as part of the LKE plan within the PPL Services Corporation Master Trust, funded VEBA trusts and company funds.

Allocations to KU for net periodic defined benefit credits charged against expense or regulatory assets, excluding amounts charged to construction work in progress and other non-expense accounts, for pension benefits was ($1) million in 2019. Allocations to KU for net periodic defined benefit costs charged to expense or regulatory assets, excluding amounts charged to construction work in progress and other non-expense accounts, for pension benefits was $2 million in 2018. Net periodic defined benefit costs charged to operating expense, excluding amounts charged to construction work in progress and other non-expense accounts, for other postretirement benefits were $1 million in 2018. These allocations are based on participation in those plans, which management believes are reasonable. KU is also allocated costs of defined benefit plans from LKS for defined benefit plans sponsored by LKE. See Note 11 for additional information on costs allocated to KU from LKS.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Of the costs charged to expense or regulatory assets, excluding amounts charged to construction and other non-expense accounts, $1 million and $2 million was recorded as regulatory assets during 2019 and 2018, representing the difference between net periodic defined benefit costs under the pension accounting policy and using a 15 year amortization period for gains and losses.

Allocations to KU for pension benefits resulted in an asset of $31 million and a liability of $1 million at December 31, 2019 and 2018. Allocations to KU for other postretirement benefits resulted in a liability of $16 million and $25 million at December 31, 2019 and 2018.

Plan Assets – U.S. Pension Plans

The pension plans sponsored by LKE and LG&E are invested in the PPL Services Corporation Master Trust (the Master Trust) that also includes 401(h) accounts that are restricted for certain other postretirement benefit obligations of PPL and LKE. The investment strategy for the Master Trust is to achieve a risk-adjusted return on a mix of assets that will ensure that sufficient assets are available to provide long-term growth and liquidity for benefit payments, while also managing the duration of the assets to complement the duration of the liabilities. The Master Trust benefits from a wide diversification of asset types, investment fund strategies and external investment fund managers, and therefore has no significant concentration of risk.

The investment policy of the Master Trust outlines investment objectives and defines the responsibilities of the EBPB, external investment managers, investment advisor and trustee and custodian. The investment policy is reviewed annually by PPL's Board of Directors.

The EBPB created a risk management framework around the trust assets and pension liabilities. This framework considers the trust assets as being composed of three sub-portfolios: growth, immunizing and liquidity portfolios. The growth portfolio is comprised of investments that generate a return at a reasonable risk, including equity securities, certain debt securities and alternative investments. The immunizing portfolio consists of debt securities, generally with long durations, and derivative positions. The immunizing portfolio is designed to offset a portion of the change in the pension liabilities due to changes in interest rates. The liquidity portfolio consists primarily of cash and cash equivalents.

Target allocation ranges have been developed for each portfolio based on input from external consultants with a goal of limiting funded status volatility. The EBPB monitors the investments in each portfolio, and seeks to obtain a target portfolio that emphasizes reduction of risk of loss from market volatility. In pursuing that goal, the EBPB establishes revised guidelines from time to time. EBPB investment guidelines as of the end of 2019 are presented below.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

The asset allocation for the trust and the target allocation by portfolio at December 31 are as follows:

	Percentage of Trust Assets		2019 Target Asset Allocation (a)
	2019 (a)	2018	Weighted Average
Growth Portfolio	57%	55%	55%
Equity securities	34%	30%	
Debt securities (b)	14%	15%	
Alternative investments	9%	10%	
Immunizing Portfolio	**42%**	**43%**	**43%**
Debt securities (b)	35%	39%	
Derivatives	7%	4%	
Liquidity Portfolio	**1%**	**2%**	**2%**
Total	100%	100%	100%

(a) Allocations exclude consideration of a group annuity contract held by the plan sponsored by LG&E and KU Retirement Plan.
(b) Includes commingled debt funds, which are treated as debt securities for asset allocation purposes.

LKE's plan assets are invested solely in the Master Trust, which is fully disclosed below. The fair value of these plans' assets of $1.5 billion and $1.3 billion at December 31, 2019 and 2018 represents an interest of approximately 41% and 42% in the Master Trust.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

The fair value of net assets in the PPL Services Corporation Master Trust by asset class and level within the fair value hierarchy as of December 31 was:

	2019			
	Total	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 182	$ 182	$ -	$ -
Equity securities:				
U.S. Equity	194	194	-	-
U.S. Equity fund measured at NAV (a)	451	-	-	-
International equity fund at NAV (a)	554	-	-	-
Commingled debt measured at NAV (a)	621	-	-	-
Debt securities:				
U.S. Treasury and U.S. government sponsored agency	310	309	1	-
Corporate	951	-	931	20
Other	14	-	14	-
Alternative investments:				
Real estate measured at NAV (a)	88	-	-	-
Private equity measured at NAV (a)	62	-	-	-
Hedge funds measured at NAV (a)	194	-	-	-
Derivatives	3	-	3	-
Insurance contracts	4	-	-	4
PPL Services Corporation Master Trust assets, at fair value	$ 3,628	$ 685	$ 949	$ 24
Receivables and payables, net (b)	99			
401(h) accounts restricted for other postretirement benefit obligations	(142)			
Total PPL Services Corporation Master Trust pension assets	$ 3,585			

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

	2018			
	Total	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 220	$ 220	$ -	$ -
Equity securities:				
U.S. Equity	159	159	-	-
U.S. Equity fund measured at NAV (a)	340	-	-	-
International equity fund at NAV (a)	466	-	-	-
Commingled debt measured at NAV (a)	543	-	-	-
Debt securities:				
U.S. Treasury and U.S. government sponsored agency	212	212	-	-
Corporate	899	-	874	25
Other	17	-	17	-
Alternative investments:				
Real estate measured at NAV (a)	90	-	-	-
Private equity measured at NAV (a)	65	-	-	-
Hedge funds measured at NAV (a)	175	-	-	-
Derivatives	33	-	33	-
Insurance contracts	21	-	-	21
PPL Services Corporation Master Trust assets, at fair value	$ 3,240	$ 591	$ 924	$ 46
Receivables and payables, net (b)	(2)			
401(h) accounts restricted for other postretirement benefit obligations	(129)			
Total PPL Services Corporation Master Trust pension assets	$ 3,109			

(a) In accordance with accounting guidance certain investments that are measured at fair value using the net asset value per share (NAV), or its equivalent practical expedient, have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

(b) Receivables and payables represent amounts for investments sold/purchased but not yet settled along with interest and dividends earned but not yet received.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

A reconciliation of the Master Trust assets classified as Level 3 at December 31, 2019 is as follows:

	Corporate debt	Insurance contracts	Total
Balance at beginning of period	$ 25	$ 21	$ 46
Actual return on plan assets			
Relating to assets still held at the reporting date	(1)	4	3
Relating to assets sold during the period	3	-	3
Purchases, sales and settlements	(7)	(21)	(28)
Balance at end of period	$ 20	$ 4	$ 24

A reconciliation of the Master Trust assets classified as Level 3 at December 31, 2018 is as follows:

	Corporate debt	Insurance contracts	Total
Balance at beginning of period	$ 13	$ 24	$ 37
Actual return on plan assets			
Relating to assets still held at the reporting date	(2)	1	(1)
Relating to assets sold during the period	3	-	3
Purchases, sales and settlements	11	(4)	7
Balance at end of period	$ 25	$ 21	$ 46

The fair value measurements of cash and cash equivalents are based on the amounts on deposit.

The market approach is used to measure fair value of equity securities. The fair value measurements of equity securities (excluding commingled funds), which are generally classified as Level 1, are based on quoted prices in active markets. These securities represent actively and passively managed investments that are managed against various equity indices.

Investments in commingled equity and debt funds are categorized as equity securities. Investments in commingled equity funds include funds that invest in U.S. and international equity securities. Investments in commingled debt funds include funds that invest in a diversified portfolio of emerging market debt obligations, as well as funds that invest in investment grade long-duration fixed-income securities.

The fair value measurements of debt securities are generally based on evaluations that reflect observable market information, such as actual trade information for identical securities or for similar securities, adjusted for observable differences. The fair value of debt securities is generally measured using a market approach, including the use of pricing models which incorporate observable inputs. Common inputs include benchmark yields, relevant trade data, broker/dealer bid/ask prices, benchmark securities and credit valuation adjustments. When necessary, the fair value of debt securities is measured using the income approach, which incorporates

similar observable inputs as well as payment data, future predicted cash flows, collateral performance and new issue data. For the Master Trust, these securities represent investments in securities issued by U.S. Treasury and U.S. government sponsored agencies; investments securitized by residential mortgages, auto loans, credit cards and other pooled loans; investments in investment grade and non-investment grade bonds issued by U.S. companies across several industries; investments in debt securities issued by foreign governments and corporations.

Investments in real estate represent an investment in a partnership whose purpose is to manage investments in core U.S. real estate properties diversified geographically and across major property types (e.g., office, industrial, retail, etc.). The strategy is focused on properties with high occupancy rates with quality tenants. This results in a focus on high income and stable cash flows with appreciation being a secondary factor. Core real estate generally has a lower degree of leverage when compared with more speculative real estate investing strategies. The partnership has limitations on the amounts that may be redeemed based on available cash to fund redemptions. Additionally, the general partner may decline to accept redemptions when necessary to avoid adverse consequences for the partnership, including legal and tax implications, among others. The fair value of the investment is based upon a partnership unit value.

Investments in private equity represent interests in partnerships in multiple early-stage venture capital funds and private equity fund of funds that use a number of diverse investment strategies. The partnerships have limited lives of at least 10 years, after which liquidating distributions will be received. Prior to the end of each partnership's life, the investment cannot be redeemed with the partnership; however, the interest may be sold to other parties, subject to the general partner's approval. The Master Trust has unfunded commitments of $63 million that may be required during the lives of the partnerships. Fair value is based on an ownership interest in partners' capital to which a proportionate share of net assets is attributed.

Investments in hedge funds represent investments in a fund of hedge funds. Hedge funds seek a return utilizing a number of diverse investment strategies. The strategies, when combined aim to reduce volatility and risk while attempting to deliver positive returns under most market conditions. Major investment strategies for the fund of hedge funds include long/short equity, tactical trading, event driven, and relative value. Shares may be redeemed with 45 days prior written notice. The fund is subject to short term lockups and other restrictions. The fair value for the fund has been estimated using the net asset value per share.

The fair value measurements of derivative instruments utilize various inputs that include quoted prices for similar contracts or market-corroborated inputs. In certain instances, these instruments may be valued using models, including standard option valuation models and standard industry models. These securities primarily represent treasury futures, total return swaps, interest rate swaps and swaptions (the option to enter into an interest rate swap), which are valued based on quoted prices, changes in the value of the underlying exposure or on the swap details, such as swap curves, notional amount, index and term of index, reset frequency, volatility and payer/receiver credit ratings.

In 2018, insurance contracts, classified as Level 3, represent an investment in an immediate participation guaranteed group annuity contract. The fair value is based on contract value, which represents cost plus interest income less distributions for benefit payments and administrative expenses. In 2019, obligations underlying the guaranteed group annuity contract were assumed by the insurance company, with a residual amount remaining

in the general account of the insurer that will be paid into the master trust or distributed to participants.

Plan Assets – U.S. Other Postretirement Benefit Plans

The investment strategy with respect to other postretirement benefit obligations is to fund VEBA trusts and/or 401(h) accounts with voluntary contributions and to invest in a tax efficient manner. Excluding the 401(h) accounts included in the Master Trust, other postretirement benefit plans are invested in a mix of assets for long-term growth with an objective of earning returns that provide liquidity as required for benefit payments. These plans benefit from diversification of asset types, investment fund strategies and investment fund managers and, therefore, have no significant concentration of risk. Equity securities include investments in domestic large-cap commingled funds. Ownership interests in commingled funds that invest entirely in debt securities are classified as equity securities, but treated as debt securities for asset allocation and target allocation purposes. Ownership interests in money market funds are treated as cash and cash equivalents for asset allocation and target allocation purposes. The asset allocation for the PPL VEBA trusts, excluding LKE, and the target allocation, by asset class, at December 31 are detailed below.

	Percentage of Plan Assets		2019 Target Asset Allocation
	2019	2018	Weighted Average
Asset Class			
U.S. Equity securities	45%	40%	45%
Debt securities (a)	52%	56%	50%
Cash and cash equivalents (b)	3%	4%	5%
Total	100%	100%	100%

(a) Includes commingled debt funds and debt securities.
(b) Includes money market funds.

LKE's other postretirement benefit plan is invested primarily in a 401(h) account, as disclosed in the PPL Services Corporation Master Trust, with insignificant amounts invested in money market funds within VEBA trusts for liquidity.

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4

NOTES TO FINANCIAL STATEMENTS (Continued)

The fair value of assets in the U.S. other postretirement benefit plans by asset class and level within the fair value hierarchy was:

	2019			
	Total	**Level 1**	**Level 2**	**Level 3**
Money market funds	$ 6	$ 6	$ -	$ -
U.S. Equity securities:				
Large-cap equity fund measure at NAV (a)	89	-	-	-
Commingled debt measured at NAV (a)	68	-	-	-
Debt securities:				
Corporate bonds	35	-	35	-
Total VEBA trust assets, at fair value	$ 198	$ 6	$ 35	$ -
Receivables and payables, net (b)	-			
401(h) account assets	142			
Total other postretirement benefit plan assets	$ 340			

	2018			
	Total	**Level 1**	**Level 2**	**Level 3**
Money market funds	$ 6	$ 6	$ -	$ -
U.S. Equity securities:				
Large-cap equity fund measure at NAV (a)	69	-	-	-
Commingled debt measured at NAV (a)	68	-	-	-
Debt securities:				
Corporate bonds	28	-	28	-
Total VEBA trust assets, at fair value	$ 171	$ 6	$ 28	$ -
Receivables and payables, net (b)	1			
401(h) account assets	129			
Total other postretirement benefit plan assets	$ 301			

(a) In accordance with accounting guidance certain investments that are measured at fair value using the net asset value per share (NAV), or its equivalent, practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

(b) Receivables and payables represent amounts for investments sold/purchased but not yet settled along with interest and dividends earned but not yet received.

Investments in money market funds represent investments in funds that invest primarily in a diversified portfolio of investment grade money market instruments, including, but not limited to, commercial paper, notes, repurchase agreements and other evidences of indebtedness with a maturity not exceeding 13 months from the date of purchase. The primary objective of the fund is a level of current income consistent with stability of principal and liquidity. Redemptions can be made daily on this fund.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Investments in large-cap equity securities represent investments in a passively managed equity index fund that invests in securities and a combination of other collective funds. Fair value measurements are not obtained from a quoted price in an active market but are based on firm quotes of net asset values per share as provided by the trustee of the fund. Redemptions can be made daily on this fund.

Investments in commingled debt securities represent investments in a fund that invests in a diversified portfolio of investment grade long-duration fixed income securities. Redemptions can be made daily on these funds.

Investments in corporate bonds represent investment in a diversified portfolio of investment grade long-duration fixed income securities. The fair value of debt securities are generally based on evaluations that reflect observable market information, such as actual trade information for identical securities or for similar securities, adjusted for observable differences.

Expected Cash Flows - Defined Benefit Plans

Effective January 1, 2020, the LKE and LG&E defined benefit pension plans were merged into a combined defined benefit pension plan. The following disclosures relate to the new combined LKE plan.

While LKE's defined benefit pension plans have the option to utilize available prior year credit balances to meet current and future contribution requirements, LKE contributed $22 million to its pension plan in January 2020. No additional contributions are expected in 2020.

LKE sponsors various non-qualified supplemental pension plans for which no assets are segregated from corporate assets. LKE expects to make $5 million of benefit payments under these plans in 2020.

LKE is not required to make contributions to its other postretirement benefit plan but has historically funded this plan in amounts equal to the postretirement benefit costs recognized. Continuation of this past practice would cause LKE to contribute a projected $14 million to its other postretirement benefit plan in 2020. The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid by the plan and the following federal subsidy payments are expected to be received by LKE.

		Other Postretirement	
	Pension	Benefit Payment	Expected Federal Subsidy
2020	$ 114	$ 14	$ 1
2021	115	15	-
2022	115	15	-
2023	113	15	-
2024	115	15	-
2025 - 2029	545	72	1

Savings Plans

Substantially all employees of KU are eligible to participate in deferred savings plans (401(k)s). Employer contributions to the plans were $5 million in 2019 and 2018.

9. Jointly Owned Facilities

At December 31, 2019 and 2018, the Balance Sheets reflect the owned interests in the facilities listed below.

	Ownership Interest	Electric Plant	Accumulated Depreciation	Construction Work in Progress
2019				
Generating Plants				
E.W. Brown Units 6-7	62.00%	$ 75	$ 32	$ -
Paddy's Run Unit 13 & E.W. Brown Unit 5	47.00%	46	14	-
Trimble County Unit 2	60.75%	938	160	65
Trimble County Units 5-6	71.00%	76	29	-
Trimble County Units 7-10	63.00%	128	46	-
Cane Run Unit 7	78.00%	429	49	1
E.W. Brown Solar Unit	61.00%	16	2	-
Solar Share	56.00%	2	-	-
2018				
Generating Plants				
E.W. Brown Units 6-7	62.00%	$ 66	$ 31	$ -
Paddy's Run Unit 13 & E.W. Brown Unit 5	47.00%	46	15	-
Trimble County Unit 2	60.75%	837	160	141
Trimble County Units 5-6	71.00%	76	25	-
Trimble County Units 7-10	63.00%	129	41	-
Cane Run Unit 7	78.00%	428	36	-
E.W. Brown Solar Unit	61.00%	16	2	-

KU provides its own funding for its share of each of the above facilities. KU receives a portion of the total output of the generating plants equal to its percentage ownership. The share of fuel and other operating costs associated with the plants is included in the corresponding operating expenses on the Statements of Income.

10. Commitments and Contingencies

Energy Purchase Commitments

KU enters into purchase contracts to supply the coal and natural gas requirements for generation facilities. These

contracts include the following commitments:

Contract Type	Maximum Maturity Date
Natural Gas Fuel	2022
Coal	2024
Coal Transportation and Fleeting Services	2027
Natural Gas Transportation	2026

KU has a power purchase agreement with OVEC expiring in June 2040. See "Guarantees and Other Assurances" below for information on the OVEC power purchase contract, including recent developments in credit or debt conditions relating to OVEC. Future obligations for power purchases from OVEC are demand payments, comprised of debt-service payments and contractually-required reimbursements of plant operating, maintenance and other expenses, and are projected as follows:

2020	$	10
2021		10
2022		10
2023		10
2024		9
Thereafter		123
	$	172

KU had total energy purchases under the OVEC power purchase agreement of $7 million and $6 million for the years ended December 31, 2019 and 2018.

Legal Matters

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

E.W. Brown Environmental Claims

In July 2017, the Kentucky Waterways Alliance and the Sierra Club filed a citizen suit complaint against KU in the U.S. District Court for the Eastern District of Kentucky (U.S. District Court) alleging discharges at the E.W. Brown plant in violation of the Clean Water Act and the plant's water discharge permit and alleging contamination that may present an imminent and substantial endangerment in violation of the RCRA. The plaintiffs' suit relates to prior notices of intent to file a citizen suit submitted in October and November 2015 and October 2016. These plaintiffs sought injunctive relief ordering KU to take all actions necessary to comply with the Clean Water Act and RCRA, including ceasing the discharges in question, abating effects associated with

prior discharges and eliminating the alleged imminent and substantial endangerment. These plaintiffs also sought assessment of civil penalties and an award of litigation costs and attorney fees. In December 2017, the U.S. District Court issued an Order dismissing the Clean Water Act and RCRA complaints against KU in their entirety. In January 2018, the plaintiffs appealed the dismissal Order to the U.S. Court of Appeals for the Sixth Circuit. In September 2018, the U.S. Court of Appeals for the Sixth Circuit issued its ruling affirming the lower court's decision to dismiss the Clean Water Act claims but reversing its dismissal of the RCRA claims against KU and remanding the latter to the U.S. District Court. In October 2018, KU filed a petition for rehearing to the U.S. Court of Appeals for the Sixth Circuit regarding the RCRA claims. In November 2018, the U.S. Court of Appeals for the Sixth Circuit denied KU's petition for rehearing regarding the RCRA claims. In January 2019, KU filed an answer to plaintiffs' complaint in the U.S. District Court. A trial has been scheduled to begin on October 5, 2020. KU cannot predict the outcome of these matters and an estimate or range of possible losses cannot be determined.

KU is undertaking extensive remedial measures at the E.W. Brown plant including closure of the former ash pond, implementation of a groundwater remedial action plan and performance of a corrective action plan including aquatic study of adjacent surface waters and risk assessment. The aquatic study and risk assessment are being undertaken pursuant to a 2017 agreed Order with the Kentucky Energy and Environment Cabinet (KEEC). KU conducted sampling of Herrington Lake in 2017 and 2018. In June 2019, KU submitted to the KEEC the required aquatic study and risk assessment, conducted by an independent third-party consultant, finding that discharges from the E.W. Brown plant have not had any significant impact on Herrington Lake and that the water in the lake is safe for recreational use and meets safe drinking water standards. However, until the KEEC assesses the study and issues any regulatory determinations, KU is unable to determine whether additional remedial measures will be required at the E.W. Brown plant.

Water/Waste

ELGs

In 2015, the EPA finalized ELGs for wastewater discharge permits for new and existing steam electricity generating facilities. These guidelines require deployment of additional control technologies providing physical, chemical and biological treatment and mandate operational changes including "no discharge" requirements for certain wastewaters. The implementation date for individual generating stations was to be determined by the states on a case-by-case basis according to criteria provided by the EPA. Legal challenges to the final rule were consolidated before the U.S. Court of Appeals for the Fifth Circuit. In April 2017, the EPA announced that it would grant petitions for reconsideration of the rule. In September 2017, the EPA issued a proposed rule to postpone the compliance date for certain requirements. The EPA expects to complete its reconsideration of best available technology standards by the fall of 2020. Upon completion of the ongoing regulatory proceedings, the rule will be implemented by the states in the course of their normal permitting activities. KU is developing compliance strategies and schedules. KU is unable to predict the outcome of the EPA's pending reconsideration of the rule or fully estimate compliance costs or timing. Additionally, certain aspects of these compliance plans and estimates relate to developments in state water quality standards, which are separate from the ELG rule or its implementation. Costs to comply with ELGs or other discharge limits are expected to be significant. Certain costs are included in the KU's capital plans and are subject to rate recovery.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

CCRs

In 2015, the EPA issued a final rule governing management of CCRs which include fly ash, bottom ash and sulfur dioxide scrubber wastes. The CCR Rule imposes extensive new requirements for certain CCR impoundments and landfills, including public notifications, location restrictions, design and operating standards, groundwater monitoring and corrective action requirements, and closure and post-closure care requirements, and specifies restrictions relating to the beneficial use of CCRs. Legal challenges to the final rule are pending before the D.C. Circuit Court of Appeals. In July 2018, the EPA issued a final rule extending the deadline for closure of certain impoundments and adopting other substantive changes. In August 2018, the D.C. Circuit Court of Appeals vacated and remanded portions of the CCR Rule. In December 2019, the EPA addressed the deficiencies identified by the court and proposed amendments to change the closure deadline to August 31, 2020, but allow certain extensions. EPA has announced that additional amendments to the rule are planned. KU is unable to predict the outcome of the ongoing litigation and rulemaking or potential impacts on current compliance plans. KU is currently finalizing closure plans and schedules.

In January 2017, Kentucky issued a new state rule relating to CCR management, effective May 2017, aimed at reflecting the requirements of the federal CCR rule. As a result of a subsequent legal challenge, in January 2018, the Franklin County, Kentucky Circuit Court issued an opinion invalidating certain procedural elements of the rule. KU presently operate its facilities under continuing permits authorized under the former program and do not currently anticipate material impacts as a result of the judicial ruling. The Kentucky Energy and Environmental Cabinet has announced it intends to propose new state rules aimed at addressing procedural deficiencies identified by the court and providing the regulatory framework necessary for operation of the state program in lieu of the federal CCR Rule. Associated costs are expected to be subject to rate recovery.

KU received KPSC approval for a compliance plan providing for the closure of impoundments at the Mill Creek and Trimble County stations, and construction of process water management facilities at those plants. In addition to the foregoing measures required for compliance with the federal CCR rule, KU also received KPSC approval for its plans to close impoundments at the retired Green River, Pineville and Tyrone plants to comply with applicable state law. Since 2017, KU has commenced closure of many of the subject impoundments and have completed closure of some of their smaller impoundments. KU expects to commence closure of the remaining impoundments no later than August 2020. KU generally expects to complete impoundment closures within five years of commencement, although a longer period may be required to complete closure of some facilities. Associated costs are expected to be subject to rate recovery.

In connection with the final CCR rule, KU recorded adjustments to existing AROs beginning in 2015, and continue to record adjustments as required. See Note 15 for additional information. Further changes to AROs, current capital plans or operating costs may be required as estimates are refined based on closure developments, groundwater monitoring results, and regulatory or legal proceedings. Costs relating to this rule are subject to rate recovery.

Superfund and Other Remediation

KU is potentially responsible for investigating and remediating contamination under the federal Superfund program and similar state programs. Actions are under way at certain sites including former coal gas

manufacturing plants in Kentucky previously owned or operated by, or currently owned by predecessors or affiliates of, KU.

KU lacks sufficient information about such additional sites to estimate any potential liability or range of reasonably possible losses, if any, related to these sites. Such costs, however, are not expected to be significant.

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

Regulatory Issues

See Note 5 for information on regulatory matters related to utility rate regulation.

Electricity - Reliability Standards

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

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

KU monitors its compliance with the Reliability Standards and self-reports or self-logs potential violations of applicable reliability requirements whenever identified, and submits accompanying mitigation plans, as required. The resolution of a small number of potential violations is pending. Penalties incurred to date have not been significant. Any Regional Reliability Entity (including RFC or SERC) determination concerning the resolution of violations of the Reliability Standards remains subject to the approval of the NERC and the FERC.

In the course of implementing its programs to ensure compliance with the Reliability Standards, certain other instances of potential non-compliance may be identified from time to time. KU cannot predict the outcome of these matters, and an estimate or range of possible losses cannot be determined.

Other

Guarantees and Other Assurances

In the normal course of business, KU enters into agreements that provide financial performance assurance to third parties. Such agreements include, for example, guarantees, stand-by letters of credit issued by financial institutions and surety bonds issued by insurance companies. These agreements are entered into primarily to support or enhance creditworthiness attributed to a subsidiary on a stand-alone basis or to facilitate the

commercial activities in which these subsidiaries engage.

Pursuant to the OVEC power purchase contract, KU is obligated to pay for its share of OVEC's excess debt service, post-retirement and decommissioning costs, as well as any shortfall from amounts included within a demand charge designed and expected to cover these costs over the term of the contract. KU's proportionate share of OVEC's outstanding debt was $34 million at December 31, 2019. The maximum exposure and the expiration date of these potential obligations are not presently determinable. See "Energy Purchase Commitments" above for additional information on the OVEC power purchase contract.

In March 2018, a sponsor with a 4.85% pro-rata share of OVEC obligations filed for bankruptcy under Chapter 11 and, in August 2018, received a rejection order for the OVEC power purchase contract in the bankruptcy proceeding. In October 2019, the bankruptcy court issued an order confirming the sponsor's proposed reorganization plan. OVEC and other entities are challenging the contract rejection, the bankruptcy plan confirmation and potential FERC approval of the plan in various forums, and, in December 2019, an appellate court remanded the contract rejection issue for further proceedings. The plan's effective date remains subject to certain conditions precedent, including FERC regulatory approval, and relevant aspects of the contract rejection and the plan subject to on-going appellate, bankruptcy and regulatory proceedings. OVEC and certain of its sponsors, including KU, are analyzing certain potential additional credit support actions to preserve OVEC's access to credit markets or mitigate risks or adverse impacts relating thereto, including increased interest costs, establishing or continuing debt reserve accounts or other changes involving OVEC's existing short and long-term debt. The ultimate outcome of these matters, including the sponsor bankruptcy and related appellate or regulatory proceedings, OVEC structural or financial steps relating thereto and any other potential impact on KU's obligations relating to OVEC under the power purchase contract cannot be predicted.

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

PPL, on behalf of itself and certain of its subsidiaries, including KU, maintains insurance that covers liability assumed under contract for bodily injury and property damage. The coverage provides maximum aggregate coverage of $225 million. This insurance may be applicable to obligations under certain of these contractual arrangements.

11. Related Party Transactions

Wholesale Sales and Purchases

KU and LG&E jointly dispatch their generation units with the lowest cost generation used to serve their retail customers. When KU has excess generation capacity after serving its own retail customers and its generation cost is lower than that of LG&E, LG&E purchases electricity from KU, and vice versa. These transactions are reflected in the Statements of Income as "Electric revenue from affiliate" and "Energy purchases from affiliate"

and are recorded at a price equal to the seller's fuel cost plus any split savings. Savings realized from such intercompany transactions are shared equally between both companies. The volume of energy each company has to sell to the other is dependent on its retail customers' needs and its available generation.

Support Costs

LKS provides KU with administrative, management and support services. The costs of these services are charged to KU as direct support costs. General costs that cannot be directly attributed to a specific LKE subsidiary are allocated and charged to KU and other subsidiaries as indirect support costs. LKS bases its indirect allocations on the subsidiaries' number of employees, total assets, revenues, number of customers and/or other statistical information.

LKS charged KU $178 million and $169 million for the years ended December 31, 2019 and 2018, including amounts applied to accounts that are further distributed between capital and expense on KU's books, based on methods that are believed to be reasonable.

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

Intercompany Borrowings

KU participates in an intercompany money pool agreement whereby LKE and/or LG&E make available to KU funds up to $500 million at an interest rate based on a market index of commercial paper issues. No balances were outstanding at December 31, 2019 and 2018.

Other

See Note 1 for a discussion regarding the intercompany tax sharing agreement. See Note 8 for discussions regarding intercompany allocations associated with defined benefits.

12. Fair Value Measurements

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

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

Recurring Fair Value Measurements

The assets and liabilities measured at fair value were:

	December 31, 2019			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets				
Cash and cash equivalents	$ 12	$ 12	$ -	$ -
Total assets	$ 12	$ 12	$ -	$ -

	December 31, 2018			
	Total	**Level 1**	**Level 2**	**Level 3**
Assets				
Cash and cash equivalents	$ 14	$ 14	$ -	$ -
Total assets	$ 14	$ 14	$ -	$ -

Price Risk Management Assets/Liabilities - Interest Rate Swaps

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

Financial Instruments Not Recorded at Fair Value

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

December 31, 2019		December 31, 2018	
Carrying Amount (a)	**Fair Value**	**Carrying Amount (a)**	**Fair Value**
$ 2,623	$ 3,003	$ 2,321	$ 2,451

(a) Amount is net of debt issuance costs.

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

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
	(1) X An Original	(Mo, Da, Yr)	
Kentucky Utilities Company	(2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

13. Derivative Instruments and Hedging Activities

Risk Management Objectives

PPL has a risk management policy approved by the Board of Directors to manage market risk associated with commodities and interest rates on debt issuances (including price, liquidity and volumetric risk), and credit risk (including non-performance risk and payment default risk). The Risk Management Committee, comprised of senior management and chaired by the Senior Director - Risk Management, oversees the risk management function. Key risk control activities designed to ensure compliance with the risk policy and detailed programs include, but are not limited to, credit review and approval, validation of transactions, verification of risk and transaction limits and the coordination and reporting of the Enterprise Risk Management program.

Market Risk

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

The following summarizes the market risks that affect KU.

Interest rate risk

- KU is exposed to interest rate risk associated with forecasted fixed-rate debt issuances. KU utilizes forward starting interest rate swaps to hedge changes in benchmark interest rates, when appropriate, in connection with future debt issuances.

- KU is exposed to interest rate risk associated with debt securities and derivatives held by defined benefit plans. This risk is significantly mitigated to the extent that the plans are sponsored on behalf of KU due to the recovery methods in place.

Commodity price risk

- KU's rates include certain mechanisms for fuel, fuel-related expenses and energy purchases. These mechanisms generally provide for timely recovery of market price fluctuations associated with these expenses.

Volumetric risk

- KU is exposed to volumetric risk on retail sales, mainly due to weather and other economic conditions for which there is limited mitigation between rate cases.

Equity securities price risk

- KU is exposed to equity securities price risk associated with the fair value of the defined benefit plans' assets. This risk is significantly mitigated due to the recovery methods in place.

Credit Risk

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

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

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

Interest Rate Risk

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

Accounting and Reporting

All derivative instruments are recorded at fair value on the Balance Sheets as an asset or liability unless NPNS is elected. NPNS contracts include physical purchase contracts. Changes in the fair value of derivatives not designated as NPNS are recognized in earnings unless specific hedge accounting criteria are met and designated as such. See Note 5 for amounts recorded in regulatory assets and regulatory liabilities at December 31, 2019 and 2018.

See Note 1 for additional information on accounting policies related to derivative instruments.

Offsetting Derivative Instruments

KU has master netting arrangements in place and also enters into agreements pursuant to which it purchases or

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

sells certain energy and other products. Under the agreements, upon termination of the agreement as a result of a default or other termination event, the non-defaulting party typically would have a right to set off amounts owed under the agreement against any other obligations arising between the two parties (whether under the agreement or not), whether matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation.

KU has elected not to offset derivative assets and liabilities and not to offset net derivative positions against the right to reclaim cash collateral pledged (an asset) or the obligation to return cash collateral received (a liability) under derivatives agreements.

Credit Risk-Related Contingent Features

Certain derivative contracts contain credit risk-related contingent features which, when in a net liability position, would permit the counterparties to require the transfer of additional collateral upon a decrease in KU's credit ratings. Most of these features would require the transfer of additional collateral or permit the counterparty to terminate the contract if the applicable credit rating were to fall below investment grade. Some of these features also would allow the counterparty to require additional collateral upon each downgrade in credit rating at levels that remain above investment grade. In either case, if the applicable credit rating were to fall below investment grade, most of these credit contingent features require either immediate payment of the net liability as a termination payment or immediate and ongoing full collateralization on derivative instruments in net liability positions.

Additionally, certain derivative contracts contain credit risk-related contingent features that require adequate assurance of performance be provided if the other party has reasonable concerns regarding KU's performance obligations under the contracts. A counterparty demanding adequate assurance could require a transfer of additional collateral or other security, including letters of credit, cash and guarantees from a creditworthy entity. This would typically involve negotiations among the parties.
At December 31, 2019, KU had no derivative contracts in a net liability position that contain credit risk-related contingent features.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

14. Other Intangible Assets

The gross carrying amount and the accumulated amortization of other intangible assets as of December 31 were:

	2019		2018	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Subject to amortization:				
Land rights and easements	$ 15	$ 3	$ 14	$ 2
OVEC power purchase agreement (a)	39	23	39	20
Total subject to amortization	$ 54	$ 26	$ 53	$ 22

(a) Gross carrying amount represents the fair value at the acquisition date of the OVEC power purchase contract recognized as a result of the 2010 acquisition by PPL. An offsetting regulatory liability was recorded related to this contract, which is being amortized over the same period as the intangible asset, eliminating any income statement impact. See Note 5 for additional information.

Long-term intangible assets are presented as "Other intangibles" on the Balance Sheets.

Amortization expense was as follows:

	2019	2018
Intangible assets with regulatory offset	$ 3	$ 2

Amortization expense for each of the next five years is estimated to be:

	Intangible assets with regulatory offset
2020	$ 2
2021	2
2022	2
2023	2
2024	2

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

15. Asset Retirement Obligations

KU's ARO liabilities are primarily related to CCR closure costs. See Note 10 for information on the CCR rule. KU's transmission and distribution lines largely operate under perpetual property easement agreements, which do not generally require restoration upon removal of the property. Therefore, no material AROs are recorded for transmission and distribution assets. For KU, all ARO accretion and depreciation expenses are reclassified as a regulatory asset. For other AROs, at the time of retirement, the related ARO regulatory asset is offset against the associated cost of removal regulatory liability, PP&E and ARO liability.

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

	2019	2018
ARO at beginning of period	$ 193	$ 235
Accretion	11	12
Obligations incurred	-	8
Changes in estimated timing or cost	-	(12)
Obligations settled	(62)	(50)
ARO at end of period	$ 142	$ 193

16. New Accounting Guidance Pending Adoption

Accounting for Financial Instrument Credit Losses

In June 2016, the FASB issued accounting guidance that requires the use of a current expected credit loss (CECL) model for the measurement of credit losses on financial instruments within the scope of this guidance, which includes accounts receivable. The CECL model requires an entity to measure credit losses using historical information, current information and reasonable and supportable forecasts of future events, rather than the incurred loss impairment model required under current GAAP.

KU adopted the guidance using a modified retrospective through a cumulative-effect adjustment to retained earnings on January 1, 2020. The adoption of this guidance did not have a significant impact on KU.

Accounting for Implementation Costs in a Cloud Computing Service Arrangement

In August 2018, the FASB issued accounting guidance that requires a customer in a cloud computing hosting arrangement that is a service contract to capitalize implementation costs consistent with internal-use software guidance for non-service arrangements. Prior guidance had not addressed these implementation costs. The guidance requires these capitalized implementation costs to be amortized over the term of the hosting arrangement to the statement of income line item where the service arrangement costs are recorded. The guidance also prescribes the financial statement classification of the capitalized implementation costs and cash flows associated with the arrangement. Additional quantitative and qualitative disclosures are also required.

KU adopted this guidance prospectively effective January 1, 2020. The adoption of this guidance did not have a

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
NOTES TO FINANCIAL STATEMENTS (Continued)			

significant impact on KU.

Simplifying the Test for Goodwill Impairment

In January 2017, the FASB issued accounting guidance that simplifies the test for goodwill impairment by eliminating the second step of the quantitative test. The second step of the quantitative test requires a calculation of the implied fair value of goodwill, which is determined in the same manner as the amount of goodwill in a business combination. Under this new guidance, an entity will now compare the estimated fair value of a reporting unit with its carrying value and recognize an impairment charge for the amount the carrying amount exceeds the fair value of the reporting unit.

KU adopted this guidance on January 1, 2020. The adoption of this guidance did not have a significant impact on KU.

17. Notes to Statement of Cash Flows

	December 31, 2019	December 31, 2018
Cash paid (received) during the period for:		
Income taxes	$ 39	$ 25
Interest	101	95
Significant noncash transactions:		
Accrued expenditures for property, plant and equipment	54	88

18. Subsequent Events

Management has evaluated the impact of events occurring after December 31, 2019 up to February 14, 2020, the date that KU's U.S. GAAP financial statements were issued and has updated such evaluation for disclosure purposes through March 25, 2020. These financial statements include all necessary adjustments and disclosures resulting from these evaluations.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b),(c),(d) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges", report the accounts affected and the related amounts in a footnote.
4. Report data on a year-to-date basis.

Line No.	Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability adjustment (net amount) (c)	Foreign Currency Hedges (d)	Other Adjustments (e)
1	Balance of Account 219 at Beginning of Preceding Year				
2	Preceding Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
3	Preceding Quarter/Year to Date Changes in Fair Value				
4	Total (lines 2 and 3)				
5	Balance of Account 219 at End of Preceding Quarter/Year				
6	Balance of Account 219 at Beginning of Current Year				
7	Current Qtr/Yr to Date Reclassifications from Acct 219 to Net Income				
8	Current Quarter/Year to Date Changes in Fair Value				
9	Total (lines 7 and 8)				
10	Balance of Account 219 at End of Current Quarter/Year				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

Line No.	Other Cash Flow Hedges Interest Rate Swaps (f)	Other Cash Flow Hedges [Specify] (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (Carried Forward from Page 117, Line 78) (i)	Total Comprehensive Income (j)
1					
2					
3					
4				293,035,498	293,035,498
5					
6					
7					
8					
9				293,035,498	293,035,498
10					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Report in Column (c) the amount for electric function, in column (d) the amount for gas function, in column (e), (f), and (g) report other (specify) and in column (h) common function.

Line No.	Classification (a)	Total Company for the Current Year/Quarter Ended (b)	Electric (c)
1	Utility Plant		
2	In Service		
3	Plant in Service (Classified)	9,348,742,398	9,348,742,398
4	Property Under Capital Leases	28,271,792	28,271,792
5	Plant Purchased or Sold		
6	Completed Construction not Classified	501,688,918	501,688,918
7	Experimental Plant Unclassified		
8	Total (3 thru 7)	9,878,703,108	9,878,703,108
9	Leased to Others		
10	Held for Future Use	1,936,602	1,936,602
11	Construction Work in Progress	495,780,054	495,780,054
12	Acquisition Adjustments		
13	Total Utility Plant (8 thru 12)	10,376,419,764	10,376,419,764
14	Accum Prov for Depr, Amort, & Depl	3,464,339,891	3,464,339,891
15	Net Utility Plant (13 less 14)	6,912,079,873	6,912,079,873
16	Detail of Accum Prov for Depr, Amort & Depl		
17	In Service:		
18	Depreciation	3,426,150,151	3,426,150,151
19	Amort & Depl of Producing Nat Gas Land/Land Right		
20	Amort of Underground Storage Land/Land Rights		
21	Amort of Other Utility Plant	38,189,740	38,189,740
22	Total In Service (18 thru 21)	3,464,339,891	3,464,339,891
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	Total Leased to Others (24 & 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	Total Held for Future Use (28 & 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort of Plant Acquisition Adj		
33	Total Accum Prov (equals 14) (22,26,30,31,32)	3,464,339,891	3,464,339,891

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) / /	End of 2019/Q4

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION. AMORTIZATION AND DEPLETION

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)	Line No.
					1
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Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 200 Line No.: 4 Column: c

Amounts represent operating leases recorded as a result of adoption and implementation of ASC 842 - Leases.

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) / /	End of 2019/Q4

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent.
2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.

Line No.	Description of item (a)	Balance Beginning of Year (b)	Changes during Year Additions (c)
1	Nuclear Fuel in process of Refinement, Conv, Enrichment & Fab (120.1)		
2	Fabrication		
3	Nuclear Materials		
4	Allowance for Funds Used during Construction		
5	(Other Overhead Construction Costs, provide details in footnote)		
6	SUBTOTAL (Total 2 thru 5)		
7	Nuclear Fuel Materials and Assemblies		
8	In Stock (120.2)		
9	In Reactor (120.3)		
10	SUBTOTAL (Total 8 & 9)		
11	Spent Nuclear Fuel (120.4)		
12	Nuclear Fuel Under Capital Leases (120.6)		
13	(Less) Accum Prov for Amortization of Nuclear Fuel Assem (120.5)		
14	TOTAL Nuclear Fuel Stock (Total 6, 10, 11, 12, less 13)		
15	Estimated net Salvage Value of Nuclear Materials in line 9		
16	Estimated net Salvage Value of Nuclear Materials in line 11		
17	Est Net Salvage Value of Nuclear Materials in Chemical Processing		
18	Nuclear Materials held for Sale (157)		
19	Uranium		
20	Plutonium		
21	Other (provide details in footnote):		
22	TOTAL Nuclear Materials held for Sale (Total 19, 20, and 21)		

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

NUCLEAR FUEL MATERIALS (Account 120.1 through 120.6 and 157)

Changes during Year		Balance	Line
Amortization (d)	Other Reductions (Explain in a footnote) (e)	End of Year (f)	No.
[redacted]			1
[redacted]			2
[redacted]			3
[redacted]			4
[redacted]			5
[redacted]			6
[redacted]			7
			8
			9
[redacted]			10
			11
			12
			13
[redacted]			14
[redacted]			15
[redacted]			16
[redacted]			17
			18
			19
			20
			21
[redacted]			22

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts.
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified-Electric.
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year.
4. For revisions to the amount of initial asset retirement costs capitalized, included by primary plant account, increases in column (c) additions and reductions in column (e) adjustments.
5. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts.
6. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c). Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
1	1. INTANGIBLE PLANT		
2	(301) Organization	44,456	
3	(302) Franchises and Consents	55,919	
4	(303) Miscellaneous Intangible Plant	118,842,173	16,406,863
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	118,942,548	16,406,863
6	2. PRODUCTION PLANT		
7	A. Steam Production Plant		
8	(310) Land and Land Rights	24,754,828	188,534
9	(311) Structures and Improvements	356,744,719	4,433,921
10	(312) Boiler Plant Equipment	3,996,765,264	172,234,179
11	(313) Engines and Engine-Driven Generators		
12	(314) Turbogenerator Units	342,643,685	29,040,279
13	(315) Accessory Electric Equipment	256,953,416	5,574,008
14	(316) Misc. Power Plant Equipment	37,295,173	2,694,602
15	(317) Asset Retirement Costs for Steam Production	198,649,061	678,222
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)	5,213,806,146	214,843,745
17	B. Nuclear Production Plant		
18	(320) Land and Land Rights		
19	(321) Structures and Improvements		
20	(322) Reactor Plant Equipment		
21	(323) Turbogenerator Units		
22	(324) Accessory Electric Equipment		
23	(325) Misc. Power Plant Equipment		
24	(326) Asset Retirement Costs for Nuclear Production		
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)		
26	C. Hydraulic Production Plant		
27	(330) Land and Land Rights	855,637	
28	(331) Structures and Improvements	4,616,561	-61,221
29	(332) Reservoirs, Dams, and Waterways	21,885,646	
30	(333) Water Wheels, Turbines, and Generators	14,046,742	
31	(334) Accessory Electric Equipment	1,335,609	
32	(335) Misc. Power PLant Equipment	329,374	
33	(336) Roads, Railroads, and Bridges	234,509	
34	(337) Asset Retirement Costs for Hydraulic Production	645,788	
35	TOTAL Hydraulic Production Plant (Enter Total of lines 27 thru 34)	43,949,866	-61,221
36	D. Other Production Plant		
37	(340) Land and Land Rights	533,901	360,612
38	(341) Structures and Improvements	87,457,196	1,296,149
39	(342) Fuel Holders, Products, and Accessories	62,631,347	71,144
40	(343) Prime Movers	659,401,590	13,835,890
41	(344) Generators	135,898,034	1,347,126
42	(345) Accessory Electric Equipment	78,893,446	561,650
43	(346) Misc. Power Plant Equipment	9,182,438	150,862
44	(347) Asset Retirement Costs for Other Production	406,991	
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)	1,034,404,943	17,623,433
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)	6,292,160,955	232,405,957

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Line No.	Account (a)	Balance Beginning of Year (b)	Additions (c)
47	3. TRANSMISSION PLANT		
48	(350) Land and Land Rights	31,914,554	
49	(352) Structures and Improvements	32,646,136	1,155,207
50	(353) Station Equipment	340,074,984	21,002,732
51	(354) Towers and Fixtures	78,033,094	-31,724
52	(355) Poles and Fixtures	353,795,848	72,599,968
53	(356) Overhead Conductors and Devices	199,539,680	11,385,128
54	(357) Underground Conduit	448,760	228,809
55	(358) Underground Conductors and Devices	1,302,899	61,390
56	(359) Roads and Trails		
57	(359.1) Asset Retirement Costs for Transmission Plant	549,689	39,559
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)	1,038,305,644	106,441,069
59	4. DISTRIBUTION PLANT		
60	(360) Land and Land Rights	8,139,650	941,885
61	(361) Structures and Improvements	14,383,240	9,228,836
62	(362) Station Equipment	224,956,161	23,183,738
63	(363) Storage Battery Equipment		
64	(364) Poles, Towers, and Fixtures	406,680,643	37,448,658
65	(365) Overhead Conductors and Devices	395,150,240	57,292,492
66	(366) Underground Conduit	2,394,631	47,662
67	(367) Underground Conductors and Devices	201,606,598	13,611,385
68	(368) Line Transformers	320,425,402	8,001,420
69	(369) Services	122,692,943	8,574,387
70	(370) Meters	77,180,389	2,564,864
71	(371) Installations on Customer Premises	6,164	153,070
72	(372) Leased Property on Customer Premises		
73	(373) Street Lighting and Signal Systems	123,988,612	4,246,615
74	(374) Asset Retirement Costs for Distribution Plant	656,250	71,169
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)	1,898,260,923	165,366,181
76	5. REGIONAL TRANSMISSION AND MARKET OPERATION PLANT		
77	(380) Land and Land Rights		
78	(381) Structures and Improvements		
79	(382) Computer Hardware		
80	(383) Computer Software		
81	(384) Communication Equipment		
82	(385) Miscellaneous Regional Transmission and Market Operation Plant		
83	(386) Asset Retirement Costs for Regional Transmission and Market Oper		
84	TOTAL Transmission and Market Operation Plant (Total lines 77 thru 83)		
85	6. GENERAL PLANT		
86	(389) Land and Land Rights	3,432,562	253,922
87	(390) Structures and Improvements	68,085,250	11,212,279
88	(391) Office Furniture and Equipment	45,971,770	7,689,192
89	(392) Transportation Equipment	7,591,060	336,682
90	(393) Stores Equipment	890,310	
91	(394) Tools, Shop and Garage Equipment	13,940,407	1,292,292
92	(395) Laboratory Equipment		
93	(396) Power Operated Equipment	4,470,614	1,550,358
94	(397) Communication Equipment	65,657,704	2,659,864
95	(398) Miscellaneous Equipment		
96	SUBTOTAL (Enter Total of lines 86 thru 95)	210,039,677	24,994,589
97	(399) Other Tangible Property		
98	(399.1) Asset Retirement Costs for General Plant		
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)	210,039,677	24,994,589
100	TOTAL (Accounts 101 and 106)	9,557,709,747	545,614,659
101	(102) Electric Plant Purchased (See Instr. 8)		
102	(Less) (102) Electric Plant Sold (See Instr. 8)		
103	(103) Experimental Plant Unclassified		
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)	9,557,709,747	545,614,659

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years tentative account distributions of these amounts. Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year.

7. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquisition adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

8. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirement of these pages.

9. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchase, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			44,456		2
			55,919		3
48,951,620			86,297,416		4
48,951,620			86,397,791		5
					6
					7
			24,943,362		8
9,782,858			351,395,782		9
103,598,830			4,065,400,613		10
					11
35,147,120			336,536,844		12
3,966,450			258,560,974		13
645,718			39,344,057		14
13,344,416			185,982,867		15
166,485,392			5,262,164,499		16
					17
					18
					19
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					21
					22
					23
					24
					25
					26
			855,637		27
22,986			4,532,354		28
			21,885,646		29
			14,046,742		30
5			1,335,604		31
			329,374		32
			234,509		33
			645,788		34
22,991			43,865,654		35
					36
			894,513		37
155,615		1,906,770	90,504,500		38
9,126		440,460	63,133,825		39
4,873,887			668,363,593		40
591,248		902,460	137,556,372		41
		-3,249,690	76,205,406		42
58,350			9,274,950		43
			406,991		44
5,688,226			1,046,340,150		45
172,196,609			6,352,370,303		46

Name of Respondent: Kentucky Utilities Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr): / /	Year/Period of Report: End of 2019/Q4

ELECTRIC PLANT IN SERVICE (Account 101, 102, 103 and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					47
12			31,914,542		48
99,998			33,701,345		49
3,618,704			357,459,012		50
33,394			77,967,976		51
1,233,860			425,161,956		52
307,759			210,617,049		53
			677,569		54
			1,364,289		55
					56
	-334,930		254,318		57
5,293,727	-334,930		1,139,118,056		58
					59
		-22,690	9,058,845		60
26,813		208	23,585,471		61
852,785		-77,682	247,209,432		62
					63
2,287,796			441,841,505		64
8,962,259		77,682	443,558,155		65
			2,442,293		66
483,138			214,734,845		67
3,551,423			324,875,399		68
136,208			131,131,122		69
1,378,200			78,367,053		70
			159,234		71
					72
143,911			128,091,316		73
2,708	-212,750		511,961		74
17,825,241	-212,750	-22,482	2,045,566,631		75
					76
					77
					78
					79
					80
					81
					82
					83
					84
					85
		-1,200	3,685,284		86
646,366			78,651,163		87
6,347,088			47,313,874		88
81,183			7,846,559		89
50,376			839,934		90
218,551			15,014,148		91
					92
28,528			5,992,444		93
682,439			67,635,129		94
					95
8,054,531		-1,200	226,978,535		96
					97
					98
8,054,531		-1,200	226,978,535		99
252,321,728	-547,680	-23,682	9,850,431,316		100
					101
					102
					103
252,321,728	-547,680	-23,682	9,850,431,316		104

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 204 Line No.: 28 Column: c

Amounts temporarily classified to plant account Structures and Improvements (331) in Completed Construction Not Classified-Electric (106) were reclassed to the correct plant account at the time of final unitization.

Schedule Page: 204 Line No.: 51 Column: c

Amounts temporarily classified to plant account Towers and Fixtures (354) in Completed Construction Not Classified-Electric (106) were reclassed to the correct plant account at the time of final unitization.

Schedule Page: 204 Line No.: 57 Column: e

Adjustment due to changes in asset retirement cost estimates.

Schedule Page: 204 Line No.: 60 Column: f

Transfer $23,682 of land from Utility Plant(101) to Future Use (105) offset by a transfer of $992 from other plant accounts.

Schedule Page: 204 Line No.: 74 Column: e

Adjustment due to changes in asset retirement cost estimates.

Schedule Page: 204 Line No.: 104 Column: g

Excludes $28,271,792 of Property Under Operating Leases recorded related to adoption and implementation of ASC 842 - Leases.

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) / /	End of 2019/Q4

ELECTRIC PLANT LEASED TO OTHERS (Account 104)

Line No.	Name of Lessee (Designate associated companies with a double asterisk) (a)	Description of Property Leased (b)	Commission Authorization (c)	Expiration Date of Lease (d)	Balance at End of Year (e)
1					
2					
3					
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46					
47	TOTAL				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of $250,000 or more. Group other items of property held for future use.
2. For property having an original cost of $250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location Of Property (a)	Date Originally Included in This Account (b)	Date Expected to be used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2	Pennington Gap Substation #2	8/1/2013	2028	324,088
3	Land at Green River Facility	11/1/2014	2029	309,541
4	London Substation	5/1/2016	2026	113,882
5	Kevil Service Center	3/1/2017	2020	131,956
6	Polo Club Substation	4/1/2017	2030	792,599
7	Lonesome Pine Substation	7/1/2017	2026	240,854
8	Clark Street Substation	9/1/2019	2030	23,682
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21	Other Property:			
22				
23				
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44				
45				
46				
47	Total			1,936,602

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or $1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	STEAM PRODUCTION MAJOR	
2	GHENT PROCESS WATER SYSTEM	150,698,964
3	GHENT COAL COMBUSTION RESIDUALS RULE NEW CONSTRUCTION	35,046,198
4	TRIMBLE COUNTY COAL COMBUSTION RESIDUALS - LANDFILL	33,049,993
5	TRIMBLE COUNTY COAL COMBUSTION RESIDUALS - TRANSPORT	25,710,983
6	BROWN PROCESS WATER SYSTEM	23,350,524
7	BROWN COMBUSTION TURBINE SITE - GAS PIPELINE RELOCATION	18,391,922
8	BROWN COAL COMBUSTION RESIDUALS NEW CONSTRUCTION	11,689,408
9	BROWN LANDFILL PHASE II CONSTRUCTION	9,034,978
10	GHENT 1 STACKER/RECLAIMER RECERTIFICATION	7,975,951
11	GHENT 2 4KV SWITCHGEAR REPLACEMENT	5,945,753
12	GHENT COAL CUMBUSTION RESIDUALS PIPE CONVEYOR BELT	2,648,235
13	GHENT 4 COOLING TOWER COMPLETE REBUILD	2,008,093
14	TRIMBLE COUNTY - EFFLUENT WATER STUDY	1,781,580
15	GHENT 4 AIR HEATER BASKET REPLACEMENT	1,676,889
16	GHENT 4 PRIMARY SUPERHEATER REPLACEMENT	1,020,069
17	GHENT 1 REHEATER PENDANT ASSEMBLY REPLACEMENT	1,012,400
18	STEAM PRODUCTION MINOR	19,698,220
19		
20	HYDRAULIC POWER MINOR	220,171
21		
22	OTHER PRODUCTION MINOR	2,567,615
23		
24	TRANSMISSION MAJOR	
25	EARLINGTON NORTH - GREEN RIVER STEEL 69KV REPLACEMENT	14,857,938
26	LEXINGTON UNDERGROUND TRANSMISSION CIRCUIT REPLACEMENT	8,412,493
27	PRIORITY REPLACEMENT TRANSMISSION - LINES	8,133,276
28	CONDUCTOR REPLACEMENTS - CLAY VILLAGE-WEST FRANKFORT	6,892,699
29	POLE REPLACEMENTS - EARLINGTON NORTH-GREEN RIVER	4,997,612
30	CONDUCTOR REPLACEMENTS - FARMERS-SPENCER ROAD	3,354,418
31	PRIORITY REPLACEMENT TRANSMISSION - OTHER	1,663,284
32	PINEVILLE PHYSICAL SECURITY UPGRADES	1,635,522
33	POLE REPLACEMENTS - PINEVILLE-ROCKY BRANCH	1,625,700
34	LYNCH CONTROL HOUSE REPLACEMENT	1,604,623
35	DORCHESTER CONTROL HOUSE REPLACEMENT	1,528,685
36	POLE REPLACEMENTS - MIDDLESBORO-PINEVILLE	1,427,967
37	MIDDLESBORO CONTROL HOUSE REPLACEMENT	1,274,878
38	CONDUCTOR REPLACEMENTS - KY DAM-SOUTH PADUCAH	1,097,549
39	POLE REPLACEMENTS NEBO-WHEATCROFT CRITICALS	1,072,279
40	TRANSMISSION MINOR	22,672,142
41		
42	DISTRIBUTION MAJOR	
43	TOTAL	495,780,054

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CONSTRUCTION WORK IN PROGRESS - - ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstrating (see Account 107 of the Uniform System of Accounts)
3. Minor projects (5% of the Balance End of the Year for Account 107 or $1,000,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction work in progress - Electric (Account 107) (b)
1	WILSON DOWNING SUBSTATION AND CIRCUIT IMPROVEMENTS	4,548,919
2	WHITE SULPHUR SUBSTATION NEW CONSTRUCTION	3,235,069
3	BARTON SUBSTATION EXPANSION	3,044,638
4	PAYNES MILL SUBSTATION NEW CONSTRUCTION	2,769,473
5	BEECH CREEK SUBSTATION POLES UPGRADE	1,430,351
6	3RD PARTY POLE ATTACHMENT MAPPING	1,285,226
7	VILEY ROAD SUBSTATION EXPANSION	1,284,765
8	LEXINGTON UNDERGROUND CIRCUIT REPLACEMENT	1,117,518
9	DISTRIBUTION MINOR	15,669,208
10		
11	GENERAL PLANT MAJOR	
12	IT DISTRIBUTION AUTOMATION	5,928,857
13	SMALLWORLD GIS UPGRADE	4,634,930
14	LAND MOBILE RADIO INFRASTRUCTURE REPLACEMENT	1,452,073
15	LOCKOUT/TAGOUT REPLACEMENT	1,217,598
16	POWERPLAN UPGRADE	1,139,159
17	GENERAL PLANT MINOR	11,202,254
18		
19	RESEARCH, DEVELOPMENT, AND DEMONSTRATING MINOR	41,005
20		
21		
22		
23		
24		
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41		
42		
43	TOTAL	495,780,054

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during year.
2. Explain in a footnote any difference between the amount for book cost of plant retired, Line 11, column (c), and that reported for electric plant in service, pages 204-207, column 9d), excluding retirements of non-depreciable property.
3. The provisions of Account 108 in the Uniform System of accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	3,359,364,479	3,359,364,479		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	288,636,282	288,636,282		
4	(403.1) Depreciation Expense for Asset Retirement Costs				
5	(413) Exp. of Elec. Plt. Leas. to Others				
6	Transportation Expenses-Clearing	459,414	459,414		
7	Other Clearing Accounts				
8	Other Accounts (Specify, details in footnote):				
9	Fuel Stock	1,394,048	1,394,048		
10	TOTAL Deprec. Prov for Year (Enter Total of lines 3 thru 9)	290,489,744	290,489,744		
11	Net Charges for Plant Retired:				
12	Book Cost of Plant Retired	190,022,984	190,022,984		
13	Cost of Removal	45,394,183	45,394,183		
14	Salvage (Credit)	1,094,263	1,094,263		
15	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 12 thru 14)	234,322,904	234,322,904		
16	Other Debit or Cr. Items (Describe, details in footnote):	23,965,956	23,965,956		
17					
18	Book Cost or Asset Retirement Costs Retired	-13,347,124	-13,347,124		
19	Balance End of Year (Enter Totals of lines 1, 10, 15, 16, and 18)	3,426,150,151	3,426,150,151		
	Section B. Balances at End of Year According to Functional Classification				
20	Steam Production	1,882,357,886	1,882,357,886		
21	Nuclear Production				
22	Hydraulic Production-Conventional	15,275,630	15,275,630		
23	Hydraulic Production-Pumped Storage				
24	Other Production	382,490,265	382,490,265		
25	Transmission	360,164,113	360,164,113		
26	Distribution	707,438,570	707,438,570		
27	Regional Transmission and Market Operation				
28	General	78,423,687	78,423,687		
29	TOTAL (Enter Total of lines 20 thru 28)	3,426,150,151	3,426,150,151		

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 219 Line No.: 16 Column: c

Accrual for Depreciation on Asset Retirement Costs - (Other Regulatory Assets FERC 182.3)	$	23,106,767
Customer Payments Related to Construction Projects		859,189
	$	23,965,956

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.
2. Provide a subheading for each company and List there under the information called for below. Sub - TOTAL by company and give a TOTAL in columns (e),(f),(g) and (h)
(a) Investment in Securities - List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.
(b) Investment Advances - Report separately the amounts of loans or investment advances which are subject to repayment, but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
3. Report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

Line No.	Description of Investment (a)	Date Acquired (b)	Date Of Maturity (c)	Amount of Investment at Beginning of Year (d)
1	OVEC (2.50%)			
2	Common Stock, $100 par value, 2,500 shares			
3	250 shares	11/18/52		25,000
4	250 shares	01/14/53		25,000
5	250 shares	03/04/53		25,000
6	250 shares	04/15/53		25,000
7	250 shares	05/20/53		25,000
8	250 shares	06/22/53		25,000
9	500 shares	07/15/53		50,000
10	500 shares	07/31/53		50,000
11				
12	EEI (20%)			
13	Common Stock, $100 par value, 12,400 shares			
14	3,500 shares	03/06/51		
15	2,700 shares	08/03/53		
16	6,200 shares	12/30/58		
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42	Total Cost of Account 123.1 $ 250,000		TOTAL	250,000

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1) (Continued)

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state the name of pledgee and purpose of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact in a footnote and give name of Commission, date of authorization, and case or docket number.
6. Report column (f) interest and dividend revenues form investments, including such revenues form securities disposed of during the year.
7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).
8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No.
				1
				2
		25,000		3
		25,000		4
		25,000		5
		25,000		6
		25,000		7
		25,000		8
		50,000		9
		50,000		10
				11
				12
				13
				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
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				35
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				39
				40
				41
		250,000		42

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)
1	Fuel Stock (Account 151)	56,182,929	63,279,741	Electric
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)	34,240,061	34,467,861	Electric
8	Transmission Plant (Estimated)	10,779,244	13,967,837	Electric
9	Distribution Plant (Estimated)	10,620,600	11,994,922	Electric
10	Regional Transmission and Market Operation Plant (Estimated)			
11	Assigned to - Other (provide details in footnote)			
12	TOTAL Account 154 (Enter Total of lines 5 thru 11)	55,639,905	60,430,620	
13	Merchandise (Account 155)			
14	Other Materials and Supplies (Account 156)			
15	Nuclear Materials Held for Sale (Account 157) (Not applic to Gas Util)			
16	Stores Expense Undistributed (Account 163)	9,836,645	4,274,232	Electric
17				
18				
19				
20	TOTAL Materials and Supplies (Per Balance Sheet)	121,659,479	127,984,593	

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 227 Line No.: 16 Column: b

Balance at Beginning of Year	$	11,598,193
Total Debits		12,412,739
Total Credits		(14,174,287)
Balance at End of Year	$	9,836,645

Schedule Page: 227 Line No.: 16 Column: c

Balance at Beginning of Year	$	9,836,645
Total Debits		14,833,582
Total Credits		(20,395,995)
Balance at End of Year	$	4,274,232

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	SO2 Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	2020 No. (d)	2020 Amt. (e)
1	Balance-Beginning of Year	583,073.00	127,771	95,449.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	913.00			
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509	17,234.00	2,193		
19	Other:				
20	Charges to Account 549	4.00			
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	566,748.00	125,578	95,449.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year	1,106.50		1,106.50	
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales	1,106.50			
40	Balance-End of Year			1,106.50	
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)	1,106.50	74		
45	Gains		74		
46	Losses				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2021		2022		Future Years		Totals		Line
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	No.
94,398.00		94,398.00		2,015,910.00		2,883,228.00	127,771	1
								2
								3
				94,398.00		95,311.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
						17,234.00	2,193	18
								19
						4.00		20
								21
								22
								23
								24
								25
								26
								27
								28
94,398.00		94,398.00		2,110,308.00		2,961,301.00	125,578	29
								30
								31
								32
								33
								34
								35
1,106.50		1,106.50		52,005.50		56,431.50		36
				2,213.00		2,213.00		37
								38
				1,106.50		2,213.00		39
1,106.50		1,106.50		53,112.00		56,431.50		40
								41
								42
								43
				1,106.50	11	2,213.00	85	44
					11		85	45
								46

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

Allowances (Accounts 158.1 and 158.2)

1. Report below the particulars (details) called for concerning allowances.
2. Report all acquisitions of allowances at cost.
3. Report allowances in accordance with a weighted average cost allocation method and other accounting as prescribed by General Instruction No. 21 in the Uniform System of Accounts.
4. Report the allowances transactions by the period they are first eligible for use: the current year's allowances in columns (b)-(c), allowances for the three succeeding years in columns (d)-(i), starting with the following year, and allowances for the remaining succeeding years in columns (j)-(k).
5. Report on line 4 the Environmental Protection Agency (EPA) issued allowances. Report withheld portions Lines 36-40.

Line No.	NOx Allowances Inventory (Account 158.1) (a)	Current Year No. (b)	Current Year Amt. (c)	2020 No. (d)	2020 Amt. (e)
1	Balance-Beginning of Year	38,287.00		17,209.00	
2					
3	Acquired During Year:				
4	Issued (Less Withheld Allow)	241.00			
5	Returned by EPA				
6					
7					
8	Purchases/Transfers:				
9					
10					
11					
12					
13					
14					
15	Total				
16					
17	Relinquished During Year:				
18	Charges to Account 509	9,577.00			
19	Other:				
20	Charges to Account 549	279.00			
21	Cost of Sales/Transfers:				
22					
23					
24					
25					
26					
27					
28	Total				
29	Balance-End of Year	28,672.00		17,209.00	
30					
31	Sales:				
32	Net Sales Proceeds(Assoc. Co.)				
33	Net Sales Proceeds (Other)				
34	Gains				
35	Losses				
	Allowances Withheld (Acct 158.2)				
36	Balance-Beginning of Year				
37	Add: Withheld by EPA				
38	Deduct: Returned by EPA				
39	Cost of Sales				
40	Balance-End of Year				
41					
42	Sales:				
43	Net Sales Proceeds (Assoc. Co.)				
44	Net Sales Proceeds (Other)				
45	Gains				
46	Losses				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

Allowances (Accounts 158.1 and 158.2) (Continued)

6. Report on Lines 5 allowances returned by the EPA. Report on Line 39 the EPA's sales of the withheld allowances. Report on Lines 43-46 the net sales proceeds and gains/losses resulting from the EPA's sale or auction of the withheld allowances.
7. Report on Lines 8-14 the names of vendors/transferors of allowances acquire and identify associated companies (See "associated company" under "Definitions" in the Uniform System of Accounts).
8. Report on Lines 22 - 27 the name of purchasers/ transferees of allowances disposed of an identify associated companies.
9. Report the net costs and benefits of hedging transactions on a separate line under purchases/transfers and sales/transfers.
10. Report on Lines 32-35 and 43-46 the net sales proceeds and gains or losses from allowance sales.

2021		2022		Future Years		Totals		Line
No. (f)	Amt. (g)	No. (h)	Amt. (i)	No. (j)	Amt. (k)	No. (l)	Amt. (m)	No.
12,525.00		12,525.00				80,546.00		1
								2
								3
3,915.00		3,680.00		12,525.00		20,361.00		4
								5
								6
								7
								8
								9
								10
								11
								12
								13
								14
								15
								16
								17
						9,577.00		18
								19
						279.00		20
								21
								22
								23
								24
								25
								26
								27
								28
16,440.00		16,205.00		12,525.00		91,051.00		29
								30
								31
								32
								33
								34
								35
								36
								37
								38
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								40
								41
								42
								43
								44
								45
								46

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

EXTRAORDINARY PROPERTY LOSSES (Account 182.1)

Line No.	Description of Extraordinary Loss [Include in the description the date of Commission Authorization to use Acc 182.1 and period of amortization (mo, yr to mo, yr).] (a)	Total Amount of Loss (b)	Losses Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20	TOTAL					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)

Line No.	Description of Unrecovered Plant and Regulatory Study Costs [Include in the description of costs, the date of Commission Authorization to use Acc 182.2 and period of amortization (mo, yr to mo, yr)] (a)	Total Amount of Charges (b)	Costs Recognised During Year (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41						
42						
43						
44						
45						
46						
47						
48						
49	TOTAL					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

Transmission Service and Generation Interconnection Study Costs

1. Report the particulars (details) called for concerning the costs incurred and the reimbursements received for performing transmission service and generator interconnection studies.
2. List each study separately.
3. In column (a) provide the name of the study.
4. In column (b) report the cost incurred to perform the study at the end of period.
5. In column (c) report the account charged with the cost of the study.
6. In column (d) report the amounts received for reimbursement of the study costs at end of period.
7. In column (e) report the account credited with the reimbursement received for performing the study.

Line No.	Description (a)	Costs Incurred During Period (b)	Account Charged (c)	Reimbursements Received During the Period (d)	Account Credited With Reimbursement (e)
1	**Transmission Studies**				
2	Facility Studies				
3	EKPC Gallatin Load	77	561.6	77	561.6
4	Westvaco Substation	299	561.6	295	561.6
5	Wilson Downings Sub	83	561.6	83	561.6
6	CMWA Substation	144	561.6		
7	System Impact Studies				
8	Ashwood Solar	158	561.6		
9	Ld trf to White Sulf	83	561.6	83	561.6
10	Wilson Downings Sub	242	561.6	193	561.6
11	KYMEA 75MW MISO	248	561.6	193	561.6
12	West High Sub Upgr	165	561.6	165	561.6
13	CMWA Substation	2,044	561.6	2,044	561.6
14	EKPC N Sharkey	124	561.6	124	561.6
15					
16					
17					
18					
19					
20					
21	**Generation Studies**				
22	Feasibility Studies				
23	Goddard to Flemingsb	161	561.7	161	561.7
24	Bonnie to WLeb	195	561.7	195	561.7
25	Mgfield to Corydon	488	561.7	488	561.7
26	Leb to Dan Tap 138	300	561.7	166	561.7
27	G'ville to Wickliffe	4,441	561.7	2,238	561.7
28	Hardinsburg Sub	648	561.7	648	561.7
29	GR to Corydon Tap	1,378	561.7	1,378	561.7
30	NPrin to Liv Co 161	641	561.7	641	561.7
31	Crit to Mgnfld 161	1,588	561.7		
32	Leitch to Shrew 138	587	561.7		
33	Facility Studies				
34	35 MW Cyn to M'burg	(1,508)	561.7	65,384	561.7
35	GR to GR Steel 138	66,295	561.7	66,720	561.7
36	System Impact Study				
37	Leb to Dan Tap 138	10,852	561.7		
38	Gram to Wick 161kV	853	561.7		
39					
40					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS Written off During the Quarter/Year Account Charged (d)	CREDITS Written off During the Period Amount (e)	Balance at end of Current Quarter/Year (f)
1	ARO-Generation-Coal Combustion Residuals	175,301,953	27,176,148	407/230	9,395,505	193,082,596
2	KPSC 2003-00427					
3	KPSC 2003-00434					
4	KPSC 2008-00251					
5	KPSC 2009-00548					
6	KPSC 2012-00221					
7	KPSC 2014-00371					
8	KPSC 2016-00026					
9	KPSC 2016-00370					
10	KPSC 2018-00294					
11	FERC FA 12-12-000					
12	FERC ER17-234-000					
13	VSCC PUR 2017-00106					
14						
15	ASC 715 - Pension and Postretirement (Ongoing)	135,931,032	(24,244,515)	926/107	6,644,457	105,042,060
16	KPSC 2003-00434					
17	KPSC 2008-00251					
18	KPSC 2009-00548					
19	KPSC 2012-00221					
20	KPSC 2014-00371					
21	KPSC 2016-00370					
22	KPSC 2018-00294					
23	FERC AI04-2-000					
24	FERC AI07-1-000					
25						
26	ASC 740 - Income Taxes	34,674,133	224,437	Various	1,078,221	33,820,349
27	KPSC 2009-00548					
28	KPSC 2012-00221					
29	KPSC 2014-00371					
30	KPSC 2016-00370					
31	KPSC 2018-00034					
32	KPSC 2018-00304					
33	KPSC 2018-00294					
34	VSCC PUR 2017-00106					
35						
36	Forward Starting Swaps Losses (Sep-15 to Oct-45)	35,885,014		427	2,391,436	33,493,578
37	KPSC 2014-00082					
38	KPSC 2014-00371					
39	KPSC 2016-00370					
40	KPSC 2018-00294					
41	VSCC PUR 2017-00106					
42						
43						
44	TOTAL	446,191,303	35,358,396		55,339,057	426,210,642

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets	Balance at Beginning of Current Quarter/Year	Debits	CREDITS		Balance at end of Current Quarter/Year
				Written off During the Quarter/Year Account Charged	Written off During the Period Amount	
	(a)	(b)	(c)	(d)	(e)	(f)
1	Pension Gain/Loss Amortization - 15 Year (Ongoing)	19,980,029	2,063,927			22,043,956
2	KPSC 2014-00371					
3	KPSC 2016-00370					
4	KPSC 2018-00294					
5						
6	Plant Outage Normalization (Ongoing)	3,335,172	12,586,094	Various	(157,016)	16,078,282
7	KPSC 2016-00370					
8	KPSC 2018-00294					
9						
10	Asset Retirement Obligation (Ongoing)	22,603,037	7,030,978	230	19,911,695	9,722,320
11	KPSC 2003-00427					
12	KPSC 2003-00434					
13	KPSC 2008-00251					
14	KPSC 2009-00548					
15	KPSC 2012-00221					
16	KPSC 2014-00371					
17	KPSC 2016-00370					
18	KPSC 2018-00294					
19	FERC FA 12-12-000					
20	FERC ER08-1588-000					
21	VSCC PUE 2011-00013					
22	VSCC PUE 2013-00013					
23	VSCC PUE 2015-00063					
24	VSCC PUR 2017-00106					
25						
26	Winter Storm 2009 (Aug-10 to Jun-21)	9,062,487		571/593	4,109,306	4,953,181
27	KPSC 2009-00174					
28	KPSC 2009-00548					
29	KPSC 2012-00221					
30	KPSC 2014-00371					
31	KPSC 2016-00370					
32	KPSC 2018-00294					
33						
34	Summer Storm 2018 (May-19 to Apr-29)	4,791,953		593	319,463	4,472,490
35	KPSC 2018-00304					
36	KPSC 2018-00294					
37						
38	Rate Case Expenses (Ongoing)	3,083,028	408,676	928	1,455,703	2,036,001
39	KPSC 2014-00371					
40	KPSC 2016-00370					
41	KPSC 2018-00294					
42						
43						
44	TOTAL	446,191,303	35,358,396		55,339,057	426,210,642

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets	Balance at Beginning of Current Quarter/Year	Debits	CREDITS		Balance at end of Current Quarter/Year
				Written off During the Quarter/Year Account Charged	Written off During the Period Amount	
	(a)	(b)	(c)	(d)	(e)	(f)
1	Brown Inventory Write-Off (May-19 to Apr-22)		1,632,162	514	417,920	1,214,242
2	KPSC 2018-00294					
3						
4	Wind Storm 2008 (Ongoing)	347,623		593	157,628	189,995
5	KPSC 2008-00457					
6	KPSC 2009-00548					
7	KPSC 2012-00221					
8	KPSC 2014-00371					
9	KPSC 2016-00370					
10	KPSC 2018-00294					
11						
12	Carbon Mgmt Research Group (Aug-10 to Jul-20)	162,197		930	102,440	59,757
13	KPSC 2008-00308					
14	KPSC 2009-00548					
15	KPSC 2012-00221					
16	KPSC 2014-00371					
17	KPSC 2016-00370					
18	KPSC 2018-00294					
19						
20	Off-System Sales Tracker (Ongoing)		94,000	440-445	93,000	1,000
21	KPSC 2014-00371					
22	KPSC 2016-00370					
23	KPSC 2018-00294					
24	807 KAR 5:056					
25						
26	Late Payment Charge Waiver		835			835
27	KPSC 2018-00294					
28						
29	VA Fuel Component (Ongoing)	564,000	450,000	440-442	1,014,000	
30	Title 56 of the Code of Virginia,					
31	Chapter 10; Section 56-249.6					
32						
33	Green River Retirement (Ongoing)	469,645		Various	469,645	
34	KPSC 2014-00371					
35	KPSC 2016-00370					
36						
37	Municipal Formula Rate True-Up (Ongoing)		7,935,654	447	7,935,654	
38	FERC ER-13-2428					
39						
40						
41						
42						
43						
44	TOTAL	446,191,303	35,358,396		55,339,057	426,210,642

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
FOOTNOTE DATA			

Schedule Page: 232 Line No.: 8 Column: a

Amortization period for closed plants is from July 2016 through June 2026 and amortization period for open plants is from July 2016 through June 2041.

Schedule Page: 232 Line No.: 12 Column: a

Amortization period for closed plants is from January 2017 through April 2019 and amortization period for open plants is from January 2017 through December 2041.

Schedule Page: 232 Line No.: 26 Column: d

Accounts credited include 410, 411, 282, and 283.

Schedule Page: 232.1 Line No.: 6 Column: d

Accounts credited include 510-514 and 553-554.

Schedule Page: 232.2 Line No.: 33 Column: d

Accounts credited include 408, 500-502,505-506,510-514, 925 and 926.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

MISCELLANEOUS DEFFERED DEBITS (Account 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show period of amortization in column (a)
3. Minor item (1% of the Balance at End of Year for Account 186 or amounts less than $100,000, whichever is less) may be grouped by classes.

Line No.	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS Account Charged (d)	CREDITS Amount (e)	Balance at End of Year (f)
1	Key Man Life Insurance	33,099,189	2,055,102	131		35,154,291
2						
3	Cane Run 7 LTPC Asset	13,910,193	5,715,226			19,625,419
4						
5	Brown 6 and 7 LTPC Asset	4,287,038	11,039,720	Various	11,006,988	4,319,770
6						
7	Long-Term Customer Accounts					
8	Receivable	41,813	29,169	142	41,813	29,169
9						
10	Carrollton Sale/Leaseback					
11	(Aug-06 to Jul-23)	20,219		931	4,412	15,807
12						
13	Cellular Antenna Billable					
14	Charges	3,267	152,809	Various	143,887	12,189
15						
16	Financing Expense	45,915	3,922,027	181,923	3,959,276	8,666
17						
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46						
47	Misc. Work in Progress					
48	Deferred Regulatory Comm. Expenses (See pages 350 - 351)					
49	TOTAL	51,407,634				59,165,311

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 233 Line No.: 5 Column: d

Accounts credited include 107, 108, and 553.

Schedule Page: 233 Line No.: 14 Column: d

Amounts credited include 142, 143, 172, and 456.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFERRED INCOME TAXES (Account 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
2. At Other (Specify), include deferrals relating to other income and deductions.

Line No.	Description and Location (a)	Balance of Begining of Year (b)	Balance at End of Year (c)
1	Electric		
2	Interest Rate Swaps	8,901,200	8,544,838
3	Other Post Retirement & Employment Benefits	12,030,052	11,216,690
4	Regulatory Tax Adjustments	195,470,556	190,029,524
5	Coal Combustion Residual ARO	38,898,390	29,129,531
6	Excess Deferred Taxes	54,459,827	51,013,624
7	Other - See Notes for Detail	21,983,107	23,172,199
8	TOTAL Electric (Enter Total of lines 2 thru 7)	331,743,132	313,106,406
9	Gas		
10			
11			
12			
13			
14			
15	Other		
16	TOTAL Gas (Enter Total of lines 10 thru 15		
17	Other (Specify)	333,591	339,392
18	TOTAL (Acct 190) (Total of lines 8, 16 and 17)	332,076,723	313,445,798

Notes

	Bal. at Beg. of Year	Bal. at End of Year
Workers' Compensation	$ 737,536	$ 832,493
Environmental Cost Recovery	2,507,725	1,045,655
Vacation Pay	1,226,566	1,207,421
FAC Over/Under-Recovery	0	1,955,581
TCJA-KY Regulatory Liability	2,109,783	0
TCJA-VA Regulatory Liability	318,252	318,252
Municipal True-Up Regulatory Liability	1,785,606	270,048
Leases	0	8,069,882
Air Permit Fees	625,948	651,396
State Tax Credit Carryforward	0	5,196,618
Asset Retirement Obligation	10,853,901	6,276,850
Valuation Allowances	0	(4,159,350)
Other	1,817,790	1,507,353
Total Line No. 7	$ 21,983,107	$ 23,172,199

	Bal. at Beg. of Year	Bal. at End of Year
Other Deductions	$ 333,591	$ 339,392
Total Line No. 17	$ 333,591	$ 339,392

Balance of Beginning of Year	$332,076,723
Less Debits to:	
Account 410.1	45,133,701
Account 410.2	244
Plus Credits to:	
Account 411.1	23,657,061
Account 411.2	6,045
Other Balance Sheet Accounts	2,839,914
Balance at End of Year	$313,445,798

Note: Some beginning balance amounts were reordered from prior years' Form 1 ending balance amounts for presentation purposes.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CAPITAL STOCKS (Account 201 and 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series (a)	Number of shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)
1	Common Stock			
2	Common Stock, Without Par Value	80,000,000		
3	Total Common	80,000,000		
4				
5	Preferred and Preference Stock			
6	Preferred Stock, Without Par Value	5,300,000		
7	Preference Stock, Without Par Value	2,000,000		
8	Total Preferred and Preference	7,300,000		
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CAPITAL STOCKS (Account 201 and 204) (Continued)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.
Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.
		AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
37,817,878	308,139,978					2
37,817,878	308,139,978					3
						4
						5
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Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 250 Line No.: 2 Column: d
There is no call price for common stock, without par value.

Schedule Page: 250 Line No.: 3 Column: a
The common stock of KU is owned by its parent company, LKE.

Schedule Page: 250 Line No.: 8 Column: a
No shares of preferred or preference stock remain issued or outstanding.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)

Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, Page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries effecting such change.

(a) Donations Received from Stockholders (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.

(b) Reduction in Par or Stated value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.

(c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.

(d) Miscellaneous Paid-in Capital (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Line No.	Item (a)	Amount (b)
1	Account 211:	
2	Contributed Capital - Misc. Balance January 1, 2019	628,858,083
3	Contributed Capital March 31, 2019	28,000,000
4	Contributed Capital June 30, 2019	40,000,000
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40	TOTAL	696,858,083

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

CAPITAL STOCK EXPENSE (Account 214)

1. Report the balance at end of the year of discount on capital stock for each class and series of capital stock.
2. If any change occurred during the year in the balance in respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off of capital stock expense and specify the account charged.

Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	Expenses on Common Stock	321,289
2		
3		
4		
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22	TOTAL	321,289

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	ACCOUNT 221:		
2	Pollution Control Bonds:		
3	Mercer County 2000 Series A, due 05/01/2023, 1.300%	12,900,000	737,536
4	Carroll County 2002 Series A, due 02/01/2032, Variable	20,930,000	120,138
5	Carroll County 2002 Series B, due 02/01/2032, Variable	2,400,000	83,078
6	Mercer County 2002 Series A, due 02/01/2032, Variable	7,400,000	92,678
7	Muhlenberg County 2002 Series A, due 02/01/2032, Variable	2,400,000	93,078
8	Carroll County 2004 Series A, due 10/01/2034, 1.750%	50,000,000	1,795,795
9	Carroll County 2006 Series B, due 10/01/2034, 1.200%	54,000,000	1,568,747
10	Carroll County 2008 Series A, due 02/01/2032, 1.200%	77,947,405	1,124,962
11	Carroll County 2016 Series A, due 09/01/2042, 1.550%	96,000,000	1,446,180
12	Carroll County 2018 Series A, due 02/01/2026, 3.375%	17,875,000	580,514
13			
14	First Mortgage Bonds:		
15	2010 due 11/01/2020, 3.250%	500,000,000	4,156,684
16			1,890,000 D
17	2010 due 11/01/2040, 5.125%	750,000,000	7,480,434
18			8,137,500 D
19	2013 due 11/15/2043, 4.650%	250,000,000	2,773,770
20			1,800,000 D
21	2015 due 10/1/2025, 3.300%	250,000,000	2,014,576
22			107,500 D
23	2015 due 10/1/2045, 4.375%	550,000,000	5,907,847
24			207,500 D
25			-5,535,000 P
26	TOTAL ACCOUNT 221	2,641,852,405	36,583,517
27			
28	ACCOUNT 223:		
29	TOTAL ACCOUNT 223		
30			
31			
32	ACCOUNT 224:		
33	TOTAL	2,641,852,405	36,583,517

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1			
2			
3			
4	TOTAL ACCOUNT 224		
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
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22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33	TOTAL	2,641,852,405	36,583,517

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD Date From (f)	AMORTIZATION PERIOD Date To (g)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
						1
						2
05/19/2000	05/01/2023	05/19/2000	05/01/2023	12,900,000	197,342	3
05/23/2002	02/01/2032	05/23/2002	02/01/2032	20,930,000	315,969	4
05/23/2002	02/01/2032	05/23/2002	02/01/2032	2,400,000	36,233	5
05/23/2002	02/01/2032	05/23/2002	02/01/2032	7,400,000	114,473	6
05/23/2002	02/01/2032	05/23/2002	02/01/2032	2,400,000	36,233	7
10/20/2004	10/01/2034	10/20/2004	10/01/2034	50,000,000	845,728	8
02/23/2007	10/01/2034	02/23/2007	10/01/2034	54,000,000	814,358	9
10/17/2008	02/01/2032	10/17/2008	02/01/2032	77,947,405	1,178,520	10
08/25/2016	09/01/2042	08/25/2016	09/01/2042	96,000,000	1,165,333	11
09/05/2018	02/01/2026	09/05/2018	02/01/2026	17,875,000	603,281	12
						13
						14
11/16/2010	11/01/2020	11/16/2010	11/1/2020	500,000,000	16,250,000	15
						16
11/16/2010	11/01/2040	11/16/2010	11/01/2040	750,000,000	38,437,500	17
						18
11/14/2013	11/15/2043	11/14/2013	11/15/2043	250,000,000	10,196,694	19
						20
09/28/2015	10/1/2025	09/28/2015	10/01/2025	250,000,000	9,655,380	21
						22
09/28/2015	10/1/2045	09/28/2015	10/1/2045	550,000,000	21,767,306	23
						24
						25
				2,641,852,405	101,614,350	26
						27
						28
						29
						30
						31
						32
				2,641,852,405	101,614,350	33

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD Date From (f)	AMORTIZATION PERIOD Date To (g)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
						1
						2
						3
						4
						5
						6
						7
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						24
						25
						26
						27
						28
						29
						30
						31
						32
				2,641,852,405	101,614,350	33

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 256 Line No.: 1 Column: a

Per instruction 9 concerning the treatment of unamortized debt expense, premium or discount, debt premium and expenses are being amortized over the lives of the related issues and remarketing expenses are being amortized through the put dates of the remarketed bonds.

Schedule Page: 256 Line No.: 2 Column: a

Pollution control series bonds are obligations of KU, issued in connection with tax-exempt pollution control revenue bonds issued by various governmental entities, principally counties in Kentucky. A loan agreement obligates KU to make debt service payments to the county that equate to the debt service due from the county on the related pollution control revenue bonds.

Schedule Page: 256 Line No.: 23 Column: a

By Order in Case No. 2018-00153 issued on August 3, 2018, KU was authorized by the KPSC to issue long-term debt in the form of First Mortgage Bonds in a principal amount not to exceed $400 million. Debt was issued on April 1, 2019, totaling $300 million in 30-year First Mortgage Bonds.

Schedule Page: 256 Line No.: 28 Column: a

KU did not have long-term notes with associated companies in 2019.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be field, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as Long as the data is consistent and meets the requirements of the above instructions. For electronic reporting purposes complete Line 27 and provide the substitute Page in the context of a footnote.

Line No.	Particulars (Details) (a)	Amount (b)
1	Net Income for the Year (Page 117)	293,035,498
2		
3		
4	Taxable Income Not Reported on Books	
5	See Footnote	16,165,513
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10	See Footnote	117,645,883
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15	See Footnote	24,673,983
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20	See Footnote	223,642,705
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	178,530,206
28	Show Computation of Tax:	
29		
30	Federal Tax Net Income	178,530,206
31	21% Rounded	37,491,343
32	Add: Tax Credits and Adjustments to Prior Years' Taxes to Actual	-2,196,502
33		
34	Total	35,294,841
35		
36		
37		
38		
39		
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41		
42		
43		
44		

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 261 Line No.: 5 Column: b

Contributions in Aid of Construction	$ 7,552,315
Fuel Adjustment Clause KY	7,375,000
Over/Under Collections - VA Fuel Clause	1,010,000
TCJA-FERC Regulatory Liability	228,198
Total	$ 16,165,513

Schedule Page: 261 Line No.: 10 Column: b

Federal Income Taxes:	
Utility Operating Income	$ 36,049,104
Provision for Deferred Income Taxes	40,558,259
Customer Advances for Construction	3,548,477
Capitalized Interest	19,582,723
Amortization of Regulatory Asset/Liability Associated with Net Forward Starting Swaps	963,130
Green River Regulatory Asset	469,645
Investment Tax Credit	432,019
Leases	4,072,426
Non-Deductible Expenses	2,318,233
Regulatory Expenses	1,047,027
Tenant Incentive Amortization	1,369,565
AFUDC Flow Through	974,072
Amortization of Storm Regulatory Assets	4,586,397
Other	1,674,806
Total	$ 117,645,883

Schedule Page: 261 Line No.: 15 Column: b

Demand Side Management	$ 1,868,483
Environmental Cost Recovery	5,860,000
Refined Coal Regulatory Liability	437,106
Municipal True-Up Regulatory Liability	6,074,381
TCJA-KY Regulatory Liability	8,456,043
Investment Tax Credit	1,977,970
Total	$ 24,673,983

Schedule Page: 261 Line No.: 20 Column: b

Federal Income Taxes:	
Other Income and Deductions	$ 754,263
Tax Over Book Depreciation, Net and Repairs	112,175,889
Plant Outage Normalization	12,743,110
Cost of Removal	45,544,454
Brown Inventory Regulatory Asset	1,214,243
Deferred Operating Expenses	1,281,302
Postemployment	1,650,404
Postretirement	1,692,486
Pensions	3,490,992
Coal Combustion Residual ARO	39,533,067
Life Insurance	2,055,102
Other	1,507,393
Total	$ 223,642,705

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual, or estimated amounts of such taxes are know, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes.) Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b)amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (See instruction 5) (a)	BALANCE AT BEGINNING OF YEAR Taxes Accrued (Account 236) (b)	BALANCE AT BEGINNING OF YEAR Prepaid Taxes (Include in Account 165) (c)	Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjust-ments (f)
1	Federal:					
2	Income	5,029,311		35,294,841	34,512,093	
3	FICA	655,268		6,907,198	6,902,765	
4						
5	Kentucky:					
6	Income			4,336,965	4,190,517	
7	Public Service Commission		1,637,251	3,242,877	3,211,251	
8	Use	1,032,606		9,619,876	9,529,480	
9						
10	Federal & Kentucky:					
11	Unemployment Insurance	21,188		74,627	73,008	
12						
13	Kentucky & Virginia:					
14	Property Taxes	17,138,512		33,331,163	32,141,514	
15	Miscellaneous					
16						
17	Virginia Use	10,641		115,416	111,881	
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38						
39						
40						
41	TOTAL	23,887,526	1,637,251	92,922,963	90,672,509	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and State income taxes)- covers more then one year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a foot- note. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Report in columns (i) through (l) how the taxes were distributed. Report in column (l) only the amounts charged to Accounts 408.1 and 409.1 pertaining to electric operations. Report in column (l) the amounts charged to Accounts 408.1 and 109.1 pertaining to other utility departments and amounts charged to Accounts 408.2 and 409.2. Also shown in column (l) the taxes charged to utility plant or other balance sheet accounts.
9. For any tax apportioned to more than one utility department or account, state in a footnote the basis (necessity) of apportioning such tax.

BALANCE AT END OF YEAR		DISTRIBUTION OF TAXES CHARGED				Line
(Taxes accrued Account 236) (g)	Prepaid Taxes (Incl. in Account 165) (h)	Electric (Account 408.1, 409.1) (i)	Extraordinary Items (Account 409.3) (j)	Adjustments to Ret. Earnings (Account 439) (k)	Other (l)	No.
						1
5,812,059		36,049,104			-754,263	2
659,701		9,834,471			-2,927,273	3
						4
						5
146,448		4,938,881			-601,916	6
	1,605,625	3,242,877				7
1,123,002		31,910			9,587,966	8
						9
						10
22,807		138,725			-64,098	11
						12
						13
18,328,161		32,130,353			1,200,810	14
		81,393			-81,393	15
						16
14,176					115,416	17
						18
						19
						20
						21
						22
						23
						24
						25
						26
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						40
26,106,354	1,605,625	86,447,714			6,475,249	41

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
FOOTNOTE DATA			

Schedule Page: 262 Line No.: 1 Column: a

Segregation of Other	Other (1)	Page 117 Other Inc & Deductions 408.2 - 409.2	Other Accounts
Federal:			
Income	$ (754,263)	$ (754,263)	$ -
FICA	(2,927,273)	-	(2,927,273)
Kentucky:			
Income	(601,916)	(189,038)	(412,878)
Use	9,587,966	-	9,587,966
Federal & Kentucky:			
Unemployment Ins	(64,098)	-	(64,098)
Kentucky & Virgina:			
Property Taxes	1,200,810	7,200	1,193,610
Miscellaneous	(81,393)	-	(81,393)
Virginia Use	115,416	-	115,416
Total	$ 6,475,249	$ (936,101)	$ 7,411,350

Reconciliation to Page: 114, Line No.: 14, Column: c

Other:	
Electric Total	$ 86,447,714
Less Federal Income	(36,049,104)
Less State Income	(4,938,881)
Total	$ 45,459,729

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g).Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%						
3	4%						
4	7%						
5	10%						
6	15%	84,935,807			420	1,698,433	
7	Various	6,688,243	411.4	432,019	420	279,538	
8	TOTAL	91,624,050		432,019		1,977,971	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10							
11							
12							
13	Total						
14							
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48							

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
[redacted]			1
			2
			3
			4
			5
83,237,374	63 years		6
6,840,724	25 and 63 year		7
90,078,098			8
[redacted]			9
			10
			11
			12
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			47
			48

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OTHER DEFFERED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than $100,000, whichever is greater) may be grouped by classes.

Line No.	Description and Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS Contra Account (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Year (f)
1	Deferred Compensation	41,239	926	2,729	25,978	64,488
2						
3	Long-Term Retainage				37,234	37,234
4						
5	Carrollton Sale/Leaseback					
6	(Aug-06 to Jul-23)	20,080	421.1	4,382		15,698
7						
8	Corporate Headquarters Lease					
9	(Jul-12 to Dec-25)	1,261,648	101	1,261,648		
10						
11	Deferred Rent Payable					
12	(Aug-06 to Jul-23)	24,065	421.1,931	24,065		
13						
14						
15						
16						
17						
18						
19						
20						
21						
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44						
45						
46						
47	TOTAL	1,347,032		1,292,824	63,212	117,420

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED AMORTIZATION PROPERTY (Account 281)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to amortizable property.
2. For other (Specify),include deferrals relating to other income and deductions.

Line No.	Account	Balance at Beginning of Year	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1
	(a)	(b)	(c)	(d)
1	Accelerated Amortization (Account 281)			
2	Electric			
3	Defense Facilities			
4	Pollution Control Facilities			
5	Other (provide details in footnote):			
6				
7				
8	TOTAL Electric (Enter Total of lines 3 thru 7)			
9	Gas			
10	Defense Facilities			
11	Pollution Control Facilities			
12	Other (provide details in footnote):			
13				
14				
15	TOTAL Gas (Enter Total of lines 10 thru 14)			
16				
17	TOTAL (Acct 281) (Total of 8, 15 and 16)			
18	Classification of TOTAL			
19	Federal Income Tax			
20	State Income Tax			
21	Local Income Tax			

NOTES

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFERRED INCOME TAXES _ ACCELERATED AMORTIZATION PROPERTY (Account 281) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No.
		Debits		Credits			
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	(k)	
[redacted]							1
[redacted]							2
							3
							4
							5
							6
							7
							8
[redacted]							9
							10
							11
							12
							13
							14
							15
							16
							17
[redacted]							18
							19
							20
							21

NOTES (Continued)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFFERED INCOME TAXES - OTHER PROPERTY (Account 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization
2. For other (Specify),include deferrals relating to other income and deductions.

Line No.	Account	Balance at Beginning of Year	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1	Amounts Credited to Account 411.1
	(a)	(b)	(c)	(d)
1	Account 282			
2	Electric	913,660,553	139,640,955	110,734,527
3	Gas			
4				
5	TOTAL (Enter Total of lines 2 thru 4)	913,660,553	139,640,955	110,734,527
6	Other			
7				
8				
9	TOTAL Account 282 (Enter Total of lines 5 thru	913,660,553	139,640,955	110,734,527
10	Classification of TOTAL			
11	Federal Income Tax	775,661,386	109,969,702	92,721,354
12	State Income Tax	137,999,167	29,671,253	18,013,173
13	Local Income Tax			

NOTES

Name of Respondent: Kentucky Utilities Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr): / /	Year/Period of Report: End of 2019/Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS					
		Debits		Credits			
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	Balance at End of Year (k)	Line No.
							1
		182/254	1,635,639	182/254	12,590,268	953,521,610	2
							3
							4
			1,635,639		12,590,268	953,521,610	5
44,689	1,106,579					-1,061,890	6
							7
							8
44,689	1,106,579		1,635,639		12,590,268	952,459,720	9
							10
44,689	893,775		1,473,474		11,462,636	802,049,810	11
	212,804		162,165		1,127,632	150,409,910	12
							13

NOTES (Continued)

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 274 Line No.: 2 Column: b

The ARO balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2018, is $5,214,443 and the Coal Combustion Residual ARO balance is $11,726,830.

The Regulatory Tax Adjustments balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2018, is ($453,221,370). Please see Footnote 4, Income and Other Taxes, within the Notes to Financial Statements for additional detail.

Schedule Page: 274 Line No.: 2 Column: k

The ARO balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2019, is $3,851,131 and the Coal Combustion Residual ARO balance is $7,385,200.

The Regulatory Tax Adjustments balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2019, is ($442,266,741). Please see Footnote 4, Income and Other Taxes, within the Notes to Financial Statements for additional detail.

The Lease right-of-use assets balance in Accumulated Deferred Income Taxes - Other Property (282) at December 31, 2019, is $8,042,431.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFFERED INCOME TAXES - OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For other (Specify),include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR Amounts Debited to Account 410.1 (c)	CHANGES DURING YEAR Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	Regulatory Tax Adjustments	8,651,196		
4	Interest Rate Swaps	8,953,311	25,110	621,773
5	Excess Deferred Taxes	47,142,502	243,180	3,652,875
6	Pension - Regulatory Asset	31,119,848	1,235,332	6,988,811
7	Coal Combustion Residual ARO	43,737,837	5,020,015	583,744
8	Other	13,760,420	7,945,672	11,379,224
9	TOTAL Electric (Total of lines 3 thru 8)	153,365,114	14,469,309	23,226,427
10	Gas			
11				
12				
13				
14				
15				
16				
17	TOTAL Gas (Total of lines 11 thru 16)			
18	Other			
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	153,365,114	14,469,309	23,226,427
20	Classification of TOTAL			
21	Federal Income Tax	128,477,028	11,881,308	19,406,755
22	State Income Tax	24,888,086	2,588,001	3,819,672
23	Local Income Tax			

NOTES

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS					
		Debits		Credits			
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)	Balance at End of Year (k)	Line No.
							1
							2
		182	282,694	182	69,675	8,438,177	3
						8,356,648	4
						43,732,807	5
						25,366,369	6
						48,174,108	7
		190	1,802,770	190	10,083,716	18,607,814	8
			2,085,464		10,153,391	152,675,923	9
							10
							11
							12
							13
							14
							15
							16
							17
							18
			2,085,464		10,153,391	152,675,923	19
							20
			1,923,832		8,374,940	127,402,689	21
			161,632		1,778,451	25,273,234	22
							23

NOTES (Continued)

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 276 Line No.: 8 Column: b

Rate Case Expenses	$ 769,216 FAC
Over/Under-Recovery	(115,520)
Other	971,379
Loss on Reacquired Debt	2,120,344
Plant Outage Normalization Regulatory Asset	832,126
Casualty Loss - Storm Damages	3,543,417
Asset Retirement Obligation	5,639,458
Total for Accumulated Deferred Income Taxes - Other (283)	$ 13,760,420

Schedule Page: 276 Line No.: 8 Column: c

Amounts Debited to Account 410.1:	
Rate Case Expenses	$ 10,994
FAC Over/Under-Recovery	1,181,916
Other	313,581 Loss
on Reacquired Debt	280,140
Plant Outage Normalization Regulatory Asset	3,313,209
Municipal True-Up Regulatory Asset	1,215,247
Casualty Loss - Storm Damages	48,157
Asset Retirement Obligation	1,582,428
Total for Amounts Debited to Account 410.1	$ 7,945,672

Schedule Page: 276 Line No.: 8 Column: d

Amounts Credited to Account 411.1:	
Rate Case Expenses	$ 272,227
FAC Over/Under-Recovery	3,021,977
Other	665,821
Loss of Reacquired Debt	81,519
Plant Outage Normalization Regulatory Asset	133,803
Municipal True-Up Regulatory Asset	1,215,247
Casualty Loss - Storm Damages	1,192,463
Asset Retirement Obligation	4,796,167
Total for Amounts Credited to Account 411.1	$ 11,379,224

Schedule Page: 276 Line No.: 8 Column: h

FAC Over/Under-Recovery	$ 1,442,200
Pensions	360,570
Total for Adjustments Amount Credited	$ 1,802,770

Schedule Page: 276 Line No.: 8 Column: j

FAC Over/Under-Recovery	$ 3,397,781
Pensions	6,685,935
Total for Adjustments Amount Credited	$ 10,083,716

Schedule Page: 276 Line No.: 8 Column: k

Rate Case Expenses	$ 507,983
Pensions	6,325,365
Other	619,139
Loss on Reacquired Debt	2,318,965
Plant Outage Normalization Regulatory Asset	4,011,532
Casualty Loss - Storm Damages	2,399,111
Asset Retirement Obligation	2,425,719
Total for Accumulated Deferred Income Taxes - Other (283)	$ 18,607,814

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities	Balance at Begining of Current Quarter/Year	DEBITS		Credits	Balance at End of Current Quarter/Year
			Account Credited	Amount		
	(a)	(b)	(c)	(d)	(e)	(f)
1	ASC 740 - Income Taxes (Ongoing)	674,714,862	Various	17,180,048	143,623	657,678,437
2	KPSC 2005-00181					
3	KPSC 2006-00456					
4	KPSC 2009-00548					
5	KPSC 2012-00221					
6	KPSC 2014-00371					
7	KPSC 2016-00370					
8	KPSC 2018-00034					
9	KPSC 2018-00304					
10	KPSC 2018-00294					
11	VSCC PUR 2017-00106					
12						
13	Forward Starting Swaps Gains (Sep-15 to Oct-45)	35,676,154	427	1,428,306		34,247,848
14	KPSC 2012-00232					
15	KPSC 2012-00221					
16	KPSC 2014-00371					
17	KPSC 2016-00370					
18	KPSC 2018-00294					
19	VSCC PUR 2017-00106					
20						
21	ASC 715 - Pension and Postretirement (Ongoing)	26,417,052	228	(170,728)	7,543,948	34,131,728
22	KPSC 2003-00434					
23	KPSC 2008-00251					
24	KPSC 2009-00548					
25	KPSC 2012-00221					
26	KPSC 2014-00371					
27	KPSC 2016-00370					
28	KPSC 2018-00294					
29	FERC AI04-2-000					
30	FERC AI07-1-000					
31						
32	KY Fuel Adjustment Clause (Ongoing)	463,000	440-445	5,992,000	13,367,000	7,838,000
33	807 KAR 5:056					
34						
35	Environmental Cost Recovery (Ongoing)	10,051,000	440-445	12,578,000	6,718,000	4,191,000
36	KRS 278.183					
37						
38						
39						
40						
41	TOTAL	770,939,990		68,011,424	42,712,154	745,640,720

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

OTHER REGULATORY LIABILITIES (Account 254)

1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable.
2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than $100,000 which ever is less), may be grouped by classes.
3. For Regulatory Liabilities being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Liabilities	Balance at Begining of Current Quarter/Year	DEBITS		Credits	Balance at End of Current Quarter/Year
			Account Credited	Amount		
	(a)	(b)	(c)	(d)	(e)	(f)
1	Refined Coal - Kentucky (Ongoing)	2,606,294	454/456/501	10,954,554	10,598,320	2,250,060
2	KPSC 2015-00264					
3	KPSC 2016-00370					
4	KPSC 2018-00294					
5	FERC EL 15-92-000					
6						
7	DSM Cost Recovery (Ongoing)	3,729,717	440-445	2,675,727	807,244	1,861,234
8	KRS 278.285					
9						
10	Tax Cut and Jobs Act - VA	1,275,561				1,275,561
11	VSCC PUR 2017-00106					
12						
13	Municipal Formula Rate True-Up (Ongoing)	7,156,739	447	7,983,770	1,909,389	1,082,358
14	FERC ER-13-2428					
15						
16	VA Fuel Component (Ongoing)		440-442		446,000	446,000
17	Title 56 of the Code of Virginia,					
18	Chapter 10; Section 56-249.6					
19						
20	Refined Coal - Virginia (Jun-18 to Jul-21)	378,568	454/456/501	523,523	442,650	297,695
21	PUR 2017-00106					
22						
23	Tax Cuts and Jobs Act - FERC				228,198	228,198
24						
25	Brown 1 Stack Repairs (May-19 to Apr-22)		511	37,181	149,782	112,601
26	KPSC 2018-00294					
27						
28	Tax Cut and Jobs Act - KPSC (Apr-18 to Apr-19)	8,456,043	Various	8,456,043		
29	KPSC 2018-00034					
30						
31	Off-System Sales Tracker (Ongoing)	15,000	440-445	373,000	358,000	
32	KPSC 2014-00371					
33	KPSC 2016-00370					
34	KPSC 2018-00294					
35	807 KAR 5:056					
36						
37						
38						
39						
40						
41	TOTAL	770,939,990		68,011,424	42,712,154	745,640,720

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 278 Line No.: 1 Column: c

Accounts debited include 410, 411, 190, and 282.

Schedule Page: 278.1 Line No.: 28 Column: c

Accounts debited include 410, 411, 190, 282, and 283.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC OPERATING REVENUES (Account 400)

1. The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
2. Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
4. If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.
5. Disclose amounts of $250,000 or greater in a footnote for accounts 451, 456, and 457.2.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	657,183,974	651,539,015
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	443,870,883	406,728,380
5	Large (or Ind.) (See Instr. 4)	384,263,591	387,574,474
6	(444) Public Street and Highway Lighting	11,866,826	12,470,660
7	(445) Other Sales to Public Authorities	138,341,525	130,264,650
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales		
10	TOTAL Sales to Ultimate Consumers	1,635,526,799	1,588,577,179
11	(447) Sales for Resale	60,167,160	127,653,883
12	TOTAL Sales of Electricity	1,695,693,959	1,716,231,062
13	(Less) (449.1) Provision for Rate Refunds		
14	TOTAL Revenues Net of Prov. for Refunds	1,695,693,959	1,716,231,062
15	Other Operating Revenues		
16	(450) Forfeited Discounts	4,153,152	4,220,470
17	(451) Miscellaneous Service Revenues	2,103,305	2,356,466
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property	12,248,650	10,782,767
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues	418,367	402,311
22	(456.1) Revenues from Transmission of Electricity of Others	25,183,669	25,612,309
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues	44,107,143	43,374,323
27	TOTAL Electric Operating Revenues	1,739,801,102	1,759,605,385

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC OPERATING REVENUES (Account 400)

6. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)
7. See pages 108-109, Important Changes During Period, for important new territory added and important rate increase or decreases.
8. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.
9. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
6,423,481	6,695,891	457,516	454,944	2
				3
4,282,214	4,202,228	86,144	85,147	4
6,204,540	6,543,167	1,862	2,493	5
37,237	43,466	1,185	1,469	6
1,611,260	1,639,943	9,422	8,870	7
				8
				9
18,558,732	19,124,695	556,129	552,923	10
1,254,604	2,463,012	20	24	11
19,813,336	21,587,707	556,149	552,947	12
				13
19,813,336	21,587,707	556,149	552,947	14

Line 12, column (b) includes $ 11,964,375 of unbilled revenues.
Line 12, column (d) includes -57,098 MWH relating to unbilled revenues

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 300 Line No.: 22 Column: b

Items which compose Revenues from Transmission of Electricity of Others (456.1) year-to-date activity:

East Kentucky Power Cooperative	$ 7,595,863
Owensboro Municipal Utilities	6,576,766
Kentucky Municipal Energy Agency	3,468,562
Kentucky Municipal Power Agency	2,321,533
Tennessee Valley Authority	1,301,312
Midcontinent Independent System Operator	887,097
Louisville Gas and Electric Company	649,383
City of Frankfort	643,042
City of Bardstown	587,368
City of Nicholasville	577,016
Other items less than $250,000 each	575,727
Total for Revenues from Transmission of Electricity of Others (456.1)	$ 25,183,669

Schedule Page: 300 Line No.: 22 Column: c

Items which compose Revenues from Transmission of Electricity of Others (456.1) year-to-date activity:

Owensboro Municipal Utilities	$ 7,187,480
East Kentucky Power Cooperative	6,918,549
Kentucky Municipal Power Agency	2,220,389
City of Frankfort	1,961,884
Tennessee Valley Authority	1,719,956
Louisville Gas and Electric Company	1,299,817
Midcontinent Independent System Operator	836,898
City of Madisonville	790,776
City of Bardstown	553,979
City of Nicholasville	532,751
City of Berea	397,154
City of Barbourville	276,891
City of Corbin	257,174
Other items less than $250,000 each	658,611
Total for Revenues from Transmission of Electricity of Others (456.1)	$ 25,612,309

Schedule Page: 300 Line No.: 1 Column: $

The net unbilled revenue represents the following:

Base Revenue	$ 4,148,849
Environmental Cost Recovery Accrual	5,860,000
Fuel Adjustment Clause Accrual	(7,375,000)
Demand Side Management Accrual	1,868,483
Levelized Fuel Factor Accrual	(1,010,000)
Off-System Sales Tracker Accrual	16,000
Tax Cuts and Jobs Act Surcredit Accrual	8,456,043
Net Unbilled	$ 11,964,375

Schedule Page: 300 Line No.: 1 Column: MWH

Unbilled revenues and MWH represent the net change in unbilled revenues and MWH from the previous period, therefore the change could be positive or negative.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

REGIONAL TRANSMISSION SERVICE REVENUES (Account 457.1)

1. The respondent shall report below the revenue collected for each service (i.e., control area administration, market administration, etc.) performed pursuant to a Commission approved tariff. All amounts separately billed must be detailed below.

Line No.	Description of Service (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46	TOTAL				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
2. Provide a subheading and total for each prescribed operating revenue account in the sequence followed in "Electric Operating Revenues," Page 300-301. If the sales under any rate schedule are classified in more than one revenue account, List the rate schedule and sales data under each applicable revenue account subheading.
3. Where the same customers are served under more than one rate schedule in the same revenue account classification (such as a general residential schedule and an off peak water heating schedule), the entries in column (d) for the special schedule should denote the duplication in number of reported customers.
4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 440					
2	Residential Service - KY	6,082,122	612,026,647	432,873	14,051	0.1006
3	Residential Time-of-Day - E - KY	999	95,200	76	13,145	0.0953
4	Residential Time-of-Day - D - KY	124	9,608	2	62,000	0.0775
5	Volunteer Fire Dept Service - KY	24	2,467	2	12,000	0.1028
6	General Service - KY	1,003	128,609	1,357	739	0.1282
7	Lighting Service - KY	20,192	4,781,100	36,902	547	0.2368
8	Restricted Lighting Service - KY	2,558	470,428	3,120	820	0.1839
9	Residential Service - TN	16	1,129	1	16,000	0.0706
10	Private Outdoor Lighting - TN		21	1		
11	Residential Service - VA	342,291	36,227,451	23,029	14,863	0.1058
12	General Service - VA	55	8,212	170	324	0.1493
13	Private Outdoor Lighting - VA	2,746	781,096	4,439	619	0.2844
14	Street Lighting Service - VA	5	1,301	2	2,500	0.2602
15	Duplicate Customers			-44,458		
16						
17	Reclassifications and Adjustments	6	-5,677			-0.9462
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38	Subtotal	6,452,141	654,527,592	457,516	14,103	0.1014
39	Unbilled	-28,660	2,656,382			-0.0927
40	Total	6,423,481	657,183,974	457,516	14,040	0.1023
41	TOTAL Billed	18,615,830	1,623,562,424	556,129	33,474	0.0872
42	Total Unbilled Rev.(See Instr. 6)	-57,098	11,964,375	0	0	-0.2095
43	TOTAL	18,558,732	1,635,526,799	556,129	33,371	0.0881

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
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4. The average number of customers should be the number of bills rendered during the year divided by the number of billing periods during the year (12 if all billings are made monthly).
5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 442					
2	Residential Service - KY	449	44,742	262	1,714	0.0996
3	General Service - KY	1,631,476	210,513,347	75,676	21,559	0.1290
4	All Electric School - KY	13,402	1,215,994	71	188,761	0.0907
5	Power Service - KY	1,648,062	157,357,954	4,012	410,783	0.0955
6	Time-of-Day Secondary Svc - KY	1,547,081	112,588,394	560	2,762,645	0.0728
7	Time-of-Day Primary Service - KY	3,312,061	205,297,765	205	16,156,395	0.0620
8	Retail Transmission Service - KY	1,439,920	78,952,629	23	62,605,217	0.0548
9	Fluctuating Load Service - KY	585,175	17,415,152	1	585,175,000	0.0298
10	Lighting Service - KY	38,016	7,735,486	17,150	2,217	0.2035
11	Restricted Lighting Service - KY	9,105	1,795,262	3,141	2,899	0.1972
12	Lighting Energy Service - KY	462	31,823	32	14,438	0.0689
13	Traffic Energy Service - KY	442	54,545	513	862	0.1234
14	Elec Vehicle Charging Svc - KY	6	1,832	9	667	0.3053
15	Outdoor Sports Lighting Svc - KY	102	26,329	1	102,000	0.2581
16	Special Contract - KY		125,797	1		
17	Residential Service - VA	1,592	161,366	128	12,438	0.1014
18	General Service - VA	63,970	7,625,399	3,385	18,898	0.1192
19	Power Service - VA	120,698	10,620,198	164	735,963	0.0880
20	Time-of-Day Secondary Svc - VA	21,587	1,861,835	9	2,398,556	0.0862
21	Time-of-Day Primary Service - VA	67,002	6,085,312	8	8,375,250	0.0908
22	Retail Transmission Service - VA	9,531	926,200	3	3,177,000	0.0972
23	Private Outdoor Lighting - VA	1,269	336,708	847	1,498	0.2653
24	Street Lighting Service - VA	3	1,087	2	1,500	0.3623
25	School Service - VA	49	4,487	1	49,000	0.0916
26	Duplicate Customers			-18,198		
27						
28	Reclassifications and Adjustments	2	-131,247			-65.6235
29						
30						
31						
32						
33						
34						
35						
36						
37						
38	Subtotal	10,511,462	820,648,396	88,006	119,440	0.0781
39	Unbilled	-24,708	7,486,078			-0.3030
40	Total	10,486,754	828,134,474	88,006	119,160	0.0790
41	TOTAL Billed	18,615,830	1,623,562,424	556,129	33,474	0.0872
42	Total Unbilled Rev.(See Instr. 6)	-57,098	11,964,375	0	0	-0.2095
43	TOTAL	18,558,732	1,635,526,799	556,129	33,371	0.0881

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

1. Report below for each rate schedule in effect during the year the MWH of electricity sold, revenue, average number of customer, average Kwh per customer, and average revenue per Kwh, excluding date for Sales for Resale which is reported on Pages 310-311.
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5. For any rate schedule having a fuel adjustment clause state in a footnote the estimated additional revenue billed pursuant thereto.
6. Report amount of unbilled revenue as of end of year for each applicable revenue account subheading.

Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 444					
2	Residential Service - KY	1	146	1	1,000	0.1460
3	General Service - KY	95	17,006	303	314	0.1790
4	Lighting Service - KY	29,239	9,756,543	1,069	27,352	0.3337
5	Restricted Lighting Service - KY	6,085	1,536,161	189	32,196	0.2525
6	Lighting Energy Service - KY	140	9,737	14	10,000	0.0696
7	Traffic Energy Service - KY	748	83,801	355	2,107	0.1120
8	General Service - VA	5	582	1	5,000	0.1164
9	Private Outdoor Lighting - VA	1	314	10	100	0.3140
10	Street Lighting Service - VA	1,384	351,170	38	36,421	0.2537
11	Duplicate Customers			-795		
12						
13	Reclassifications and Adjustments		-102			
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38	Subtotal	37,698	11,755,358	1,185	31,813	0.3118
39	Unbilled	-461	111,468			-0.2418
40	Total	37,237	11,866,826	1,185	31,424	0.3187
41	TOTAL Billed	18,615,830	1,623,562,424	556,129	33,474	0.0872
42	Total Unbilled Rev.(See Instr. 6)	-57,098	11,964,375	0	0	-0.2095
43	TOTAL	18,558,732	1,635,526,799	556,129	33,371	0.0881

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES OF ELECTRICITY BY RATE SCHEDULES

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Line No.	Number and Title of Rate schedule (a)	MWh Sold (b)	Revenue (c)	Average Number of Customers (d)	KWh of Sales Per Customer (e)	Revenue Per KWh Sold (f)
1	Account 445					
2	Residential Service - KY	4,260	496,216	641	6,646	0.1165
3	Volunteer Fire Dept Service - KY	1,004	97,513	54	18,593	0.0971
4	General Service - KY	144,758	18,413,246	5,638	25,675	0.1272
5	All Electric School - KY	120,678	10,721,036	362	333,365	0.0888
6	Power Service - KY	308,692	31,407,903	707	436,622	0.1017
7	Time-of-Day Secondary Svc - KY	245,668	20,534,638	158	1,554,861	0.0836
8	Time-of-Day Primary Service - KY	655,794	41,465,573	47	13,953,064	0.0632
9	Retail Transmission Service - KY	41,559	2,223,049	1	41,559,000	0.0535
10	Lighting Service - KY	13,493	3,333,773	2,423	5,569	0.2471
11	Restricted Lighting Service - KY	2,005	508,564	433	4,630	0.2536
12	Lighting Energy Service - KY	2,977	204,669	42	70,881	0.0688
13	Traffic Energy Service - KY	978	109,331	392	2,495	0.1118
14	Outdoor Sports Lighting Svc - KY	280	97,417	4	70,000	0.3479
15	Residential Service - VA	559	65,794	80	6,988	0.1177
16	General Service - VA	13,784	1,612,069	667	20,666	0.1170
17	Power Service - VA	28,170	2,402,208	37	761,351	0.0853
18	Time-of-Day Secondary Svc - VA	1,804	155,055	1	1,804,000	0.0860
19	Time-of-Day Primary Service - VA	2,794	222,650	1	2,794,000	0.0797
20	Private Outdoor Lighting - VA	710	185,257	241	2,946	0.2609
21	Street Lighting Service - VA	186	59,149	26	7,154	0.3180
22	School Service - VA	23,783	2,251,223	126	188,754	0.0947
23	Water Pumping Service - VA	602	39,344	16	37,625	0.0654
24	Duplicate Customers			-2,675		
25						
26	Reclassifications and Adjustments	-9	25,401			-2.8223
27						
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38	Subtotal	1,614,529	136,631,078	9,422	171,357	0.0846
39	Unbilled	-3,269	1,710,447			-0.5232
40	Total	1,611,260	138,341,525	9,422	171,010	0.0859
41	TOTAL Billed	18,615,830	1,623,562,424	556,129	33,474	0.0872
42	Total Unbilled Rev.(See Instr. 6)	-57,098	11,964,375	0	0	-0.2095
43	TOTAL	18,558,732	1,635,526,799	556,129	33,371	0.0881

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 304 Line No.: 2 Column: c
Includes Fuel Adjustment Clause of $(15,867,090)

Schedule Page: 304 Line No.: 3 Column: c
Includes Fuel Adjustment Clause of $(2,930)

Schedule Page: 304 Line No.: 4 Column: c
Includes Fuel Adjustment Clause of $(359)

Schedule Page: 304 Line No.: 5 Column: c
Includes Fuel Adjustment Clause of $(92)

Schedule Page: 304 Line No.: 6 Column: c
Includes Fuel Adjustment Clause of $(3,247)

Schedule Page: 304 Line No.: 7 Column: c
Includes Fuel Adjustment Clause of $(55,352)

Schedule Page: 304 Line No.: 8 Column: c
Includes Fuel Adjustment Clause of $(6,890)

Schedule Page: 304 Line No.: 10 Column: b
Private Outdoor Lighting - TN includes 125 KWh sold and is rounded to 0 MWh sold for reporting purposes.

Schedule Page: 304 Line No.: 17 Column: a
Includes current and prior period reclassifications between FERC accounts and net billing adjustments.

Schedule Page: 304.1 Line No.: 2 Column: c
Includes Fuel Adjustment Clause of $(1,178)

Schedule Page: 304.1 Line No.: 3 Column: c
Includes Fuel Adjustment Clause of $(4,347,753)

Schedule Page: 304.1 Line No.: 4 Column: c
Includes Fuel Adjustment Clause of $(35,214)

Schedule Page: 304.1 Line No.: 5 Column: c
Includes Fuel Adjustment Clause of $(4,428,284)

Schedule Page: 304.1 Line No.: 6 Column: c
Includes Fuel Adjustment Clause of $(4,186,512)

Schedule Page: 304.1 Line No.: 7 Column: c
Includes Fuel Adjustment Clause of $(8,848,798)

Schedule Page: 304.1 Line No.: 8 Column: c
Includes Fuel Adjustment Clause of $(3,573,528)

Schedule Page: 304.1 Line No.: 9 Column: c
Includes Fuel Adjustment Clause of $(1,395,124)

Schedule Page: 304.1 Line No.: 10 Column: c
Includes Fuel Adjustment Clause of $(103,823)

Schedule Page: 304.1 Line No.: 11 Column: c
Includes Fuel Adjustment Clause of $(24,645)

Schedule Page: 304.1 Line No.: 12 Column: c
Includes Fuel Adjustment Clause of $(1,253)

Schedule Page: 304.1 Line No.: 13 Column: c
Includes Fuel Adjustment Clause of $(1,161)

Schedule Page: 304.1 Line No.: 14 Column: c
Includes Fuel Adjustment Clause of $(18)

Schedule Page: 304.1 Line No.: 15 Column: c
Includes Fuel Adjustment Clause of $(219)

Schedule Page: 304.1 Line No.: 28 Column: a
Includes current and prior period reclassifications between FERC accounts and net billing adjustments.

Schedule Page: 304.2 Line No.: 2 Column: c
Includes Fuel Adjustment Clause of $(2)

Schedule Page: 304.2 Line No.: 3 Column: c

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4

FOOTNOTE DATA

Includes Fuel Adjustment Clause of $(153)

Schedule Page: 304.2 Line No.: 4 Column: c

Includes Fuel Adjustment Clause of $(73,640)

Schedule Page: 304.2 Line No.: 5 Column: c

Includes Fuel Adjustment Clause of $(15,003)

Schedule Page: 304.2 Line No.: 6 Column: c

Includes Fuel Adjustment Clause of $(543)

Schedule Page: 304.2 Line No.: 7 Column: c

Includes Fuel Adjustment Clause of $(1,935)

Schedule Page: 304.2 Line No.: 13 Column: a

Includes current and prior period reclassifications between FERC accounts and net billing adjustments.

Schedule Page: 304.3 Line No.: 2 Column: c

Includes Fuel Adjustment Clause of $(11,297)

Schedule Page: 304.3 Line No.: 3 Column: c

Includes Fuel Adjustment Clause of $(2,440)

Schedule Page: 304.3 Line No.: 4 Column: c

Includes Fuel Adjustment Clause of $(377,253)

Schedule Page: 304.3 Line No.: 5 Column: c

Includes Fuel Adjustment Clause of $(314,821)

Schedule Page: 304.3 Line No.: 6 Column: c

Includes Fuel Adjustment Clause of $(827,311)

Schedule Page: 304.3 Line No.: 7 Column: c

Includes Fuel Adjustment Clause of $(658,939)

Schedule Page: 304.3 Line No.: 8 Column: c

Includes Fuel Adjustment Clause of $(1,701,051)

Schedule Page: 304.3 Line No.: 9 Column: c

Includes Fuel Adjustment Clause of $(116,733)

Schedule Page: 304.3 Line No.: 10 Column: c

Includes Fuel Adjustment Clause of $(37,563)

Schedule Page: 304.3 Line No.: 11 Column: c

Includes Fuel Adjustment Clause of $(5,360)

Schedule Page: 304.3 Line No.: 12 Column: c

Includes Fuel Adjustment Clause of $(7,786)

Schedule Page: 304.3 Line No.: 13 Column: c

Includes Fuel Adjustment Clause of $(2,669)

Schedule Page: 304.3 Line No.: 14 Column: c

Includes Fuel Adjustment Clause of $(676)

Schedule Page: 304.3 Line No.: 26 Column: a

Includes current and prior period reclassifications between FERC accounts and net billing adjustments.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations)	Statistical Classifi-cation	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW)	Actual Demand (MW)	
					Average Monthly NCP Demand	Average Monthly CP Demand
	(a)	(b)	(c)	(d)	(e)	(f)
1	City of Barbourville	RQ	184	5	5	5
2	City of Bardstown	RQ	185	34	34	34
3	City of Bardwell	RQ	186	0	0	0
4	City of Berea	RQ	197	8	8	8
5	City of Corbin	RQ	188	5	5	4
6	City of Falmouth	RQ	189	1	1	1
7	City of Frankfort	RQ	190	38	38	38
8	City of Madisonville	RQ	161	14	14	12
9	City of Nicholasville	RQ	157	33	33	33
10	City of Providence	RQ	195	1	1	1
11	Dynasty Power, Inc.	OS	(3)			
12	EDF Trading North America, LLC	OS	(3)			
13	East Kentucky Power Cooperative	OS	(9)			
14	ETC Endure Energy, LLC	OS	(3)			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

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LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
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Line No.	Name of Company or Public Authority (Footnote Affiliations)	Statistical Classifi-cation	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW)	Actual Demand (MW)	
					Average Monthly NCP Demand	Average Monthly CP Demand
	(a)	(b)	(c)	(d)	(e)	(f)
1	Evergy Kansas Central, Inc.	OS	(3)			
2	Exelon Generation Company, LLC	OS	(3)			
3	Illinois Municipal Electric Agency	OS	(5)			
4	Indiana Municipal Power Agency	OS	(7)			
5	Indiana Municipal Power Agency	OS	(8)			
6	Kentucky Municipal Energy Agency	OS	(9)			
7	Kentucky Municipal Power Agency	OS	(9)			
8	Louisville Gas and Electric Company	SF	(1)			
9	Macquarie Energy, LLC	OS	(3)			
10	Midcontinent Independent System Operat.	OS	(3)			
11	Owensboro Municipal Utilities	OS	(9)			
12	PJM Settlements, Inc.	OS	(3)			
13	Rainbow Energy Marketing Corporation	OS	(3)			
14	The Energy Authority	OS	(10)			
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES FOR RESALE (Account 447)

1. Report all sales for resale (i.e., sales to purchasers other than ultimate consumers) transacted on a settlement basis other than power exchanges during the year. Do not report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges on this schedule. Power exchanges must be reported on the Purchased Power schedule (Page 326-327).
2. Enter the name of the purchaser in column (a). Do note abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the purchaser.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:
RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projected load for this service in its system resource planning). In addition, the reliability of requirements service must be the same as, or second only to, the supplier's service to its own ultimate consumers.
LF - for tong-term service. "Long-term" means five years or Longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for Long-term firm service which meets the definition of RQ service. For all transactions identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or setter can unilaterally get out of the contract.
IF - for intermediate-term firm service. The same as LF service except that "intermediate-term" means longer than one year but Less than five years.
SF - for short-term firm service. Use this category for all firm services where the duration of each period of commitment for service is one year or less.
LU - for Long-term service from a designated generating unit. "Long-term" means five years or Longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of designated unit.
IU - for intermediate-term service from a designated generating unit. The same as LU service except that "intermediate-term" means Longer than one year but Less than five years.

Line No.	Name of Company or Public Authority (Footnote Affiliations)	Statistical Classifi-cation	FERC Rate Schedule or Tariff Number	Average Monthly Billing Demand (MW)	Actual Demand (MW)	
					Average Monthly NCP Demand	Average Monthly CP Demand
	(a)	(b)	(c)	(d)	(e)	(f)
1	Tennessee Valley Authority	OS	(3)			
2	Tennessee Valley Authority	OS	(9)			
3	Westar Energy, Inc.	OS	(3)			
4	City of Barbourville	AD	184			
5	City of Bardstown	AD	185			
6	City of Bardwell	AD	186			
7	City of Berea	AD	197			
8	City of Corbin	AD	188			
9	City of Falmouth	AD	189			
10	City of Frankfort	AD	190			
11	City of Madisonville	AD	161			
12	City of Nicholasville	AD	157			
13	City of Providence	AD	195			
14	Appalachian Power Company	RQ	408	0	0	0
	Subtotal RQ			0	0	0
	Subtotal non-RQ			0	0	0
	Total			**0**	**0**	**0**

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total ($) (h+i+j) (k)	Line No.
	Demand Charges ($) (h)	Energy Charges ($) (i)	Other Charges ($) (j)		
28,488	953,143	148,421	668,711	1,770,275	1
205,588	5,985,347	1,062,652	4,723,332	11,771,331	2
2,650	84,751	13,898	63,270	161,919	3
43,727	1,583,248	227,637	1,025,837	2,836,722	4
25,836	868,864	134,665	607,936	1,611,465	5
5,872	184,605	32,291	139,065	355,961	6
221,535	7,099,090	1,153,908	5,189,690	13,442,688	7
88,096	2,605,764	461,863	2,104,408	5,172,035	8
195,981	5,826,877	1,007,623	4,340,658	11,175,158	9
8,054	270,405	42,271	191,918	504,594	10
2,004		98,053		98,053	11
126		5,679		5,679	12
4		91		91	13
1,153		64,616		64,616	14
825,857	25,462,094	4,287,353	19,056,224	48,805,671	
428,747	21,013	11,340,488	-12	11,361,489	
1,254,604	**25,483,107**	**15,627,841**	**19,056,212**	**60,167,160**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total ($) (h+i+j) (k)	Line No.
	Demand Charges ($) (h)	Energy Charges ($) (i)	Other Charges ($) (j)		
641		27,367		27,367	1
419		14,913		14,913	2
11		402		402	3
595		17,494		17,494	4
644		17,943		17,943	5
2,854		74,448		74,448	6
1,283		36,255		36,255	7
317,373		6,611,162		6,611,162	8
14,217		536,956		536,956	9
37,460		1,397,966		1,397,966	10
1,476		44,184		44,184	11
33,359		1,280,483		1,280,483	12
2,764		111,195		111,195	13
1,160		36,848		36,848	14
825,857	25,462,094	4,287,353	19,056,224	48,805,671	
428,747	21,013	11,340,488	-12	11,361,489	
1,254,604	**25,483,107**	**15,627,841**	**19,056,212**	**60,167,160**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SALES FOR RESALE (Account 447) (Continued)

OS - for other service. use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote.
AD - for Out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.
4. Group requirements RQ sales together and report them starting at line number one. After listing all RQ sales, enter "Subtotal - RQ" in column (a). The remaining sales may then be listed in any order. Enter "Subtotal-Non-RQ" in column (a) after this Listing. Enter "Total" in column (a) as the Last Line of the schedule. Report subtotals and total for columns (9) through (k)
5. In Column (c), identify the FERC Rate Schedule or Tariff Number. On separate Lines, List all FERC rate schedules or tariffs under which service, as identified in column (b), is provided.
6. For requirements RQ sales and any type of-service involving demand charges imposed on a monthly (or Longer) basis, enter the average monthly billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP)
demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
7. Report in column (g) the megawatt hours shown on bills rendered to the purchaser.
8. Report demand charges in column (h), energy charges in column (i), and the total of any other types of charges, including out-of-period adjustments, in column (j). Explain in a footnote all components of the amount shown in column (j). Report in column (k) the total charge shown on bills rendered to the purchaser.
9. The data in column (g) through (k) must be subtotaled based on the RQ/Non-RQ grouping (see instruction 4), and then totaled on the Last -line of the schedule. The "Subtotal - RQ" amount in column (g) must be reported as Requirements Sales For Resale on Page 401, line 23. The "Subtotal - Non-RQ" amount in column (g) must be reported as Non-Requirements Sales For Resale on Page 401,iine 24.
10. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Sold (g)	REVENUE			Total ($) (h+i+j) (k)	Line No.
	Demand Charges ($) (h)	Energy Charges ($) (i)	Other Charges ($) (j)		
9,184		390,094		390,094	1
3		84		84	2
2,017		81,832		81,832	3
	206	25,336	-1	25,541	4
	8,968	57,926	-2	66,892	5
	20	2,553		2,573	6
	293	37,113	-1	37,405	7
	190	23,576	-1	23,765	8
	42	5,488		5,530	9
	1,446	194,151	-7	195,590	10
	586	82,648		83,234	11
	9,200	55,644		64,844	12
	62	7,988		8,050	13
30		2,124	1,399	3,523	14
825,857	25,462,094	4,287,353	19,056,224	48,805,671	
428,747	21,013	11,340,488	-12	11,361,489	
1,254,604	**25,483,107**	**15,627,841**	**19,056,212**	**60,167,160**	

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 310 Line No.: 1 Column: j
Amounts include RQ's related to $2,206 for direct assignment charge and $666,505 for wholesale municipal fuel adjustment clause.

Schedule Page: 310 Line No.: 2 Column: j
Amounts include RQ's related to $181,444 for direct assignment charge and $4,541,888 for wholesale municipal fuel adjustment clause.

Schedule Page: 310 Line No.: 3 Column: j
Amounts include RQ's related to $1,365 for direct assignment charge and $61,905 for wholesale municipal fuel adjustment clause.

Schedule Page: 310 Line No.: 4 Column: j
Amounts include RQ's related to $2,871 for direct assignment charge and $1,022,966 for wholesale municipal fuel adjustment clause.

Schedule Page: 310 Line No.: 5 Column: j
Amounts include RQ's related to $3,560 for direct assignment charge and $604,376 for wholesale municipal fuel adjustment clause.

Schedule Page: 310 Line No.: 6 Column: j
Amounts include RQ's related to $1,920 for direct assignment charge and $137,145 for wholesale municipal fuel adjustment clause.

Schedule Page: 310 Line No.: 7 Column: j
Amounts include RQ's related to $10,122 for direct assignment charge and $5,179,568 for wholesale municipal fuel adjustment clause.

Schedule Page: 310 Line No.: 8 Column: j
Amounts include RQ's related to $48,064 for direct assignment charge and $2,056,344 for wholesale municipal fuel adjustment clause.

Schedule Page: 310 Line No.: 9 Column: j
Amounts include RQ's related to $8,881 for direct assignment charge and $4,331,777 for wholesale municipal fuel adjustment clause.

Schedule Page: 310 Line No.: 10 Column: j
Amounts include RQ's related to $3,620 for direct assignment charge and $188,298 for wholesale municipal fuel adjustment clause.

Schedule Page: 310 Line No.: 11 Column: b
Market Based Sales

Schedule Page: 310 Line No.: 11 Column: c
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

Schedule Page: 310 Line No.: 12 Column: b
Market Based Sales

Schedule Page: 310 Line No.: 12 Column: c
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

Schedule Page: 310 Line No.: 13 Column: b
Imbalance

Schedule Page: 310 Line No.: 13 Column: c
(9) LG&E and KU Joint ProForma Open Access Transmission Tariff Schedule 4.

Schedule Page: 310 Line No.: 14 Column: b
Market Based Sales

Schedule Page: 310 Line No.: 14 Column: c
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

Schedule Page: 310.1 Line No.: 1 Column: a
Effective 9/16/2019 Westar Energy, Inc. changed its name to Evergy Kansas Central, Inc.

Schedule Page: 310.1 Line No.: 1 Column: b
Market Based Sales

Schedule Page: 310.1 Line No.: 1 Column: c
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

Schedule Page: 310.1 Line No.: 2 Column: b
Market Based Sales

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 310.1 Line No.: 2 Column: c
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

Schedule Page: 310.1 Line No.: 3 Column: a
Illinois Municipal Electric Agency has a 12.12% ownership interest in LG&E's and KU's Trimble County Generating Unit No. 2.

Schedule Page: 310.1 Line No.: 3 Column: b
Cost Based Sales

Schedule Page: 310.1 Line No.: 3 Column: c
(5) LG&E and KU Cost Based Rate (CBR) Tariff First Revised Service Agreement No. 3

Schedule Page: 310.1 Line No.: 4 Column: a
Indiana Municipal Power Agency has a 12.88% ownership interest in LG&E's and KU's Trimble County Generating Unit No. 2.

Schedule Page: 310.1 Line No.: 4 Column: b
Cost Based Sales

Schedule Page: 310.1 Line No.: 4 Column: c
(7) LG&E and KU CBR Tariff Service Agreement No. 4

Schedule Page: 310.1 Line No.: 5 Column: b
Imbalance

Schedule Page: 310.1 Line No.: 5 Column: c
(8) LG&E and KU Joint ProForma Open Access Transmission Tariff Schedule 9.

Schedule Page: 310.1 Line No.: 6 Column: b
Imbalance

Schedule Page: 310.1 Line No.: 6 Column: c
(9) LG&E and KU Joint ProForma Open Access Transmission Tariff Schedule 4.

Schedule Page: 310.1 Line No.: 7 Column: b
Imbalance

Schedule Page: 310.1 Line No.: 7 Column: c
(9) LG&E and KU Joint ProForma Open Access Transmission Tariff Schedule 4.

Schedule Page: 310.1 Line No.: 8 Column: a
KU and LG&E are owned by LKE.

Schedule Page: 310.1 Line No.: 8 Column: b
LG&E and KU PSSA - Amended in 2018

Schedule Page: 310.1 Line No.: 8 Column: c
(1) FERC Rate Schedule No. 1. The Power Supply System Agreement, FERC Docket No. ER98-111-000; Effective June 4, 2018 LG&E and KU Joint Rate Schedule FERC No. 508 Amended and Restated Power Supply System Agreement.

Schedule Page: 310.1 Line No.: 9 Column: b
Market Based Sales

Schedule Page: 310.1 Line No.: 9 Column: c
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

Schedule Page: 310.1 Line No.: 10 Column: b
Market Based Sales

Schedule Page: 310.1 Line No.: 10 Column: c
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

Schedule Page: 310.1 Line No.: 11 Column: b
Imbalance

Schedule Page: 310.1 Line No.: 11 Column: c
(9) LG&E and KU Joint ProForma Open Access Transmission Tariff Schedule 4.

Schedule Page: 310.1 Line No.: 12 Column: b
Market Based Sales

Schedule Page: 310.1 Line No.: 12 Column: c
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

Schedule Page: 310.1 Line No.: 13 Column: b
Market Based Sales

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 310.1 Line No.: 13 Column: c
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

Schedule Page: 310.1 Line No.: 14 Column: b
Cost Based Sales

Schedule Page: 310.1 Line No.: 14 Column: c
(10) LG&E and KU CBR Tariff

Schedule Page: 310.2 Line No.: 1 Column: b
Market Based Sales

Schedule Page: 310.2 Line No.: 1 Column: c
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

Schedule Page: 310.2 Line No.: 2 Column: b
Imbalance

Schedule Page: 310.2 Line No.: 2 Column: c
(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4

Schedule Page: 310.2 Line No.: 3 Column: a
Effective 9/16/2019 Westar Energy, Inc. changed its name to Evergy Kansas Central, Inc.

Schedule Page: 310.2 Line No.: 3 Column: b
Market Based Sales

Schedule Page: 310.2 Line No.: 3 Column: c
(3) LG&E and KU Joint Market Based Rate Tariff (MBRT) (Short Form Tariff)

Schedule Page: 310.2 Line No.: 4 Column: b
2018 correction made in 2019

Schedule Page: 310.2 Line No.: 4 Column: j
2018 true-up made in 2019.

Schedule Page: 310.2 Line No.: 5 Column: b
2018 correction made in 2019

Schedule Page: 310.2 Line No.: 5 Column: j
2018 true-up made in 2019.

Schedule Page: 310.2 Line No.: 6 Column: b
2018 correction made in 2019

Schedule Page: 310.2 Line No.: 7 Column: b
2018 correction made in 2019

Schedule Page: 310.2 Line No.: 7 Column: j
2018 true-up made in 2019.

Schedule Page: 310.2 Line No.: 8 Column: b
2018 correction made in 2019

Schedule Page: 310.2 Line No.: 8 Column: j
2018 true-up made in 2019.

Schedule Page: 310.2 Line No.: 9 Column: b
2018 correction made in 2019

Schedule Page: 310.2 Line No.: 10 Column: b
2018 correction made in 2019.

Schedule Page: 310.2 Line No.: 10 Column: j
2018 true-up made in 2019.

Schedule Page: 310.2 Line No.: 11 Column: b
2018 correction made in 2019

Schedule Page: 310.2 Line No.: 12 Column: b
2018 correction made in 2019

Schedule Page: 310.2 Line No.: 13 Column: b
2018 correction made in 2019

Schedule Page: 310.2 Line No.: 14 Column: b
Transaction is a Borderline Service Agreement between KU (d/b/a Old Dominion Power and Appalachian Power Company).

Schedule Page: 310.2 Line No.: 14 Column: c

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Appalachian Power Company Rate Schedule FERC No. 408. KU d/b/a Old Dominion Power is making wholesale Borderline Service sales to Appalachian Power Company for purposes of accomodating Appalachian Power Company retail sales to the High Knob residential customers at rates consistent with ODP's Virginia Commission approved retail tariff as may be amended from time to time (consistent with precedent for such borderline agreements as provided for under the rules and order of the Commission).

Schedule Page: 310.2 Line No.: 14 Column: j

Amounts include RQ's related to $540 for direct assignment charge and $859 for wholesale municipal fuel adjustment clause.

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) / /	End of 2019/Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering	7,719,871	7,598,497
5	(501) Fuel	298,752,527	356,332,418
6	(502) Steam Expenses	16,144,191	18,814,306
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses	7,914,097	8,202,363
10	(506) Miscellaneous Steam Power Expenses	23,947,184	26,962,473
11	(507) Rents		11,000
12	(509) Allowances	2,193	3,467
13	TOTAL Operation (Enter Total of Lines 4 thru 12)	354,480,063	417,924,524
14	Maintenance		
15	(510) Maintenance Supervision and Engineering	10,232,908	10,311,337
16	(511) Maintenance of Structures	10,422,426	10,115,237
17	(512) Maintenance of Boiler Plant	48,408,247	49,722,917
18	(513) Maintenance of Electric Plant	11,774,994	11,502,852
19	(514) Maintenance of Miscellaneous Steam Plant	3,225,100	3,465,917
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)	84,063,675	85,118,260
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 & 20)	438,543,738	503,042,784
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42	C. Hydraulic Power Generation		
43	Operation		
44	(535) Operation Supervision and Engineering		
45	(536) Water for Power		
46	(537) Hydraulic Expenses		
47	(538) Electric Expenses		11,464
48	(539) Miscellaneous Hydraulic Power Generation Expenses	40,827	66,432
49	(540) Rents		
50	TOTAL Operation (Enter Total of Lines 44 thru 49)	40,827	77,896
51	C. Hydraulic Power Generation (Continued)		
52	Maintenance		
53	(541) Mainentance Supervision and Engineering	234,713	189,132
54	(542) Maintenance of Structures	232,846	111,964
55	(543) Maintenance of Reservoirs, Dams, and Waterways		
56	(544) Maintenance of Electric Plant	63,086	69,262
57	(545) Maintenance of Miscellaneous Hydraulic Plant	46,319	5,824
58	TOTAL Maintenance (Enter Total of lines 53 thru 57)	576,964	376,182
59	TOTAL Power Production Expenses-Hydraulic Power (tot of lines 50 & 58)	617,791	454,078

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Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering	1,392,653	1,330,903
63	(547) Fuel	122,470,937	140,310,165
64	(548) Generation Expenses	508,801	568,313
65	(549) Miscellaneous Other Power Generation Expenses	4,512,276	4,253,454
66	(550) Rents	9,441	17,894
67	TOTAL Operation (Enter Total of lines 62 thru 66)	128,894,108	146,480,729
68	Maintenance		
69	(551) Maintenance Supervision and Engineering	503,301	533,983
70	(552) Maintenance of Structures	1,436,093	1,570,514
71	(553) Maintenance of Generating and Electric Plant	3,364,765	3,242,706
72	(554) Maintenance of Miscellaneous Other Power Generation Plant	3,041,497	2,479,922
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)	8,345,656	7,827,125
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)	137,239,764	154,307,854
75	E. Other Power Supply Expenses		
76	(555) Purchased Power	43,262,874	44,517,728
77	(556) System Control and Load Dispatching	1,728,261	1,802,634
78	(557) Other Expenses	172,678	290,846
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)	45,163,813	46,611,208
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)	621,565,106	704,415,924
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering	1,582,006	1,584,451
84			
85	(561.1) Load Dispatch-Reliability	967,745	659,069
86	(561.2) Load Dispatch-Monitor and Operate Transmission System	1,985,386	1,828,858
87	(561.3) Load Dispatch-Transmission Service and Scheduling	606,029	806,210
88	(561.4) Scheduling, System Control and Dispatch Services		
89	(561.5) Reliability, Planning and Standards Development	510,333	598,460
90	(561.6) Transmission Service Studies	410	-823
91	(561.7) Generation Interconnection Studies	-51,100	70,426
92	(561.8) Reliability, Planning and Standards Development Services		
93	(562) Station Expenses	1,207,788	1,585,992
94	(563) Overhead Lines Expenses	781,730	868,590
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others	3,513,078	3,281,115
97	(566) Miscellaneous Transmission Expenses	24,570,671	16,112,595
98	(567) Rents	264,436	166,408
99	TOTAL Operation (Enter Total of lines 83 thru 98)	35,938,512	27,561,351
100	Maintenance		
101	(568) Maintenance Supervision and Engineering		
102	(569) Maintenance of Structures		
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software		
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment	1,850,947	1,674,303
108	(571) Maintenance of Overhead Lines	10,919,827	12,304,623
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant	383,103	309,687
111	TOTAL Maintenance (Total of lines 101 thru 110)	13,153,877	14,288,613
112	TOTAL Transmission Expenses (Total of lines 99 and 111)	49,092,389	41,849,964

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
113	3. REGIONAL MARKET EXPENSES		
114	Operation		
115	(575.1) Operation Supervision		
116	(575.2) Day-Ahead and Real-Time Market Facilitation		
117	(575.3) Transmission Rights Market Facilitation		
118	(575.4) Capacity Market Facilitation		
119	(575.5) Ancillary Services Market Facilitation		
120	(575.6) Market Monitoring and Compliance		
121	(575.7) Market Facilitation, Monitoring and Compliance Services	3,176	6,047
122	(575.8) Rents		
123	Total Operation (Lines 115 thru 122)	3,176	6,047
124	Maintenance		
125	(576.1) Maintenance of Structures and Improvements		
126	(576.2) Maintenance of Computer Hardware		
127	(576.3) Maintenance of Computer Software		
128	(576.4) Maintenance of Communication Equipment		
129	(576.5) Maintenance of Miscellaneous Market Operation Plant		
130	Total Maintenance (Lines 125 thru 129)		
131	TOTAL Regional Transmission and Market Op Expns (Total 123 and 130)	3,176	6,047
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering	1,808,670	1,783,809
135	(581) Load Dispatching	381,642	409,376
136	(582) Station Expenses	1,973,953	1,859,647
137	(583) Overhead Line Expenses	6,105,689	6,908,833
138	(584) Underground Line Expenses	1,544,118	
139	(585) Street Lighting and Signal System Expenses		
140	(586) Meter Expenses	9,097,316	8,090,382
141	(587) Customer Installations Expenses		205
142	(588) Miscellaneous Expenses	8,254,059	7,524,520
143	(589) Rents		
144	TOTAL Operation (Enter Total of lines 134 thru 143)	29,165,447	26,576,772
145	Maintenance		
146	(590) Maintenance Supervision and Engineering	9,007	24,737
147	(591) Maintenance of Structures		
148	(592) Maintenance of Station Equipment	2,146,875	1,324,752
149	(593) Maintenance of Overhead Lines	31,601,128	32,328,267
150	(594) Maintenance of Underground Lines	426,817	416,218
151	(595) Maintenance of Line Transformers	73,929	152,392
152	(596) Maintenance of Street Lighting and Signal Systems	143	
153	(597) Maintenance of Meters		
154	(598) Maintenance of Miscellaneous Distribution Plant	423,571	384,692
155	TOTAL Maintenance (Total of lines 146 thru 154)	34,681,470	34,631,058
156	TOTAL Distribution Expenses (Total of lines 144 and 155)	63,846,917	61,207,830
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision	4,010,326	4,040,832
160	(902) Meter Reading Expenses	7,775,574	5,473,575
161	(903) Customer Records and Collection Expenses	20,644,218	20,022,150
162	(904) Uncollectible Accounts	3,843,545	5,185,953
163	(905) Miscellaneous Customer Accounts Expenses	-21,536	27,996
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)	36,252,127	34,750,506

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ELECTRIC OPERATION AND MAINTENANCE EXPENSES (Continued)

If the amount for previous year is not derived from previously reported figures, explain in footnote.

Line No.	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision	622,302	613,538
168	(908) Customer Assistance Expenses	7,645,412	14,097,081
169	(909) Informational and Instructional Expenses	1,421,872	696,095
170	(910) Miscellaneous Customer Service and Informational Expenses	1,797,384	1,384,574
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)	11,486,970	16,791,288
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses	293,513	
176	(913) Advertising Expenses	1,162,873	985,525
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)	1,456,386	985,525
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries	35,837,373	35,045,518
182	(921) Office Supplies and Expenses	9,793,261	10,132,678
183	(Less) (922) Administrative Expenses Transferred-Credit	6,215,991	5,755,400
184	(923) Outside Services Employed	17,397,501	17,866,696
185	(924) Property Insurance	6,163,383	5,507,108
186	(925) Injuries and Damages	6,270,552	5,451,515
187	(926) Employee Pensions and Benefits	27,133,749	30,251,248
188	(927) Franchise Requirements	4,288	4,152
189	(928) Regulatory Commission Expenses	2,232,815	1,969,804
190	(929) (Less) Duplicate Charges-Cr.	4,288	4,152
191	(930.1) General Advertising Expenses		30,509
192	(930.2) Miscellaneous General Expenses	4,679,756	4,946,118
193	(931) Rents	3,443,942	3,105,459
194	TOTAL Operation (Enter Total of lines 181 thru 193)	106,736,341	108,551,253
195	Maintenance		
196	(935) Maintenance of General Plant	2,139,602	1,630,133
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)	108,875,943	110,181,386
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)	892,579,014	970,188,470

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 320 Line No.: 90 Column: c

This credit balance is due to Transmission Study reimbursements in excess of expenses for the current year.

Schedule Page: 320 Line No.: 91 Column: b

This credit balance is due to Generation Study reimbursements in excess of expenses for the current year.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classifi-cation (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	Carlisle Armory	OS	(12)			
2	Department of Military Affairs	OS	(12)			
3	Douglas Langley	OS	(12)			
4	East Kentucky Power Cooperative, Inc.	OS	(11)			
5	East Kentucky Power Cooperative, Inc.	OS	(9)			
6	Fayette County Board of Education	OS	(12)			
7	Illinois Municipal Electric Agency	OS	(14)			
8	Illinois Municipal Electric Agency	OS	(8)			
9	Indiana Municipal Power Agency	OS	(15)			
10	Indiana Municipal Power Agency	OS	(8)			
11	Kentucky Municipal Energy Agency	OS	(9)			
12	Kentucky Municipal Power Agency	OS	(9)			
13	Kentucky National Guard	OS	(12)			
14	Louisville Gas and Electric Company	SF	(2)			
	Total					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
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LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classifi-cation (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	Lynch Water Works	OS	(12)			
2	Memorial Methodist Church	OS	(12)			
3	Ohio Valley Electric Corporation	OS	(6)			
4	Ohio Valley Electric Corporation	AD	(6)			
5	Ohio Valley Electric Corporation	OS	(6)			
6	Ohio Valley Electric Corporation	AD	(6)			
7	Owensboro Municipal Utilities	OS	(9)			
8	PJM Settlement, Inc.	OS	(16)			
9	Rockcastle Hospital Annex	OS	(12)			
10	SEKISUI S-LEC America, LLC	OS	(12)			
11	Shelbyville Armory	OS	(12)			
12	Trinity Industrial Corp	OS	(12)			
13	Tennessee Valley Authority	OS	(4)			
14	Tennessee Valley Authority	OS	(9)			
	Total					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PURCHASED POWER (Account 555)
(Including power exchanges)

1. Report all power purchases made during the year. Also report exchanges of electricity (i.e., transactions involving a balancing of debits and credits for energy, capacity, etc.) and any settlements for imbalanced exchanges.
2. Enter the name of the seller or other party in an exchange transaction in column (a). Do not abbreviate or truncate the name or use acronyms. Explain in a footnote any ownership interest or affiliation the respondent has with the seller.
3. In column (b), enter a Statistical Classification Code based on the original contractual terms and conditions of the service as follows:

RQ - for requirements service. Requirements service is service which the supplier plans to provide on an ongoing basis (i.e., the supplier includes projects load for this service in its system resource planning). In addition, the reliability of requirement service must be the same as, or second only to, the supplier's service to its own ultimate consumers.

LF - for long-term firm service. "Long-term" means five years or longer and "firm" means that service cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions (e.g., the supplier must attempt to buy emergency energy from third parties to maintain deliveries of LF service). This category should not be used for long-term firm service firm service which meets the definition of RQ service. For all transaction identified as LF, provide in a footnote the termination date of the contract defined as the earliest date that either buyer or seller can unilaterally get out of the contract.

IF - for intermediate-term firm service. The same as LF service expect that "intermediate-term" means longer than one year but less than five years.

SF - for short-term service. Use this category for all firm services, where the duration of each period of commitment for service is one year or less.

LU - for long-term service from a designated generating unit. "Long-term" means five years or longer. The availability and reliability of service, aside from transmission constraints, must match the availability and reliability of the designated unit.

IU - for intermediate-term service from a designated generating unit. The same as LU service expect that "intermediate-term" means longer than one year but less than five years.

EX - For exchanges of electricity. Use this category for transactions involving a balancing of debits and credits for energy, capacity, etc. and any settlements for imbalanced exchanges.

OS - for other service. Use this category only for those services which cannot be placed in the above-defined categories, such as all non-firm service regardless of the Length of the contract and service from designated units of Less than one year. Describe the nature of the service in a footnote for each adjustment.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classifi-cation (b)	FERC Rate Schedule or Tariff Number (c)	Average Monthly Billing Demand (MW) (d)	Actual Demand (MW) Average Monthly NCP Demand (e)	Actual Demand (MW) Average Monthly CP Demand (f)
1	The Energy Authority	OS	(10)			
2	Simpsonville Solar Array One	OS	(12)			
3	Inadvertent					
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
	Total					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) of Settlement ($) (m)	
51				1,462		1,462	1
283				6,682		6,682	2
17				502		502	3
3,562				95,988		95,988	4
48				1,321		1,321	5
91				2,595		2,595	6
7				180		180	7
8				224		224	8
4				109		109	9
1,392				35,709		35,709	10
1,212				29,222		29,222	11
1,223				30,713		30,713	12
65				1,433		1,433	13
1,299,396				26,876,114		26,876,114	14
1,584,940	458,340		9,113,432	33,934,337	215,105	43,262,874	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) of Settlement ($) (m)	
31				894		894	1
				8		8	2
			9,113,432			9,113,432	3
					164,345	164,345	4
269,787				6,636,584		6,636,584	5
					50,760	50,760	6
4,057				97,776		97,776	7
2,901				49,328		49,328	8
55				1,571		1,571	9
5				184		184	10
60				1,671		1,671	11
3				75		75	12
594				61,702		61,702	13
82				2,101		2,101	14
1,584,940	458,340		9,113,432	33,934,337	215,105	43,262,874	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PURCHASED POWER(Account 555) (Continued)
(Including power exchanges)

AD - for out-of-period adjustment. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting years. Provide an explanation in a footnote for each adjustment.

4. In column (c), identify the FERC Rate Schedule Number or Tariff, or, for non-FERC jurisdictional sellers, include an appropriate designation for the contract. On separate lines, list all FERC rate schedules, tariffs or contract designations under which service, as identified in column (b), is provided.
5. For requirements RQ purchases and any type of service involving demand charges imposed on a monnthly (or longer) basis, enter the monthly average billing demand in column (d), the average monthly non-coincident peak (NCP) demand in column (e), and the average monthly coincident peak (CP) demand in column (f). For all other types of service, enter NA in columns (d), (e) and (f). Monthly NCP demand is the maximum metered hourly (60-minute integration) demand in a month. Monthly CP demand is the metered demand during the hour (60-minute integration) in which the supplier's system reaches its monthly peak. Demand reported in columns (e) and (f) must be in megawatts. Footnote any demand not stated on a megawatt basis and explain.
6. Report in column (g) the megawatthours shown on bills rendered to the respondent. Report in columns (h) and (i) the megawatthours of power exchanges received and delivered, used as the basis for settlement. Do not report net exchange.
7. Report demand charges in column (j), energy charges in column (k), and the total of any other types of charges, including out-of-period adjustments, in column (l). Explain in a footnote all components of the amount shown in column (l). Report in column (m) the total charge shown on bills received as settlement by the respondent. For power exchanges, report in column (m) the settlement amount for the net receipt of energy. If more energy was delivered than received, enter a negative amount. If the settlement amount (l) include credits or charges other than incremental generation expenses, or (2) excludes certain credits or charges covered by the agreement, provide an explanatory footnote.
8. The data in column (g) through (m) must be totalled on the last line of the schedule. The total amount in column (g) must be reported as Purchases on Page 401, line 10. The total amount in column (h) must be reported as Exchange Received on Page 401, line 12. The total amount in column (i) must be reported as Exchange Delivered on Page 401, line 13.
9. Footnote entries as required and provide explanations following all required data.

MegaWatt Hours Purchased (g)	POWER EXCHANGES		COST/SETTLEMENT OF POWER				Line No.
	MegaWatt Hours Received (h)	MegaWatt Hours Delivered (i)	Demand Charges ($) (j)	Energy Charges ($) (k)	Other Charges ($) (l)	Total (j+k+l) of Settlement ($) (m)	
				14		14	1
6				175		175	2
	458,340						3
							4
							5
							6
							7
							8
							9
							10
							11
							12
							13
							14
1,584,940	458,340		9,113,432	33,934,337	215,105	43,262,874	

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 326 Line No.: 1 Column: b
Small Capacity Cogeneration and Small Power Production Qualifying Facility

Schedule Page: 326 Line No.: 1 Column: c
(12) KPSC Standard Rate Rider

Schedule Page: 326 Line No.: 2 Column: b
Large Capacity Cogeneration and Large Power Production Qualifying Facility

Schedule Page: 326 Line No.: 2 Column: c
(12) KPSC Standard Rate Rider

Schedule Page: 326 Line No.: 3 Column: b
Small Capacity Cogeneration and Small Power Production Qualifying Facility

Schedule Page: 326 Line No.: 3 Column: c
(12) KPSC Standard Rate Rider

Schedule Page: 326 Line No.: 4 Column: b
Market Based Purchases

Schedule Page: 326 Line No.: 4 Column: c
(11) EEI Master Power Purchase and Sale Agreement dated September 14, 2006.

Schedule Page: 326 Line No.: 5 Column: b
Imbalance

Schedule Page: 326 Line No.: 5 Column: c
(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4

Schedule Page: 326 Line No.: 6 Column: b
Small Capacity Cogeneration and Small Power Production Qualifying Facility

Schedule Page: 326 Line No.: 6 Column: c
(12) KPSC Standard Rate Rider

Schedule Page: 326 Line No.: 7 Column: a
Illinois Municipal Electric Agency has a 12.12% ownership interest in LG&E's and KU's Trimble County Generating Unit No. 2.

Schedule Page: 326 Line No.: 7 Column: b
Market Based Purchases

Schedule Page: 326 Line No.: 7 Column: c
(14) EEI Master Power Purchase and Sale Agreement dated January 1, 2016.

Schedule Page: 326 Line No.: 8 Column: b
Imbalance

Schedule Page: 326 Line No.: 8 Column: c
(8) LG&E and KU Joint ProForma Open Access Transmission Tariff Schedule 9.

Schedule Page: 326 Line No.: 9 Column: a
Indiana Municipal Power Agency has a 12.88% ownership interest in LG&E's and KU's Trimble County Generating Unit No. 2.

Schedule Page: 326 Line No.: 9 Column: b
Market Based Purchases

Schedule Page: 326 Line No.: 9 Column: c
(15) Interchange Agreement FERC Rate Schedule No. 31

Schedule Page: 326 Line No.: 10 Column: b
Imbalance

Schedule Page: 326 Line No.: 10 Column: c
(8) LG&E and KU Joint ProForma Open Access Transmission Tariff Schedule 9.

Schedule Page: 326 Line No.: 11 Column: b
Imbalance

Schedule Page: 326 Line No.: 11 Column: c
(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4

Schedule Page: 326 Line No.: 12 Column: b
Imbalance

Schedule Page: 326 Line No.: 12 Column: c
(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 326 Line No.: 13 Column: b
Large Capacity Cogeneration and Large Power Production Qualifying Facility

Schedule Page: 326 Line No.: 13 Column: c
(12) KPSC Standard Rate Rider

Schedule Page: 326 Line No.: 14 Column: a
KU and LG&E are owned by LKE.

Schedule Page: 326 Line No.: 14 Column: b
LG&E and KU PSSA - Amended in 2018

Schedule Page: 326 Line No.: 14 Column: c
(2) FERC Rate Schedule No. 1. The Power Supply System Agreement, FERC Docket No. ER98-111-000; Effective June 4, 2018 LG&E and KU Joint Rate Schedule FERC No. 508 Amended and Restated Power Supply System Agreement.

Schedule Page: 326.1 Line No.: 1 Column: b
Small Capacity Cogeneration and Small Power Production Qualifying Facility

Schedule Page: 326.1 Line No.: 1 Column: c
(12) KPSC Standard Rate Rider

Schedule Page: 326.1 Line No.: 2 Column: b
Small Capacity Cogeneration and Small Power Production Qualifying Facility

Schedule Page: 326.1 Line No.: 2 Column: c
(12) KPSC Standard Rate Rider

Schedule Page: 326.1 Line No.: 3 Column: a
Intercompany Power Agreement dated September 10, 2010. The Company owns 2.5% of the common stock of OVEC. Purchase of available energy and available power pursuant to Article 4 of the Amended and Restated Intercompany Power Agreement among OVEC and Sponsoring Companies dated September 10, 2010.

Schedule Page: 326.1 Line No.: 3 Column: b
Available Energy and Available Power

Schedule Page: 326.1 Line No.: 3 Column: c
(6) Intercompany Power Agreement v 0.0.0 on file with the Commission. Amended and Restated Intercompany Power Agreement among OVEC and Sponsoring Companies dated September 10, 2010.

Schedule Page: 326.1 Line No.: 4 Column: b
December 2018 true-up of accrual estimate for both energy and demand charges made in January 2019.

Schedule Page: 326.1 Line No.: 4 Column: c
(6) Intercompany Power Agreement v 0.0.0 on file with the Commission. Amended and Restated Intercompany Power Agreement among OVEC and Sponsoring Companies dated September 10, 2010.

Schedule Page: 326.1 Line No.: 4 Column: l
Amount is a prior period OVEC demand adjustment for December 2018 to true up to monthly invoice from OVEC.

Schedule Page: 326.1 Line No.: 5 Column: a
Intercompany Power Agreement dated September 10, 2010. The Company owns 2.5% of the common stock of OVEC. Purchase of available energy and available power pursuant to Article 4 of the Amended and Restated Intercompany Power Agreement among OVEC and Sponsoring Companies dated September 10, 2010.

Schedule Page: 326.1 Line No.: 5 Column: b
Available Energy and Available Power

Schedule Page: 326.1 Line No.: 5 Column: c
(6) Intercompany Power Agreement v 0.0.0 on file with the Commission. Amended and Restated Intercompany Power Agreement among OVEC and Sponsoring Companies dated September 10, 2010.

Schedule Page: 326.1 Line No.: 6 Column: b
December 2018 true-up of accrual estimate for both energy and demand charges made in January 2019.

Schedule Page: 326.1 Line No.: 6 Column: c

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

(6) Intercompany Power Agreement v 0.0.0 on file with the Commission. Amended and Restated Intercompany Power Agreement among OVEC and Sponsoring Companies dated September 10, 2010.

Schedule Page: 326.1 Line No.: 6 Column: l

Amount is a prior period OVEC energy purchase adjustment for December 2018 to true up monthly invoice from OVEC.

Schedule Page: 326.1 Line No.: 7 Column: b

Imbalance

Schedule Page: 326.1 Line No.: 7 Column: c

(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4

Schedule Page: 326.1 Line No.: 8 Column: b

Market Based Purchases

Schedule Page: 326.1 Line No.: 8 Column: c

(16) Operating Agreement of PJM Interconnection, L.L.C. Rate Schedule FERC No. 24.

Schedule Page: 326.1 Line No.: 9 Column: b

Small Capacity Cogeneration and Small Power Production Qualifying Facility

Schedule Page: 326.1 Line No.: 9 Column: c

(12) KPSC Standard Rate Rider

Schedule Page: 326.1 Line No.: 10 Column: b

Large Capacity Cogeneration and Large Power Production Qualifying Facility

Schedule Page: 326.1 Line No.: 10 Column: c

(12) KPSC Standard Rate Rider

Schedule Page: 326.1 Line No.: 11 Column: b

Small Capacity Cogeneration and Small Power Production Qualifying Facility

Schedule Page: 326.1 Line No.: 11 Column: c

(12) KPSC Standard Rate Rider

Schedule Page: 326.1 Line No.: 12 Column: b

Small Capacity Cogeneration and Small Power Production Qualifying Facility

Schedule Page: 326.1 Line No.: 12 Column: c

(12) KPSC Standard Rate Rider

Schedule Page: 326.1 Line No.: 13 Column: b

Emergency Power Purchases

Schedule Page: 326.1 Line No.: 13 Column: c

(4) Contingency Reserve Sharing Agreement dated November 20, 2009.

Schedule Page: 326.1 Line No.: 14 Column: b

Imbalance

Schedule Page: 326.1 Line No.: 14 Column: c

(9) LG&E and KU Joint Pro Forma Open Access Transmission Tariff Schedule 4

Schedule Page: 326.2 Line No.: 1 Column: b

Cost Based Sales - Adjustment of a cost based sale to expense

Schedule Page: 326.2 Line No.: 1 Column: c

(10) Adjustment of Cost Based Sale related to LG&E and KU CBR Tariff

Schedule Page: 326.2 Line No.: 2 Column: a

Company Community Solar Share Program with Solar Array One located in Simpsonville, Kentucky. Serves more than 370 customers currently.

Schedule Page: 326.2 Line No.: 2 Column: b

Large Capacity Cogeneration and Large Power Production Qualifying Facility

Schedule Page: 326.2 Line No.: 2 Column: c

(12) KPSC Standard Rate Rider

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456.1)
(Including transactions referred to as 'wheeling')

1. Report all transmission of electricity, i.e., wheeling, provided for other electric utilities, cooperatives, other public authorities, qualifying facilities, non-traditional utility suppliers and ultimate customers for the quarter.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in column (a), (b) and (c).
3. Report in column (a) the company or public authority that paid for the transmission service. Report in column (b) the company or public authority that the energy was received from and in column (c) the company or public authority that the energy was delivered to. Provide the full name of each company or public authority. Do not abbreviate or truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation the respondent has with the entities listed in columns (a), (b) or (c)
4. In column (d) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO - Firm Network Service for Others, FNS - Firm Network Transmission Service for Self, LFP - "Long-Term Firm Point to Point Transmission Service, OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point to Point Transmission Reservation, NF - non-firm transmission service, OS - Other Transmission Service and AD - Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.

Line No.	Payment By (Company of Public Authority) (Footnote Affiliation) (a)	Energy Received From (Company of Public Authority) (Footnote Affiliation) (b)	Energy Delivered To (Company of Public Authority) (Footnote Affiliation) (c)	Statistical Classifi-cation (d)
1	Midwest ISO	Various	Various	OS
2	East Kentucky Power Cooperative	East Kentucky Power Cooperative	East Kentucky Power Cooperative	FNO
3	East Kentucky Power Cooperative	East Kentucky Power Cooperative	East Kentucky Power Cooperative	NF
4	East Kentucky Power Cooperative	East Kentucky Power Cooperative	East Kentucky Power Cooperative	AD
5	Kentucky Municipal Power Agency	Midwest ISO	Kentucky Municipal Power Agency	FNO
6	Owensboro Municipal Utilities	Owensboro Municipal Utilities	Various	FNO
7	Owensboro Municipal Utilities	Owensboro Municipal Utilities	Various	LFP
8	Owensboro Municipal Utilities	Owensboro Municipal Utilities	Various	SFP
9	Owensboro Municipal Utilities	Owensboro Municipal Utilities	Various	NF
10	Tennessee Valley Authority	Tennessee Valley Authority	Tennessee Valley Authority	FNO
11	Tennessee Valley Authority	Tennessee Valley Authority	Tennessee Valley Authority	AD
12	Big Rivers Electric Corporation	Big Rivers Electric Corporation	Big Rivers Electric Corporation	FNO
13	Kentucky Municipal Energy Agency	Midwest ISO	Kentucky Municipal Energy Agency	FNO
14	Hoosier Energy	Midwest ISO	Hoosier Energy	FNO
15	KU/LG&E	Various	Various	NF
16	KU/LG&E	Various	Various	LFP
17	EDF Trading	Various	Various	NF
18	The Energy Authority	Various	Various	NF
19	TCJA Order 864, FERC Doc. No. RM19-5-000	Various	Various	AD
20	Appalachian Power Company	Various	Various	FNO
21	City of Barbourville	Various	City of Barbourville	FNO
22	City of Bardstown	Various	City of Bardstown	FNO
23	City of Bardwell	Various	City of Bardwell	FNO
24	City of Berea	Various	City of Berea	FNO
25	City of Corbin	Various	City of Corbin	FNO
26	City of Falmouth	Various	City of Falmouth	FNO
27	City of Falmouth	Various	City of Falmouth	FNO
28	City of Frankfort	Various	City of Frankfort	FNO
29	City of Madisonville	Various	City of Madisonville	FNO
30	City of Nicholasville	Various	City of Nicholasville	FNO
31	City of Providence	Various	City of Providence	FNO
32				
33				
34				
	TOTAL			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456)(Continued)
(Including transactions reffered to as 'wheeling')

5. In column (e), identify the FERC Rate Schedule or Tariff Number, On separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (d), is provided.
6. Report receipt and delivery locations for all single contract path, "point to point" transmission service. In column (f), report the designation for the substation, or other appropriate identification for where energy was received as specified in the contract. In column (g) report the designation for the substation, or other appropriate identification for where energy was delivered as specified in the contract.
7. Report in column (h) the number of megawatts of billing demand that is specified in the firm transmission service contract. Demand reported in column (h) must be in megawatts. Footnote any demand not stated on a megawatts basis and explain.
8. Report in column (i) and (j) the total megawatthours received and delivered.

FERC Rate Schedule of Tariff Number (e)	Point of Receipt (Subsatation or Other Designation) (f)	Point of Delivery (Substation or Other Designation) (g)	Billing Demand (MW) (h)	TRANSFER OF ENERGY		Line No.
				MegaWatt Hours Received (i)	MegaWatt Hours Delivered (j)	
LGE/KU Joint	Various	Various				1
LGE/KU Joint	East Kentucky Power	East Kentucky Power	278	1,693,283	1,693,283	2
LGE/KU Joint	East Kentucky Power	East Kentucky Power		53,007	53,007	3
LGE/KU Joint	East Kentucky Power	East Kentucky Power				4
SA 13	Various	LGEE.KMPA	80	455,082	455,082	5
SA 15	Owensboro Municipal	Various	91			6
LGE/KU Joint	Owensboro Municipal	Various	156	605,198	605,198	7
LGE/KU Joint	Owensboro Municipal	Various	11			8
LGE/KU Joint	Owensboro Municipal	Various				9
LGE/KU Joint	TVA	TVA	50	258,974	258,974	10
LGE/KU Joint	TVA	TVA				11
LGE/KU Joint	Big Rivers Electric	Big Rivers Electric	5	31,423	31,423	12
LGE/KU Joint	Various	LGEE.KYMA	107	608,612	608,612	13
LGE/KU Joint	Midwest ISO	Hoosier Energy	3	23,835	23,835	14
LGE/KU Joint	Various	Various				15
LGE/KU Joint	Various	Various	11			16
LGE/KU Joint	Various	Various		4	4	17
LGE/KU Joint	Various	Various		26	26	18
Various	Various	Various				19
408	Various	City of Norton				20
184	Various	City of Barbourville	42			21
185	Various	City of Bardstown	277			22
186	Various	City of Bardwell	3			23
197	Various	City of Berea	65			24
188	Various	City of Corbin	36			25
189	Various	City of Falmouth	7			26
189	Various	City of Falmouth				27
190	Various	City of Frankfort	306			28
161	Various	City of Madisonville	104			29
157	Various	City of Nicholasvill	272			30
195	Various	City of Providence	10			31
						32
						33
						34
			1,914	**3,729,444**	**3,729,444**	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY FOR OTHERS (Account 456) (Continued)
(Including transactions reffered to as 'wheeling')

9. In column (k) through (n), report the revenue amounts as shown on bills or vouchers. In column (k), provide revenues from demand charges related to the billing demand reported in column (h). In column (l), provide revenues from energy charges related to the amount of energy transferred. In column (m), provide the total revenues from all other charges on bills or vouchers rendered, including out of period adjustments. Explain in a footnote all components of the amount shown in column (m). Report in column (n) the total charge shown on bills rendered to the entity Listed in column (a). If no monetary settlement was made, enter zero (11011) in column (n). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
10. The total amounts in columns (i) and (j) must be reported as Transmission Received and Transmission Delivered for annual report purposes only on Page 401, Lines 16 and 17, respectively.
11. Footnote entries and provide explanations following all required data.

REVENUE FROM TRANSMISSION OF ELECTRICITY FOR OTHERS

Demand Charges ($) (k)	Energy Charges ($) (l)	(Other Charges) ($) (m)	Total Revenues ($) (k+l+m) (n)	Line No.
		887,097	887,097	1
6,878,194		415,780	7,293,974	2
	274,599	11,697	286,296	3
14,714		879	15,593	4
1,964,403		357,130	2,321,533	5
1,876,361		361,287	2,237,648	6
3,755,546		230,041	3,985,587	7
280,684		17,136	297,820	8
	53,548	2,164	55,712	9
1,229,999		74,630	1,304,629	10
-3,131		-186	-3,317	11
116,014		7,016	123,030	12
2,938,530		530,032	3,468,562	13
81,616		4,931	86,547	14
	936,623	41,246	977,869	15
274,827		16,831	291,658	16
	23	1	24	17
	72	4	76	18
		-226,591	-226,591	19
220			220	20
84,070		3,031	87,101	21
567,375		19,993	587,368	22
6,725		242	6,967	23
132,807		4,787	137,594	24
73,460		2,648	76,108	25
15,765		568	16,333	26
		28,445	28,445	27
620,670		22,374	643,044	28
210,250		7,579	217,829	29
557,373		19,643	577,016	30
21,274		767	22,041	31
				32
				33
				34
21,697,746	**1,264,865**	**2,841,202**	**25,803,813**	

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 328 Line No.: 1 Column: m
KU receives ongoing monthly payments from MISO in a Joint Party Settlement Agreement related to uncompensated MISO usage above the 1,000 MW contract right.

Schedule Page: 328 Line No.: 2 Column: m
Schedule 1 and Schedule 2 charges

Schedule Page: 328 Line No.: 3 Column: m
Schedule 1 and Schedule 2 charges

Schedule Page: 328 Line No.: 4 Column: k
True-up of prior periods

Schedule Page: 328 Line No.: 4 Column: m
True-up of prior periods

Schedule Page: 328 Line No.: 5 Column: m
Schedule 1, Schedule 2, Schedule 3, Schedule 5, and Schedule 6 charges

Schedule Page: 328 Line No.: 6 Column: m
Schedule 1, Schedule 2, Schedule 3, Schedule 5, and Schedule 6 charges

Schedule Page: 328 Line No.: 7 Column: m
Schedule 1 and Schedule 2 charges

Schedule Page: 328 Line No.: 8 Column: m
Schedule 1 and Schedule 2 charges

Schedule Page: 328 Line No.: 9 Column: m
Schedule 1 and Schedule 2 charges

Schedule Page: 328 Line No.: 10 Column: m
Schedule 1 and Schedule 2 charges

Schedule Page: 328 Line No.: 11 Column: k
True-up of prior periods

Schedule Page: 328 Line No.: 11 Column: m
True-up of prior periods

Schedule Page: 328 Line No.: 12 Column: m
Schedule 1 and Schedule 2 charges

Schedule Page: 328 Line No.: 13 Column: m
Schedule 1, Schedule 2, Schedule 3, Schedule 5, and Schedule 6 charges

Schedule Page: 328 Line No.: 14 Column: m
Schedule 1 and Schedule 2 charges

Schedule Page: 328 Line No.: 15 Column: a
KU Company and LG&E Company are owned by LKE

Schedule Page: 328 Line No.: 15 Column: m
Schedule 1 and Schedule 2 charges related to various counterparties

Schedule Page: 328 Line No.: 16 Column: a
KU Company and LG&E Company are owned by LKE

Schedule Page: 328 Line No.: 16 Column: d
Long-term Firm purchases by KU Company and LG&E Company take place under the Open Access Transmission Tariff with intercompany allocations for revenues and expenses determined by the Transmission Coordination Agreement between the Companies. The Tariff is evergreen and the Transmission Coordination Agreement automatically renews unless terminated.

Schedule Page: 328 Line No.: 16 Column: m
Schedule 1 and Schedule 2 charges related to various counterparties

Schedule Page: 328 Line No.: 17 Column: m
Schedule 1 and Schedule 2 charges

Schedule Page: 328 Line No.: 18 Column: m
Schedule 1 and Schedule 2 charges

Schedule Page: 328 Line No.: 19 Column: m
FERC Docket No. RM19-5-000; Order No. 864, issued November 21, 2019. FERC is requiring all public utility transmission providers with transmission formula rates under an Open Access Transmission Tariff (OATT)rate schedules to revise those transmission formula rates to

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

account for changes caused by the Tax Cuts and Jobs Act of 2017 (TCJA). The Commission is requiring public utilities with transmission formula rates to include a mechanism in those transmission formula rates to deduct any excess accumulated deferred incomes taxes (ADIT) from or add any deficient ADIT to their rate bases.

KU calculated the excess accumulated deferred income taxes (ADIT) that were charged in Transmission rates to customers during 2019 as $226,591. This amount was recorded to a regulatory liability as of December 31, 2019 in anticipation of further refunds.

Schedule Page: 328 Line No.: 21 Column: m
Schedule 1 charges

Schedule Page: 328 Line No.: 22 Column: m
Schedule 1 charges

Schedule Page: 328 Line No.: 23 Column: m
Schedule 1 charges

Schedule Page: 328 Line No.: 24 Column: m
Schedule 1 charges

Schedule Page: 328 Line No.: 25 Column: m
Schedule 1 charges

Schedule Page: 328 Line No.: 26 Column: m
Schedule 1 charges

Schedule Page: 328 Line No.: 27 Column: m
Schedule 1 charges and Schedule 2 charges

Schedule Page: 328 Line No.: 28 Column: m
Schedule 1 charges

Schedule Page: 328 Line No.: 29 Column: m
Schedule 1 charges

Schedule Page: 328 Line No.: 30 Column: m
Schedule 1 charges

Schedule Page: 328 Line No.: 31 Column: m
Schedule 1 charges

Schedule Page: 328 Line No.: 31 Column: n
This footnote is not to reference this cell, but the total on Line No.: 35, Column: n.

Reconciliation of revenues from transmission of electricity of others to amount reported in electric operating revenues:

Schedule Page: 330, Line No.: 35, Column: n	$ 25,803,813
Elimination of intracompany transmission revenues	(620,144)
Schedule Page: 300, Line No.: 22, Column: b	$ 25,183,669

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY BY ISO/RTOs

1. Report in Column (a) the Transmission Owner receiving revenue for the transmission of electricity by the ISO/RTO.
2. Use a separate line of data for each distinct type of transmission service involving the entities listed in Column (a).
3. In Column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNO – Firm Network Service for Others, FNS – Firm Network Transmission Service for Self, LFP – Long-Term Firm Point-to-Point Transmission Service, OLF – Other Long-Term Firm Transmission Service, SFP – Short-Term Firm Point-to-Point Transmission Reservation, NF – Non-Firm Transmission Service, OS – Other Transmission Service and AD- Out-of-Period Adjustments. Use this code for any accounting adjustments or "true-ups" for service provided in prior reporting periods. Provide an explanation in a footnote for each adjustment. See General Instruction for definitions of codes.
4. In column (c) identify the FERC Rate Schedule or tariff Number, on separate lines, list all FERC rate schedules or contract designations under which service, as identified in column (b) was provided.
5. In column (d) report the revenue amounts as shown on bills or vouchers.
6. Report in column (e) the total revenues distributed to the entity listed in column (a).

Line No.	Payment Received by (Transmission Owner Name) (a)	Statistical Classification (b)	FERC Rate Schedule or Tariff Number (c)	Total Revenue by Rate Schedule or Tarirff (d)	Total Revenue (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
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37					
38					
39					
40	TOTAL				

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION OF ELECTRICITY BY OTHERS (Account 565)
(Including transactions referred to as "wheeling")

1. Report all transmission, i.e. wheeling or electricity provided by other electric utilities, cooperatives, municipalities, other public authorities, qualifying facilities, and others for the quarter.
2. In column (a) report each company or public authority that provided transmission service. Provide the full name of the company, abbreviate if necessary, but do not truncate name or use acronyms. Explain in a footnote any ownership interest in or affiliation with the transmission service provider. Use additional columns as necessary to report all companies or public authorities that provided transmission service for the quarter reported.
3. In column (b) enter a Statistical Classification code based on the original contractual terms and conditions of the service as follows: FNS - Firm Network Transmission Service for Self, LFP - Long-Term Firm Point-to-Point Transmission Reservations. OLF - Other Long-Term Firm Transmission Service, SFP - Short-Term Firm Point-to- Point Transmission Reservations, NF - Non-Firm Transmission Service, and OS - Other Transmission Service. See General Instructions for definitions of statistical classifications.
4. Report in column (c) and (d) the total megawatt hours received and delivered by the provider of the transmission service.
5. Report in column (e), (f) and (g) expenses as shown on bills or vouchers rendered to the respondent. In column (e) report the demand charges and in column (f) energy charges related to the amount of energy transferred. On column (g) report the total of all other charges on bills or vouchers rendered to the respondent, including any out of period adjustments. Explain in a footnote all components of the amount shown in column (g). Report in column (h) the total charge shown on bills rendered to the respondent. If no monetary settlement was made, enter zero in column (h). Provide a footnote explaining the nature of the non-monetary settlement, including the amount and type of energy or service rendered.
6. Enter "TOTAL" in column (a) as the last line.
7. Footnote entries and provide explanations following all required data.

Line No.	Name of Company or Public Authority (Footnote Affiliations) (a)	Statistical Classification (b)	TRANSFER OF ENERGY: Magawatt-hours Received (c)	TRANSFER OF ENERGY: Magawatt-hours Delivered (d)	EXPENSES FOR TRANSMISSION OF ELECTRICITY BY OTHERS: Demand Charges ($) (e)	Energy Charges ($) (f)	Other Charges ($) (g)	Total Cost of Transmission ($) (h)
1	EKPC	LFP					228,816	228,816
2	KU/LG&E	LFP	130,722	130,722	359,866		20,997	380,863
3	KU/LG&E	NF	104,907	104,907		495,236	19,536	514,772
4	PJM Interconnect	LFP	1,917	1,917	3,001,456			3,001,456
5	PJM Interconnect	NF	3,807	3,807		2,785	4,271	7,056
6	PJM Interconnect	AD					258	258
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
	TOTAL		241,353	241,353	3,361,322	498,021	273,878	4,133,221

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 332 Line No.: 1 Column: b
The LFP transmission service agreement between East Kentucky Power Cooperative (EKPC) and KU and LG&E terminated 9/1/2019.

Schedule Page: 332 Line No.: 1 Column: g
Schedule 1 and Schedule 2 charges

Schedule Page: 332 Line No.: 2 Column: a
KU and LG&E are owned by LKE.

Schedule Page: 332 Line No.: 2 Column: b
Long-Term Firm purchases by KU and LG&E take place under the Open Access Transmission Tariff (OATT) with intercompany allocations for revenues and expenses determined by the Transmission Coordination Agreement between the Companies. The Tariff is evergreen and the Transmission Coordination Agreement automatically renews unless terminated.

Schedule Page: 332 Line No.: 2 Column: g
Schedule 1 and Schedule 2 charges

Schedule Page: 332 Line No.: 3 Column: a
KU and LG&E are owned by LKE.

Schedule Page: 332 Line No.: 3 Column: g
Schedule 1 and Schedule 2 charges

Schedule Page: 332 Line No.: 5 Column: g
Schedule 1 and Schedule 2 charges

Schedule Page: 332 Line No.: 6 Column: g
True-up of prior periods of Black Start service charges

Schedule Page: 332 Line No.: 6 Column: h
This footnote is not to reference this cell, but the total on Line No.: 17, Column: h.

Reconciliation of transmission of electricity by others to amount reported in transmission expenses:

Schedule Page: 332, Line No.: 17, Column: h	$ 4,133,221
Elimination of intracompany transmission expenses	(620,144)
Rounding	1
Schedule Page: 321, Line No.: 96, Column: b	$ 3,513,078

Name of Respondent Kentucky Utilities Company	This Report Is: (1) [X] An Original (2) [ ] A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2019/Q4

MISCELLANEOUS GENERAL EXPENSES (Account 930.2) (ELECTRIC)

Line No.	Description (a)	Amount (b)
1	Industry Association Dues	1,141,249
2	Nuclear Power Research Expenses	
3	Other Experimental and General Research Expenses	2,875,450
4	Pub & Dist Info to Stkhldrs...expn servicing outstanding Securities	
5	Oth Expn >=5,000 show purpose, recipient, amount. Group if < $5,000	
6	PPL Service Corporation	
7	Stockholder and Debt Service Expenses	471,037
8	Manufactured Gas Plant Remediation Expenses	148,502
9	Recruiting Expenses	
10	LinkedIn Corp	21,375
11	Other Vendors (<$5,000):	15,825
12	Miscellaneous	
13	Various Vendors (<$5,000):	6,318
14		
15		
16		
17		
18		
19		
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21		
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46	TOTAL	4,679,756

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Account 403, 404, 405)
(Except amortization of aquisition adjustments)

1. Report in section A for the year the amounts for : (b) Depreciation Expense (Account 403; (c) Depreciation Expense for Asset Retirement Costs (Account 403.1; (d) Amortization of Limited-Term Electric Plant (Account 404); and (e) Amortization of Other Electric Plant (Account 405).
2. Report in Section 8 the rates used to compute amortization charges for electric plant (Accounts 404 and 405). State the basis used to compute charges and whether any changes have been made in the basis or rates used from the preceding report year.
3. Report all available information called for in Section C every fifth year beginning with report year 1971, reporting annually only changes to columns (c) through (g) from the complete report of the preceding year.
Unless composite depreciation accounting for total depreciable plant is followed, list numerically in column (a) each plant subaccount, account or functional classification, as appropriate, to which a rate is applied. Identify at the bottom of Section C the type of plant included in any sub-account used.
In column (b) report all depreciable plant balances to which rates are applied showing subtotals by functional Classifications and showing composite total. Indicate at the bottom of section C the manner in which column balances are obtained. If average balances, state the method of averaging used.
For columns (c), (d), and (e) report available information for each plant subaccount, account or functional classification Listed in column (a). If plant mortality studies are prepared to assist in estimating average service Lives, show in column (f) the type mortality curve selected as most appropriate for the account and in column (g), if available, the weighted average remaining life of surviving plant. If composite depreciation accounting is used, report available information called for in columns (b) through (g) on this basis.
4. If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates, state at the bottom of section C the amounts and nature of the provisions and the plant items to which related.

A. Summary of Depreciation and Amortization Charges

Line No.	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Depreciation Expense for Asset Retirement Costs (Account 403.1) (c)	Amortization of Limited Term Electric Plant (Account 404) (d)	Amortization of Other Electric Plant (Acc 405) (e)	Total (f)
1	Intangible Plant			17,183,580		17,183,580
2	Steam Production Plant	167,569,254				167,569,254
3	Nuclear Production Plant					
4	Hydraulic Production Plant-Conventional	1,296,340				1,296,340
5	Hydraulic Production Plant-Pumped Storage					
6	Other Production Plant	41,104,587				41,104,587
7	Transmission Plant	25,293,133				25,293,133
8	Distribution Plant	40,467,247				40,467,247
9	Regional Transmission and Market Operation					
10	General Plant	12,905,721				12,905,721
11	Common Plant-Electric					
12	TOTAL	288,636,282		17,183,580		305,819,862

B. Basis for Amortization Charges

ACCOUNT	RATE	PLANT BALANCE @ 12/31/2019	AMORTIZATION	
130200	4%	$ 55,919	$ 2,030	
130300	21%	67,553,381	14,213,065	
130310	10%	18,744,035	2,968,485	
			$ 17,183,580	Column (d)

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Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	311 Strctrs & Imprvmts						
13	5603 Tyrone Unit 3	514	105.00	-10.00		105-R2.5	
14	5604 Tyrone Units 1&2	84	105.00	-10.00		105-R2.5	
15	5613 Green Rvr Unit 3	2,326	105.00	-10.00		105-R2.5	
16	5614 Green Rvr Unit 4	564	105.00	-10.00		105-R2.5	
17	5615 Green Rvr Unt 1&2	480	105.00	-10.00		105-R2.5	
18	5621 Brown Unit 1	3,976	105.00	-6.00	0.04	105-R2.5	1.20
19	5622 Brown Unit 2	2,294	105.00	-6.00	0.63	105-R2.5	1.20
20	5623 Brown Unit 3	29,543	105.00	-6.00	3.17	105-R2.5	17.30
21	5630 Brown Unit1-3 FGD	45,553	105.00	-6.00	4.54	105-R2.5	17.40
22	5643 Pineville Unit 3	42	105.00	-10.00		105-R2.5	
23	5650 Ghent Unit 1 FGD	8,491	105.00	-8.00	1.14	105-R2.5	16.30
24	5651 Ghent Unit 1	21,844	105.00	-8.00	1.68	105-R2.5	16.30
25	5652 Ghent Unit 2	16,973	105.00	-8.00	1.31	105-R2.5	16.20
26	5658 Ghent Unit 2 FGD	15,623	105.00	-8.00	1.16	105-R2.5	16.30
27	5653 Ghent Unit 3	51,860	105.00	-8.00	2.15	105-R2.5	19.20
28	5654 Ghent Unit 4	46,461	105.00	-8.00	3.44	105-R2.5	20.20
29	5591 System Laboratory	1,123	105.00		1.54	105-R2.5	22.20
30	0321 Trmble Cty Unit 2	97,862	105.00	-13.00	1.81	105-R2.5	46.50
31	0322 Trmble Unit 2 FGD	5,782	105.00	-13.00	1.21	105-R2.5	45.30
32							
33	312 Boiler Plant Eqpmt						
34	5603 Tyrone U3 - AP	575	100.00			100-S4	
35	5613 Gr Rvr Unit 3 -AP	1,832	100.00			100-S4	
36	5621 Brown Unit 1	4,008	70.00	-6.00	3.21	70-R1.5	1.20
37	5621 Brown Unit 1 - AP	13,208	100.00		1.30	100-S4	3.00
38	5622 Brown Unit 2	5,385	70.00	-6.00	3.08	70-R1.5	1.20
39	5623 Brown Unit 3	452,277	70.00	-6.00	5.19	70-R1.5	16.90
40	5623 Brown Unit 3 - AP	19,802	100.00		4.11	100-S4	3.00
41	5630 BrownUnt 1-3 FGD	335,792	70.00	-6.00	4.92	70-R1.5	17.00
42	5643 Pville Unit 3 -AP	91	100.00			100-S4	
43	5650 Ghent Unit 1 FGD	141,008	70.00	-8.00	4.16	70-R1.5	16.00
44	5650 Gh Unit 1 FGD -AP	39	100.00		0.04	100-S4	3.00
45	5651 Ghent Unit 1	363,194	70.00	-8.00	4.83	70-R1.5	16.00
46	5651 Ghent Unit 1 - AP	2,101	100.00		0.08	100-S4	5.00
47	5652 Ghent Unit 2	283,544	70.00	-8.00	5.10	70-R1.5	15.90
48	5658 Ghent Unit 2 FGD	71,774	70.00	-8.00	1.19	70-R1.5	16.00
49	5658 Gh Unit 2 FGD-AP	1,901	100.00			100-S4	
50	5653 Ghent Unit 3	448,353	70.00	-8.00	3.54	70-R1.5	18.80

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	5660 Ghent Unit 3 FGD	120,589	70.00	-8.00	3.99	70-R1.5	18.70
13	5654 Ghent Unit 4	767,971	70.00	-8.00	4.35	70-R1.5	19.70
14	5654 Ghent Unit 4 - AP	32,693	100.00		2.68	100-S4	4.00
15	5661 Ghent Unit 4 FGD	255,810	70.00	-8.00	3.57	70-R1.5	19.80
16	0321 Trmble Cty Unit 2	661,188	70.00	-13.00	2.17	70-R1.5	42.80
17	0321 Trmble Cty U2 -AP	9,084	100.00		0.92	100-S4	6.00
18	0322 Trmble Unit 2 FGD	73,181	70.00	-13.00	1.96	70-R1.5	42.60
19							
20	314 Turbogenerator Unt						
21	5621 Brown Unit 1	250	60.00	-6.00	2.52	60-R2	1.20
22	5622 Brown Unit 2	394	60.00	-6.00	1.62	60-R2	1.20
23	5623 Brown Unit 3	52,551	60.00	-6.00	5.29	60-R2	16.60
24	5651 Ghent Unit 1	43,097	60.00	-8.00	3.34	60-R2	15.70
25	5652 Ghent Unit 2	36,279	60.00	-8.00	2.62	60-R2	15.30
26	5653 Ghent Unit 3	52,210	60.00	-8.00	2.12	60-R2	17.90
27	5654 Ghent Unit 4	58,978	60.00	-8.00	2.64	60-R2	18.80
28	0321 Trmble Cty Unit 2	92,778	60.00	-13.00	2.14	60-R2	41.50
29							
30	315 Accessry Elec Eqpm						
31	5621 Brown Unit 1	3,247	70.00	-6.00	1.24	70-R4	1.20
32	5622 Brown Unit 2	574	70.00	-6.00	2.00	70-R4	1.20
33	5623 Brown Unit 3	16,069	70.00	-6.00	3.74	70-R4	17.30
34	5630 Brown Unt 1-3 FGD	29,324	70.00	-6.00	4.75	70-R4	17.50
35	5650 Ghent Unit 1 FGD	12,223	70.00	-8.00	3.69	70-R4	16.50
36	5651 Ghent Unit 1	13,738	70.00	-8.00	2.37	70-R4	16.30
37	5652 Ghent Unit 2	16,414	70.00	-8.00	1.66	70-R4	16.00
38	5658 Ghent Unit 2 FGD	951	70.00	-8.00	4.85	70-R4	16.50
39	5653 Ghent Unit 3	33,515	70.00	-8.00	1.73	70-R4	18.80
40	5660 Ghent Unit 3 FGD	12,042	70.00	-8.00	3.66	70-R4	19.40
41	5654 Ghent Unit 4	56,869	70.00	-8.00	3.56	70-R4	20.20
42	5661 Ghent Unit 4 FGD	15,148	70.00	-8.00	4.15	70-R4	20.50
43	0321 Trmble Cty Unit 2	47,032	70.00	-13.00	1.99	70-R4	45.90
44	0322 Trmble Unit 2 FGD	1,415	70.00	-13.00	1.42	70-R4	39.90
45							
46	316 Misc Plant Equipmt						
47	5621 Brown Unit 1	69	75.00	-6.00	1.52	75-R1.5	1.20
48	5622 Brown Unit 2	66	75.00	-6.00	0.06	75-R1.5	1.20
49	5623 Brown Unit 3	7,153	75.00	-6.00	3.36	75-R1.5	16.90
50	5650 Ghent Unit 1 FGD	962	75.00	-8.00	0.90	75-R1.5	15.90

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

DEPRECIATION AND AMORTIZATION OF ELECTRIC PLANT (Continued)

C. Factors Used in Estimating Depreciation Charges

Line No.	Account No. (a)	Depreciable Plant Base (In Thousands) (b)	Estimated Avg. Service Life (c)	Net Salvage (Percent) (d)	Applied Depr. rates (Percent) (e)	Mortality Curve Type (f)	Average Remaining Life (g)
12	5651 Ghent Unit 1	1,749	75.00	-8.00	1.06	75-R1.5	15.80
13	5652 Ghent Unit 2	1,550	75.00	-8.00	0.89	75-R1.5	15.60
14	5653 Ghent Unit 3	3,728	75.00	-8.00	2.17	75-R1.5	18.50
15	5654 Ghent Unit 4	12,633	75.00	-8.00	3.53	75-R1.5	19.60
16	0321 Trmble Cty Unit 2	7,592	75.00	-13.00	2.26	75-R1.5	43.70
17	5591 System Laboratory	3,842	75.00		3.46	75-R1.5	21.60
18							
19	Distribution Plant						
20	362 Station Equipment	247,209	54.00	-20.00	1.56	54-R2	40.30
21	364 Poles Twrs Fixture	441,842	50.00	-50.00	1.56	50-R1.5	40.10
22	365 Ovrhd Cndctrs Dvc	443,558	47.00	-30.00	1.56	47-R1	38.30
23	367 Undrgrnd Cndctrs D	214,735	48.00	-20.00	1.56	48-R2	40.20
24							
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

REGULATORY COMMISSION EXPENSES

1. Report particulars (details) of regulatory commission expenses incurred during the current year (or incurred in previous years, if being amortized) relating to format cases before a regulatory body, or cases in which such a body was a party.
2. Report in columns (b) and (c), only the current year's expenses that are not deferred and the current year's amortization of amounts deferred in previous years.

Line No.	Description (Furnish name of regulatory commission or body the docket or case number and a description of the case) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expense for Current Year (b) + (c) (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	FERC				
2	Annual Charge	464,364		464,364	
3					
4	State Corporation Commission of Virginia				
5	2019 Rate Case		301,106	301,106	
6	VSCC Case No. PUE 2019-00060				
7					
8	KPSC				
9	Rate Case (Ongoing)		1,455,703	1,455,703	3,083,028
10	KPSC Case No. 2018-00294				
11	KPSC Case No. 2016-00370				
12	KPSC Case No. 2014-00371				
13					
14	Other		11,642	11,642	
15					
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22					
23					
24					
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45					
46	TOTAL	464,364	1,768,451	2,232,815	3,083,028

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

REGULATORY COMMISSION EXPENSES (Continued)

3. Show in column (k) any expenses incurred in prior years which are being amortized. List in column (a) the period of amortization.
4. List in column (f), (g), and (h) expenses incurred during year which were charged currently to income, plant, or other accounts.
5. Minor items (less than $25,000) may be grouped.

EXPENSES INCURRED DURING YEAR				AMORTIZED DURING YEAR			
CURRENTLY CHARGED TO			Deferred to Account 182.3	Contra Account	Amount	Deferred in Account 182.3 End of Year	Line No.
Department (f)	Account No. (g)	Amount (h)	(i)	(j)	(k)	(l)	
							1
Electric	928	464,364					2
							3
							4
Electric	928	301,106					5
							6
							7
							8
			408,676	928	1,455,703	2,036,001	9
							10
							11
							12
							13
Electric	928	11,642					14
							15
							16
							17
							18
							19
							20
							21
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		777,112	408,676		1,455,703	2,036,001	46

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES

1. Describe and show below costs incurred and accounts charged during the year for technological research, development, and demonstration (R, D & D) project initiated, continued or concluded during the year. Report also support given to others during the year for jointly-sponsored projects.(Identify recipient regardless of affiliation.) For any R, D & D work carried with others, show separately the respondent's cost for the year and cost chargeable to others (See definition of research, development, and demonstration in Uniform System of Accounts).
2. Indicate in column (a) the applicable classification, as shown below:

Classifications:
A. Electric R, D & D Performed Internally:
(1) Generation
a. hydroelectric
i. Recreation fish and wildlife
ii Other hydroelectric
b. Fossil-fuel steam
c. Internal combustion or gas turbine
d. Nuclear
e. Unconventional generation
f. Siting and heat rejection
(2) Transmission
a. Overhead
b. Underground
(3) Distribution
(4) Regional Transmission and Market Operation
(5) Environment (other than equipment)
(6) Other (Classify and include items in excess of $50,000.)
(7) Total Cost Incurred
B. Electric, R, D & D Performed Externally:
(1) Research Support to the electrical Research Council or the Electric Power Research Institute

Line No.	Classification (a)	Description (b)
1	A1(e): Unconventional Generation	Amortization of EW Brown Energy Storage
2	A1(e): Unconventional Generation	EW Brown Energy Storage
3	A1(e): Unconventional Generation	Integration of solar photovoltaics & other renewable resources
4	A6: Other	Internal Labor
5	A6: Other	3 Items, each <$50,000
6	B1: EPRI	Annual Membership and Annual Research Portfolio
7	B1: EPRI	Annual Membership and Annual Research Portfolio
8	B4: Research Support to Others	Amortization of Carbon Capturing Research Regulatory Asset
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACTIVITIES (Continued)

(2) Research Support to Edison Electric Institute
(3) Research Support to Nuclear Power Groups
(4) Research Support to Others (Classify)
(5) Total Cost Incurred

3. Include in column (c) all R, D & D items performed internally and in column (d) those items performed outside the company costing $50,000 or more, briefly describing the specific area of R, D & D (such as safety, corrosion control, pollution, automation, measurement, insulation, type of appliance, etc.). Group items under $50,000 by classifications and indicate the number of items grouped. Under Other, (A (6) and B (4)) classify items by type of R, D & D activity.
4. Show in column (e) the account number charged with expenses during the year or the account to which amounts were capitalized during the year, listing Account 107, Construction Work in Progress, first. Show in column (f) the amounts related to the account charged in column (e)
5. Show in column (g) the total unamortized accumulating of costs of projects. This total must equal the balance in Account 188, Research, Development, and Demonstration Expenditures, Outstanding at the end of the year.
6. If costs have not been segregated for R, D &D activities or projects, submit estimates for columns (c), (d), and (f) with such amounts identified by "Est."
7. Report separately research and related testing facilities operated by the respondent.

Costs Incurred Internally Current Year (c)	Costs Incurred Externally Current Year (d)	AMOUNTS CHARGED IN CURRENT YEAR		Unamortized Accumulation (g)	Line No.
		Account (e)	Amount (f)		
315,088		930	315,088	658,956	1
2,523		188	2,523		2
122,000		930	122,000		3
292,680		930	292,680		4
36,341		930	36,341		5
	2,006,901	930	2,006,901		6
	41,005	107	41,005		7
	102,440	930	102,440		8
					9
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) ___ A Resubmission	/ /	End of 2019/Q4

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production	25,687,758		
4	Transmission	4,805,327		
5	Regional Market			
6	Distribution	11,370,736		
7	Customer Accounts	13,823,932		
8	Customer Service and Informational	1,087,992		
9	Sales			
10	Administrative and General	27,610,396		
11	TOTAL Operation (Enter Total of lines 3 thru 10)	84,386,141		
12	Maintenance			
13	Production	19,014,420		
14	Transmission	1,102,406		
15	Regional Market			
16	Distribution	5,811,510		
17	Administrative and General	694,174		
18	TOTAL Maintenance (Total of lines 13 thru 17)	26,622,510		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)	44,702,178		
21	Transmission (Enter Total of lines 4 and 14)	5,907,733		
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)	17,182,246		
24	Customer Accounts (Transcribe from line 7)	13,823,932		
25	Customer Service and Informational (Transcribe from line 8)	1,087,992		
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)	28,304,570		
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	111,008,651	25,899,997	136,908,648
29	Gas			
30	Operation			
31	Production-Manufactured Gas			
32	Production-Nat. Gas (Including Expl. and Dev.)			
33	Other Gas Supply			
34	Storage, LNG Terminaling and Processing			
35	Transmission			
36	Distribution			
37	Customer Accounts			
38	Customer Service and Informational			
39	Sales			
40	Administrative and General			
41	TOTAL Operation (Enter Total of lines 31 thru 40)			
42	Maintenance			
43	Production-Manufactured Gas			
44	Production-Natural Gas (Including Exploration and Development)			
45	Other Gas Supply			
46	Storage, LNG Terminaling and Processing			
47	Transmission			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

DISTRIBUTION OF SALARIES AND WAGES (Continued)

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Line No.	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll charged for Clearing Accounts (c)	Total (d)
48	Distribution			
49	Administrative and General			
50	TOTAL Maint. (Enter Total of lines 43 thru 49)			
51	Total Operation and Maintenance			
52	Production-Manufactured Gas (Enter Total of lines 31 and 43)			
53	Production-Natural Gas (Including Expl. and Dev.) (Total lines 32,			
54	Other Gas Supply (Enter Total of lines 33 and 45)			
55	Storage, LNG Terminaling and Processing (Total of lines 31 thru			
56	Transmission (Lines 35 and 47)			
57	Distribution (Lines 36 and 48)			
58	Customer Accounts (Line 37)			
59	Customer Service and Informational (Line 38)			
60	Sales (Line 39)			
61	Administrative and General (Lines 40 and 49)			
62	TOTAL Operation and Maint. (Total of lines 52 thru 61)			
63	Other Utility Departments			
64	Operation and Maintenance			
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)	111,008,651	25,899,997	136,908,648
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant	29,300,893	24,837,324	54,138,217
69	Gas Plant			
70	Other (provide details in footnote):			
71	TOTAL Construction (Total of lines 68 thru 70)	29,300,893	24,837,324	54,138,217
72	Plant Removal (By Utility Departments)			
73	Electric Plant	2,901,627	1,310,010	4,211,637
74	Gas Plant			
75	Other (provide details in footnote):			
76	TOTAL Plant Removal (Total of lines 73 thru 75)	2,901,627	1,310,010	4,211,637
77	Other Accounts (Specify, provide details in footnote):			
78	Accounts Receivable	90,882	19,909	110,791
79	Miscellaneous Deferred Debits	-291,714	53	-291,661
80	Certain Civic, Political and Related Activities and Other	540,952	63,056	604,008
81	Accounts Receivable (Non-jurisdictional - Trimble County)	2,359,554	604,911	2,964,465
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92				
93				
94				
95	TOTAL Other Accounts	2,699,674	687,929	3,387,603
96	TOTAL SALARIES AND WAGES	145,910,845	52,735,260	198,646,105

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	*(Mo, Da, Yr)* / /	End of 2019/Q4

COMMON UTILITY PLANT AND EXPENSES

1. Describe the property carried in the utility's accounts as common utility plant and show the book cost of such plant at end of year classified by accounts as provided by Plant Instruction 13, Common Utility Plant, of the Uniform System of Accounts. Also show the allocation of such plant costs to the respective departments using the common utility plant and explain the basis of allocation used, giving the allocation factors.
2. Furnish the accumulated provisions for depreciation and amortization at end of year, showing the amounts and classifications of such accumulated provisions, and amounts allocated to utility departments using the Common utility plant to which such accumulated provisions relate, including explanation of basis of allocation and factors used.
3. Give for the year the expenses of operation, maintenance, rents, depreciation, and amortization for common utility plant classified by accounts as provided by the Uniform System of Accounts. Show the allocation of such expenses to the departments using the common utility plant to which such expenses are related. Explain the basis of allocation used and give the factors of allocation.
4. Give date of approval by the Commission for use of the common utility plant classification and reference to order of the Commission or other authorization.

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) / /	End of 2019/Q4

AMOUNTS INCLUDED IN ISO/RTO SETTLEMENT STATEMENTS

1. The respondent shall report below the details called for concerning amounts it recorded in Account 555, Purchase Power, and Account 447, Sales for Resale, for items shown on ISO/RTO Settlement Statements. Transactions should be separately netted for each ISO/RTO administered energy market for purposes of determining whether an entity is a net seller or purchaser in a given hour. Net megawatt hours are to be used as the basis for determining whether a net purchase or sale has occurred. In each monthly reporting period, the hourly sale and purchase net amounts are to be aggregated and separately reported in Account 447, Sales for Resale, or Account 555, Purchased Power, respectively.

Line No.	Description of Item(s) (a)	Balance at End of Quarter 1 (b)	Balance at End of Quarter 2 (c)	Balance at End of Quarter 3 (d)	Balance at End of Year (e)
1	Energy				
2	Net Purchases (Account 555)				
3	Net Sales (Account 447)	(372,825)	(803,861)	(2,291,246)	(2,629,121)
4	Transmission Rights				
5	Ancillary Services				
6	Other Items (list separately)				
7					
8					
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43					
44					
45					
46	TOTAL	(372,825)	(803,861)	(2,291,246)	(2,629,121)

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PURCHASES AND SALES OF ANCILLARY SERVICES

Report the amounts for each type of ancillary service shown in column (a) for the year as specified in Order No. 888 and defined in the respondents Open Access Transmission Tariff.

In columns for usage, report usage-related billing determinant and the unit of measure.

(1) On line 1 columns (b), (c), (d), (e), (f) and (g) report the amount of ancillary services purchased and sold during the year.

(2) On line 2 columns (b) (c), (d), (e), (f), and (g) report the amount of reactive supply and voltage control services purchased and sold during the year.

(3) On line 3 columns (b) (c), (d), (e), (f), and (g) report the amount of regulation and frequency response services purchased and sold during the year.

(4) On line 4 columns (b), (c), (d), (e), (f), and (g) report the amount of energy imbalance services purchased and sold during the year.

(5) On lines 5 and 6, columns (b), (c), (d), (e), (f), and (g) report the amount of operating reserve spinning and supplement services purchased and sold during the period.

(6) On line 7 columns (b), (c), (d), (e), (f), and (g) report the total amount of all other types ancillary services purchased or sold during the year. Include in a footnote and specify the amount for each type of other ancillary service provided.

		Amount Purchased for the Year			Amount Sold for the Year		
		Usage - Related Billing Determinant			Usage - Related Billing Determinant		
Line No.	Type of Ancillary Service (a)	Number of Units (b)	Unit of Measure (c)	Dollars (d)	Number of Units (e)	Unit of Measure (f)	Dollars (g)
1	Scheduling, System Control and Dispatch	241,353	MWH	168,976	3,729,444	MWH	838,558
2	Reactive Supply and Voltage	241,353	MWH	104,644	3,729,444	MWH	481,075
3	Regulation and Frequency Response				1,668,892	MWH	210,015
4	Energy Imbalance	8,022,000	MWH	197,066	6,264,000	MWH	173,006
5	Operating Reserve - Spinning				1,668,892	MWH	325,523
6	Operating Reserve - Supplement				1,668,892	MWH	325,523
7	Other			258			887,097
8	Total (Lines 1 thru 7)	8,504,706		470,944	18,729,564		3,240,797

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 398 Line No.: 7 Column: b

The other services amounts are not associated with a number of units or a unit of measure.

Schedule Page: 398 Line No.: 7 Column: d

The amount consists of Black Start services.

Schedule Page: 398 Line No.: 7 Column: e

The other services amounts are not associated with a number of units or a unit of measure.

Schedule Page: 398 Line No.: 7 Column: g

The amount consists of MISO Joint Party Settlement Payments.

Schedule Page: 398 Line No.: 8 Column: b

The number of units per ancillary service type cover multiple schedules and should not be accumulated in total.

Schedule Page: 398 Line No.: 8 Column: e

The number of units per ancillary service type cover multiple schedules and should not be accumulated in total.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

MONTHLY TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
(2) Report on Column (b) by month the transmission system's peak load.
(3) Report on Columns (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
(4) Report on Columns (e) through (j) by month the system' monthly maximum megawatt load by statistical classifications. See General Instruction for the definition of each statistical classification.

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Firm Network Service for Self (e)	Firm Network Service for Others (f)	Long-Term Firm Point-to-point Reservations (g)	Other Long-Term Firm Service (h)	Short-Term Firm Point-to-point Reservation (i)	Other Service (j)
1	January	5,343	30	20	4,298	596	415		34	
2	February	4,354	1	9	3,436	469	415		34	
3	March	5,003	5	8	3,994	559	415		35	
4	Total for Quarter 1				11,728	1,624	1,245		103	
5	April	3,913	1	7	3,113	385	415			
6	May	4,270	24	16	3,195	660	380		35	
7	June	4,342	28	16	3,250	705	387			
8	Total for Quarter 2				9,558	1,750	1,182		35	
9	July	4,672	19	16	3,531	754	387			
10	August	4,762	19	16	3,671	704	387			
11	September	4,701	11	16	3,596	735	370			
12	Total for Quarter 3				10,798	2,193	1,144			
13	October	4,527	2	16	3,505	652	370			
14	November	4,681	13	8	3,693	618	370			
15	December	4,695	19	8	3,643	682	370			
16	Total for Quarter 4				10,841	1,952	1,110			
17	Total Year to Date/Year				42,925	7,519	4,681		138	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

MONTHLY ISO/RTO TRANSMISSION SYSTEM PEAK LOAD

(1) Report the monthly peak load on the respondent's transmission system. If the Respondent has two or more power systems which are not physically integrated, furnish the required information for each non-integrated system.
(2) Report on Column (b) by month the transmission system's peak load.
(3) Report on Column (c) and (d) the specified information for each monthly transmission - system peak load reported on Column (b).
(4) Report on Columns (e) through (i) by month the system's transmission usage by classification. Amounts reported as Through and Out Service in Column (g) are to be excluded from those amounts reported in Columns (e) and (f).
(5) Amounts reported in Column (j) for Total Usage is the sum of Columns (h) and (i).

NAME OF SYSTEM:

Line No.	Month (a)	Monthly Peak MW - Total (b)	Day of Monthly Peak (c)	Hour of Monthly Peak (d)	Imports into ISO/RTO (e)	Exports from ISO/RTO (f)	Through and Out Service (g)	Network Service Usage (h)	Point-to-Point Service Usage (i)	Total Usage (j)
1	January									
2	February									
3	March									
4	Total for Quarter 1									
5	April									
6	May									
7	June									
8	Total for Quarter 2									
9	July									
10	August									
11	September									
12	Total for Quarter 3									
13	October									
14	November									
15	December									
16	Total for Quarter 4									
17	Total Year to Date/Year									

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

ELECTRIC ENERGY ACCOUNT

Report below the information called for concerning the disposition of electric energy generated, purchased, exchanged and wheeled during the year.

Line No.	Item (a)	MegaWatt Hours (b)	Line No.	Item (a)	MegaWatt Hours (b)
1	SOURCES OF ENERGY		21	DISPOSITION OF ENERGY	
2	Generation (Excluding Station Use):		22	Sales to Ultimate Consumers (Including Interdepartmental Sales)	18,558,732
3	Steam	14,012,189	23	Requirements Sales for Resale (See instruction 4, page 311.)	825,857
4	Nuclear		24	Non-Requirements Sales for Resale (See instruction 4, page 311.)	428,747
5	Hydro-Conventional	106,045	25	Energy Furnished Without Charge	51
6	Hydro-Pumped Storage		26	Energy Used by the Company (Electric Dept Only, Excluding Station Use)	23,595
7	Other	4,962,192	27	Total Energy Losses	1,286,724
8	Less Energy for Pumping		28	TOTAL (Enter Total of Lines 22 Through 27) (MUST EQUAL LINE 20)	21,123,706
9	Net Generation (Enter Total of lines 3 through 8)	19,080,426			
10	Purchases	1,584,940			
11	Power Exchanges:				
12	Received	458,340			
13	Delivered				
14	Net Exchanges (Line 12 minus line 13)	458,340			
15	Transmission For Other (Wheeling)				
16	Received	3,729,444			
17	Delivered	3,729,444			
18	Net Transmission for Other (Line 16 minus line 17)				
19	Transmission By Others Losses				
20	TOTAL (Enter Total of lines 9, 10, 14, 18 and 19)	21,123,706			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

MONTHLY PEAKS AND OUTPUT

1. Report the monthly peak load and energy output. If the respondent has two or more power which are not physically integrated, furnish the required information for each non- integrated system.
2. Report in column (b) by month the system's output in Megawatt hours for each month.
3. Report in column (c) by month the non-requirements sales for resale. Include in the monthly amounts any energy losses associated with the sales.
4. Report in column (d) by month the system's monthly maximum megawatt load (60 minute integration) associated with the system.
5. Report in column (e) and (f) the specified information for each monthly peak load reported in column (d).

NAME OF SYSTEM:

Line No.	Month	Total Monthly Energy	Monthly Non-Requirments Sales for Resale & Associated Losses	MONTHLY PEAK		
				Megawatts (See Instr. 4)	Day of Month	Hour
	(a)	(b)	(c)	(d)	(e)	(f)
29	January	2,168,188	35,394	4,352	31	900
30	February	1,750,735	24,933	3,436	1	900
31	March	1,850,722	11,530	3,994	5	800
32	April	1,514,949	11,518	3,113	1	700
33	May	1,602,504	30,116	3,200	24	1400
34	June	1,680,928	64,013	3,250	28	1600
35	July	1,970,890	88,287	3,532	10	1500
36	August	1,891,368	33,006	3,671	19	1600
37	September	1,789,161	42,062	3,596	10	1600
38	October	1,486,118	13,437	3,505	2	1600
39	November	1,698,406	56,739	3,693	13	800
40	December	1,719,737	17,712	3,639	19	800
41	TOTAL	21,123,706	428,747			

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: *EW Brown* (b)			Plant Name: *Ghent* (c)		
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear	Steam			Steam		
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Conventional			Conventional		
3	Year Originally Constructed	1957			1973		
4	Year Last Unit was Installed	1971			1984		
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	757.16			2226.06		
6	Net Peak Demand on Plant - MW (60 minutes)	626			1917		
7	Plant Hours Connected to Load	1826			7568		
8	Net Continuous Plant Capability (Megawatts)	684			1919		
9	When Not Limited by Condenser Water	684			1919		
10	When Limited by Condenser Water	0			0		
11	Average Number of Employees	119			265		
12	Net Generation, Exclusive of Plant Use - KWh	955786000			10164161000		
13	Cost of Plant: Land and Land Rights	2304982			21289766		
14	Structures and Improvements	81365672			162375852		
15	Equipment Costs	940167446			2864906561		
16	Asset Retirement Costs	34978779			92310757		
17	Total Cost	1058816879			3140882936		
18	Cost per KW of Installed Capacity (line 17/5) Including	1398.4057			1410.9606		
19	Production Expenses: Oper, Supv, & Engr	1655380			4215297		
20	Fuel	27728619			214402137		
21	Coolants and Water (Nuclear Plants Only)	0			0		
22	Steam Expenses	4955261			9087926		
23	Steam From Other Sources	0			0		
24	Steam Transferred (Cr)	0			0		
25	Electric Expenses	1582715			5573247		
26	Misc Steam (or Nuclear) Power Expenses	3498875			15817296		
27	Rents	0			0		
28	Allowances	77			2116		
29	Maintenance Supervision and Engineering	2830168			6230896		
30	Maintenance of Structures	2328159			7742050		
31	Maintenance of Boiler (or reactor) Plant	7773509			33409847		
32	Maintenance of Electric Plant	2893808			7641933		
33	Maintenance of Misc Steam (or Nuclear) Plant	1368217			1041843		
34	Total Production Expenses	56614788			305164588		
35	Expenses per Net KWh	0.0592			0.0300		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Coal	Oil		Coal	Oil	
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	tons	barrels		tons	barrels	
38	Quantity (Units) of Fuel Burned	505522	7710	0	4758712	21351	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	11305	3333	0	11782	3333	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	55.530	80.949	0.000	46.060	87.241	0.000
41	Average Cost of Fuel per Unit Burned	53.694	80.949	0.000	45.421	87.241	0.000
42	Average Cost of Fuel Burned per Million BTU	2.375	13.767	0.000	1.927	14.837	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.028	0.000	0.000	0.021	0.000	0.000
44	Average BTU per KWh Net Generation	11959.000	0.000	0.000	11033.000	0.000	0.000

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: *Haefling* (b)			Plant Name: *Brown CT* (c)		
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear	Combustion Turbine			Combustion Turbine		
2	Type of Constr (Conventional, Outdoor, Boiler, etc)	Outdoor			Conventional		
3	Year Originally Constructed	1970			1994		
4	Year Last Unit was Installed	1970			2001		
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	41.40			781.43		
6	Net Peak Demand on Plant - MW (60 minutes)	9			774		
7	Plant Hours Connected to Load	0			410		
8	Net Continuous Plant Capability (Megawatts)	24			726		
9	When Not Limited by Condenser Water	24			726		
10	When Limited by Condenser Water	0			0		
11	Average Number of Employees	0			11		
12	Net Generation, Exclusive of Plant Use - KWh	-112000			309845810		
13	Cost of Plant: Land and Land Rights	0			333128		
14	Structures and Improvements	291451			12308138		
15	Equipment Costs	4155453			287900843		
16	Asset Retirement Costs	0			211537		
17	Total Cost	4446904			300753646		
18	Cost per KW of Installed Capacity (line 17/5) Including	107.4131			384.8760		
19	Production Expenses: Oper, Supv, & Engr	0			189916		
20	Fuel	3325			10263310		
21	Coolants and Water (Nuclear Plants Only)	0			0		
22	Steam Expenses	0			0		
23	Steam From Other Sources	0			0		
24	Steam Transferred (Cr)	0			0		
25	Electric Expenses	2250			105909		
26	Misc Steam (or Nuclear) Power Expenses	0			0		
27	Rents	0			-1054		
28	Allowances	0			0		
29	Maintenance Supervision and Engineering	0			171015		
30	Maintenance of Structures	0			513602		
31	Maintenance of Boiler (or reactor) Plant	0			0		
32	Maintenance of Electric Plant	36840			1280325		
33	Maintenance of Misc Steam (or Nuclear) Plant	0			0		
34	Total Production Expenses	42415			12523023		
35	Expenses per Net KWh	-0.3787			0.0404		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)	Gas	Oil		Gas	Oil	
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)	mcf	barrels		mcf	barrels	
38	Quantity (Units) of Fuel Burned	185	0	0	3575707	4190	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	1027	0	0	1025	3333	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	17.971	0.000	0.000	2.760	94.504	0.000
41	Average Cost of Fuel per Unit Burned	17.971	0.000	0.000	2.760	94.504	0.000
42	Average Cost of Fuel Burned per Million BTU	17.498	0.000	0.000	2.692	16.072	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	-0.030	0.000	0.000	0.032	0.323	0.000
44	Average BTU per KWh Net Generation	-1696.000	0.000	0.000	11876.000	20095.000	0.000

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: (b)			Plant Name: (c)		
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear						
2	Type of Constr (Conventional, Outdoor, Boiler, etc)						
3	Year Originally Constructed						
4	Year Last Unit was Installed						
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	0.00			0.00		
6	Net Peak Demand on Plant - MW (60 minutes)	0			0		
7	Plant Hours Connected to Load	0			0		
8	Net Continuous Plant Capability (Megawatts)	0			0		
9	When Not Limited by Condenser Water	0			0		
10	When Limited by Condenser Water	0			0		
11	Average Number of Employees	0			0		
12	Net Generation, Exclusive of Plant Use - KWh	0			0		
13	Cost of Plant: Land and Land Rights	0			0		
14	Structures and Improvements	0			0		
15	Equipment Costs	0			0		
16	Asset Retirement Costs	0			0		
17	Total Cost	0			0		
18	Cost per KW of Installed Capacity (line 17/5) Including	0			0		
19	Production Expenses: Oper, Supv, & Engr	0			0		
20	Fuel	0			0		
21	Coolants and Water (Nuclear Plants Only)	0			0		
22	Steam Expenses	0			0		
23	Steam From Other Sources	0			0		
24	Steam Transferred (Cr)	0			0		
25	Electric Expenses	0			0		
26	Misc Steam (or Nuclear) Power Expenses	0			0		
27	Rents	0			0		
28	Allowances	0			0		
29	Maintenance Supervision and Engineering	0			0		
30	Maintenance of Structures	0			0		
31	Maintenance of Boiler (or reactor) Plant	0			0		
32	Maintenance of Electric Plant	0			0		
33	Maintenance of Misc Steam (or Nuclear) Plant	0			0		
34	Total Production Expenses	0			0		
35	Expenses per Net KWh	0.0000			0.0000		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)						
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)						
38	Quantity (Units) of Fuel Burned	0	0	0	0	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	0.000	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	0.000	0.000	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	0.000	0.000	0.000	0.000	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.000	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	0.000	0.000	0.000	0.000	0.000	0.000

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

1. Report data for plant in Service only. 2. Large plants are steam plants with installed capacity (name plate rating) of 25,000 Kw or more. Report in this page gas-turbine and internal combustion plants of 10,000 Kw or more, and nuclear plants. 3. Indicate by a footnote any plant leased or operated as a joint facility. 4. If net peak demand for 60 minutes is not available, give data which is available, specifying period. 5. If any employees attend more than one plant, report on line 11 the approximate average number of employees assignable to each plant. 6. If gas is used and purchased on a therm basis report the Btu content or the gas and the quantity of fuel burned converted to Mct. 7. Quantities of fuel burned (Line 38) and average cost per unit of fuel burned (Line 41) must be consistent with charges to expense accounts 501 and 547 (Line 42) as show on Line 20. 8. If more than one fuel is burned in a plant furnish only the composite heat rate for all fuels burned.

Line No.	Item (a)	Plant Name: (b)	Plant Name: (c)
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear		
2	Type of Constr (Conventional, Outdoor, Boiler, etc)		
3	Year Originally Constructed		
4	Year Last Unit was Installed		
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	0.00	0.00
6	Net Peak Demand on Plant - MW (60 minutes)	0	0
7	Plant Hours Connected to Load	0	0
8	Net Continuous Plant Capability (Megawatts)	0	0
9	When Not Limited by Condenser Water	0	0
10	When Limited by Condenser Water	0	0
11	Average Number of Employees	0	0
12	Net Generation, Exclusive of Plant Use - KWh	0	0
13	Cost of Plant: Land and Land Rights	0	0
14	Structures and Improvements	0	0
15	Equipment Costs	0	0
16	Asset Retirement Costs	0	0
17	Total Cost	0	0
18	Cost per KW of Installed Capacity (line 17/5) Including	0	0
19	Production Expenses: Oper, Supv, & Engr	0	0
20	Fuel	0	0
21	Coolants and Water (Nuclear Plants Only)	0	0
22	Steam Expenses	0	0
23	Steam From Other Sources	0	0
24	Steam Transferred (Cr)	0	0
25	Electric Expenses	0	0
26	Misc Steam (or Nuclear) Power Expenses	0	0
27	Rents	0	0
28	Allowances	0	0
29	Maintenance Supervision and Engineering	0	0
30	Maintenance of Structures	0	0
31	Maintenance of Boiler (or reactor) Plant	0	0
32	Maintenance of Electric Plant	0	0
33	Maintenance of Misc Steam (or Nuclear) Plant	0	0
34	Total Production Expenses	0	0
35	Expenses per Net KWh	0.0000	0.0000
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)		
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)		
38	Quantity (Units) of Fuel Burned	0 0 0	0 0 0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0 0 0	0 0 0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000 0.000 0.000	0.000 0.000 0.000
41	Average Cost of Fuel per Unit Burned	0.000 0.000 0.000	0.000 0.000 0.000
42	Average Cost of Fuel Burned per Million BTU	0.000 0.000 0.000	0.000 0.000 0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.000 0.000 0.000	0.000 0.000 0.000
44	Average BTU per KWh Net Generation	0.000 0.000 0.000	0.000 0.000 0.000

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

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Line No.	Item (a)	Plant Name: (b)			Plant Name: (c)		
1	Kind of Plant (Internal Comb, Gas Turb, Nuclear						
2	Type of Constr (Conventional, Outdoor, Boiler, etc)						
3	Year Originally Constructed						
4	Year Last Unit was Installed						
5	Total Installed Cap (Max Gen Name Plate Ratings-MW)	0.00			0.00		
6	Net Peak Demand on Plant - MW (60 minutes)	0			0		
7	Plant Hours Connected to Load	0			0		
8	Net Continuous Plant Capability (Megawatts)	0			0		
9	When Not Limited by Condenser Water	0			0		
10	When Limited by Condenser Water	0			0		
11	Average Number of Employees	0			0		
12	Net Generation, Exclusive of Plant Use - KWh	0			0		
13	Cost of Plant: Land and Land Rights	0			0		
14	Structures and Improvements	0			0		
15	Equipment Costs	0			0		
16	Asset Retirement Costs	0			0		
17	Total Cost	0			0		
18	Cost per KW of Installed Capacity (line 17/5) Including	0			0		
19	Production Expenses: Oper, Supv, & Engr	0			0		
20	Fuel	0			0		
21	Coolants and Water (Nuclear Plants Only)	0			0		
22	Steam Expenses	0			0		
23	Steam From Other Sources	0			0		
24	Steam Transferred (Cr)	0			0		
25	Electric Expenses	0			0		
26	Misc Steam (or Nuclear) Power Expenses	0			0		
27	Rents	0			0		
28	Allowances	0			0		
29	Maintenance Supervision and Engineering	0			0		
30	Maintenance of Structures	0			0		
31	Maintenance of Boiler (or reactor) Plant	0			0		
32	Maintenance of Electric Plant	0			0		
33	Maintenance of Misc Steam (or Nuclear) Plant	0			0		
34	Total Production Expenses	0			0		
35	Expenses per Net KWh	0.0000			0.0000		
36	Fuel: Kind (Coal, Gas, Oil, or Nuclear)						
37	Unit (Coal-tons/Oil-barrel/Gas-mcf/Nuclear-indicate)						
38	Quantity (Units) of Fuel Burned	0	0	0	0	0	0
39	Avg Heat Cont - Fuel Burned (btu/indicate if nuclear)	0	0	0	0	0	0
40	Avg Cost of Fuel/unit, as Delvd f.o.b. during year	0.000	0.000	0.000	0.000	0.000	0.000
41	Average Cost of Fuel per Unit Burned	0.000	0.000	0.000	0.000	0.000	0.000
42	Average Cost of Fuel Burned per Million BTU	0.000	0.000	0.000	0.000	0.000	0.000
43	Average Cost of Fuel Burned per KWh Net Gen	0.000	0.000	0.000	0.000	0.000	0.000
44	Average BTU per KWh Net Generation	0.000	0.000	0.000	0.000	0.000	0.000

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: *Trimble County* (d)	Plant Name: (e)	Plant Name: (f)	Line No.
Steam			1
Conventional			2
2011			3
2011			4
509.09	0.00	0.00	5
466	0	0	6
5519	0	0	7
445	0	0	8
445	0	0	9
0	0	0	10
99	0	0	11
2892241490	0	0	12
1217104	0	0	13
103643894	0	0	14
892269918	0	0	15
14691188	0	0	16
1011822104	0	0	17
1987.5113	0	0	18
1664505	0	0	19
56608677	0	0	20
0	0	0	21
2080538	0	0	22
0	0	0	23
0	0	0	24
744965	0	0	25
4606370	0	0	26
0	0	0	27
0	0	0	28
1101458	0	0	29
301413	0	0	30
7192813	0	0	31
1235863	0	0	32
675828	0	0	33
76212430	0	0	34
0.0264	0.0000	0.0000	35

Coal	Gas								36
tons	mcf								37
1657736	114536	0	0	0	0	0	0	0	38
10858	1065	0	0	0	0	0	0	0	39
44.480	9.058	0.000	0.000	0.000	0.000	0.000	0.000	0.000	40
33.780	9.058	0.000	0.000	0.000	0.000	0.000	0.000	0.000	41
1.556	8.505	0.000	0.000	0.000	0.000	0.000	0.000	0.000	42
0.019	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	43
12447.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	44

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STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: *Paddy's Run 13 CT* (d)	Plant Name: *Trimble County CT* (e)	Plant Name: *Cane Run NGCC* (f)	Line No.
Combustion Turbine	Combustion Turbine	Combined Cycle	1
Conventional	Conventional	Conventional	2
2001	2002	2015	3
2001	2004	2015	4
83.75	783.67	630.24	5
64	661	541	6
237	714	6560	7
69	626	516	8
69	626	516	9
0	0	0	10
2	5	41	11
28188016	585996159	4027451476	12
6286	26174	6243	13
2198886	22507321	50954113	14
38073308	231620966	378205387	15
34623	95117	65714	16
40313103	254249578	429231457	17
481.3505	324.4345	681.0603	18
0	0	1202737	19
2217236	31333680	78653386	20
0	0	0	21
0	0	0	22
0	0	0	23
0	0	0	24
48487	442914	4425517	25
0	0	0	26
10495	0	0	27
0	0	0	28
16998	0	315288	29
0	0	922491	30
0	0	0	31
367411	915038	3706821	32
0	0	0	33
2660627	32691632	89226240	34
0.0944	0.0558	0.0222	35
Gas	Gas	Gas	36
mcf	mcf	mcf	37
307075 0 0	6071044 0 0	25715276 0 0	38
1065 0 0	1065 0 0	1065 0 0	39
7.221 0.000 0.000	5.161 0.000 0.000	3.059 0.000 0.000	40
7.221 0.000 0.000	5.161 0.000 0.000	3.059 0.000 0.000	41
6.780 0.000 0.000	4.846 0.000 0.000	2.872 0.000 0.000	42
0.079 0.000 0.000	0.053 0.000 0.000	0.020 0.000 0.000	43
11602.000 0.000 0.000	11034.000 0.000 0.000	6800.000 0.000 0.000	44

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Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: (d)	Plant Name: (e)	Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
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0	0	0	8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
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0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0	0	0	18
0	0	0	19
0	0	0	20
0	0	0	21
0	0	0	22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35
			36
			37
0	0	0	38
0	0	0	39
0.000	0.000	0.000	40
0.000	0.000	0.000	41
0.000	0.000	0.000	42
0.000	0.000	0.000	43
0.000	0.000	0.000	44

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: (d)	Plant Name: (e)	Plant Name: (f)	Line No.
			1
			2
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			4
0.00	0.00	0.00	5
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0	0	0	8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
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0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0	0	0	18
0	0	0	19
0	0	0	20
0	0	0	21
0	0	0	22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
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0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35
			36
			37
0	0	0	38
0	0	0	39
0.000	0.000	0.000	40
0.000	0.000	0.000	41
0.000	0.000	0.000	42
0.000	0.000	0.000	43
0.000	0.000	0.000	44

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

STEAM-ELECTRIC GENERATING PLANT STATISTICS (Large Plants) *(Continued)*

9. Items under Cost of Plant are based on U. S. of A. Accounts. Production expenses do not include Purchased Power, System Control and Load Dispatching, and Other Expenses Classified as Other Power Supply Expenses. 10. For IC and GT plants, report Operating Expenses, Account Nos. 547 and 549 on Line 25 "Electric Expenses," and Maintenance Account Nos. 553 and 554 on Line 32, "Maintenance of Electric Plant." Indicate plants designed for peak load service. Designate automatically operated plants. 11. For a plant equipped with combinations of fossil fuel steam, nuclear steam, hydro, internal combustion or gas-turbine equipment, report each as a separate plant. However, if a gas-turbine unit functions in a combined cycle operation with a conventional steam unit, include the gas-turbine with the steam plant. 12. If a nuclear power generating plant, briefly explain by footnote (a) accounting method for cost of power generated including any excess costs attributed to research and development; (b) types of cost units used for the various components of fuel cost; and (c) any other informative data concerning plant type fuel used, fuel enrichment type and quantity for the report period and other physical and operating characteristics of plant.

Plant Name: (d)	Plant Name: (e)	Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
0	0	0	8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
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0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0	0	0	18
0	0	0	19
0	0	0	20
0	0	0	21
0	0	0	22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35
			36
			37
0 0 0	0 0 0	0 0 0	38
0 0 0	0 0 0	0 0 0	39
0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	40
0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	41
0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	42
0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	43
0.000 0.000 0.000	0.000 0.000 0.000	0.000 0.000 0.000	44

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 402 Line No.: -1 Column: b

EW Brown had units 1, 2, and 3 in operation at the beginning of 2019. Units 1 and 2 were retired in February 2019.

Schedule Page: 403 Line No.: -1 Column: d

Partnership Expenses included in Column d:

Line No.: 19	Production Expenses: Oper, Supv & Engr	$ (554,836)
Line No.: 20	Fuel	(17,704,928)
Line No.: 22	Steam Expenses	(671,713)
Line No.: 25	Electric Expenses	(248,322)
Line No.: 26	Misc Steam Power Expenses	(1,535,459)
Line No.: 29	Maintenance Supervision and Engineering	(349,563)
Line No.: 30	Maintenance of Structures	(100,359)
Line No.: 31	Maintenance of Boiler Plant	(2,363,981)
Line No.: 32	Maintenance of Electric Plant	(444,689)
Line No.: 33	Maintenance of Misc Steam Plant	(225,277)
Line No.: 34	Total Production Expenses	$ (24,199,127)

Total Power Production Expenses per Schedule Page: 402-403, Sum of Line No.: 34, Column: b-f	$ 599,330,870
Operation and Maintenance Expenses on Retired Plants	551,931
Maintenance Expenses on Solar Plant per Schedule Page: 410-411, Line No.: 1, Column: j	99,827
IMEA-IMPA Partnership Expenses	(24,199,127)
Rounding	1
Total Power Production Expenses per Schedule Page: 320-321, Sum of Line No.: 21 & 74, Column: b	$ 575,783,502

Schedule Page: 403 Line No.: 1 Column: d

KU owns 60.75% of Trimble County Steam Unit 2, a 838 MW unit, with the remaining percentage owned by LG&E, IMEA and IMPA. The information presented in here represents KU's share.

Schedule Page: 402.1 Line No.: -1 Column: b

Haefling turbines are peak load service units.

Schedule Page: 402.1 Line No.: -1 Column: c

KU owns 47% of Brown CT Unit 5, a 123 MW unit, and 62% of Units 6 and 7, 177 MW each. The remaining percentages of Units 5, 6 and 7 are owned by LG&E. KU also owns 100% of Brown CT Units 8, 9, 10, and 11. Brown CT units 5, 6, 7, 8, 9, 10 and 11 are peak load service units. The information presented in here represents KU's share.

Schedule Page: 403.1 Line No.: -1 Column: d

KU owns 47% of Paddy's Run Unit 13, a 178 MW unit, with the remaining percentage owned by LG&E. Paddy's Run Unit 13 is a peak load service unit. The information presented in here represnts KU's share.

Schedule Page: 403.1 Line No.: -1 Column: e

KU owns 71% of Trimble County CT Units 5 and 6 and 63% of Units 7, 8, 9 and 10. The remaining percentages for Units 5, 6, 7, 8, 9 and 10 are owned by LG&E. The total Nameplate Ratings for these units are 199 MW per unit and they are peak load service units. The information presented in here represents KU's share.

Schedule Page: 403.1 Line No.: -1 Column: f

KU owns 78% of Cane Run NGCC, a 808 MW unit, with the remaining percentage owned by LG&E. The information presented in here represents KU's share.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: Dix Dam (b)	FERC Licensed Project No. 0 Plant Name: (c)
1	Kind of Plant (Run-of-River or Storage)	Storage	
2	Plant Construction type (Conventional or Outdoor)	Conventional	
3	Year Originally Constructed	1923	
4	Year Last Unit was Installed	1924	
5	Total installed cap (Gen name plate Rating in MW)	33.60	0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	34	0
7	Plant Hours Connect to Load	3,873	0
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	32	0
10	(b) Under the Most Adverse Oper Conditions	0	0
11	Average Number of Employees	3	0
12	Net Generation, Exclusive of Plant Use - Kwh	106,045,000	0
13	Cost of Plant		
14	Land and Land Rights	855,637	0
15	Structures and Improvements	4,532,354	0
16	Reservoirs, Dams, and Waterways	21,885,646	0
17	Equipment Costs	15,711,720	0
18	Roads, Railroads, and Bridges	234,509	0
19	Asset Retirement Costs	645,788	0
20	TOTAL cost (Total of 14 thru 19)	43,865,654	0
21	Cost per KW of Installed Capacity (line 20 / 5)	1,305.5254	0.0000
22	Production Expenses		
23	Operation Supervision and Engineering	0	0
24	Water for Power	0	0
25	Hydraulic Expenses	0	0
26	Electric Expenses	0	0
27	Misc Hydraulic Power Generation Expenses	40,827	0
28	Rents	0	0
29	Maintenance Supervision and Engineering	234,713	0
30	Maintenance of Structures	232,846	0
31	Maintenance of Reservoirs, Dams, and Waterways	0	0
32	Maintenance of Electric Plant	63,086	0
33	Maintenance of Misc Hydraulic Plant	46,319	0
34	Total Production Expenses (total 23 thru 33)	617,791	0
35	Expenses per net KWh	0.0058	0.0000

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: (b)	FERC Licensed Project No. 0 Plant Name: (c)
1	Kind of Plant (Run-of-River or Storage)		
2	Plant Construction type (Conventional or Outdoor)		
3	Year Originally Constructed		
4	Year Last Unit was Installed		
5	Total installed cap (Gen name plate Rating in MW)	0.00	0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	0	0
7	Plant Hours Connect to Load	0	0
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	0	0
10	(b) Under the Most Adverse Oper Conditions	0	0
11	Average Number of Employees	0	0
12	Net Generation, Exclusive of Plant Use - Kwh	0	0
13	Cost of Plant		
14	Land and Land Rights	0	0
15	Structures and Improvements	0	0
16	Reservoirs, Dams, and Waterways	0	0
17	Equipment Costs	0	0
18	Roads, Railroads, and Bridges	0	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	0	0
21	Cost per KW of Installed Capacity (line 20 / 5)	0.0000	0.0000
22	Production Expenses		
23	Operation Supervision and Engineering	0	0
24	Water for Power	0	0
25	Hydraulic Expenses	0	0
26	Electric Expenses	0	0
27	Misc Hydraulic Power Generation Expenses	0	0
28	Rents	0	0
29	Maintenance Supervision and Engineering	0	0
30	Maintenance of Structures	0	0
31	Maintenance of Reservoirs, Dams, and Waterways	0	0
32	Maintenance of Electric Plant	0	0
33	Maintenance of Misc Hydraulic Plant	0	0
34	Total Production Expenses (total 23 thru 33)	0	0
35	Expenses per net KWh	0.0000	0.0000

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants)

1. Large plants are hydro plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. If licensed project, give project number.
3. If net peak demand for 60 minutes is not available, give that which is available specifying period.
4. If a group of employees attends more than one generating plant, report on line 11 the approximate average number of employees assignable to each plant.

Line No.	Item (a)	FERC Licensed Project No. 0 Plant Name: (b)	FERC Licensed Project No. 0 Plant Name: (c)
1	Kind of Plant (Run-of-River or Storage)		
2	Plant Construction type (Conventional or Outdoor)		
3	Year Originally Constructed		
4	Year Last Unit was Installed		
5	Total installed cap (Gen name plate Rating in MW)	0.00	0.00
6	Net Peak Demand on Plant-Megawatts (60 minutes)	0	0
7	Plant Hours Connect to Load	0	0
8	Net Plant Capability (in megawatts)		
9	(a) Under Most Favorable Oper Conditions	0	0
10	(b) Under the Most Adverse Oper Conditions	0	0
11	Average Number of Employees	0	0
12	Net Generation, Exclusive of Plant Use - Kwh	0	0
13	Cost of Plant		
14	Land and Land Rights	0	0
15	Structures and Improvements	0	0
16	Reservoirs, Dams, and Waterways	0	0
17	Equipment Costs	0	0
18	Roads, Railroads, and Bridges	0	0
19	Asset Retirement Costs	0	0
20	TOTAL cost (Total of 14 thru 19)	0	0
21	Cost per KW of Installed Capacity (line 20 / 5)	0.0000	0.0000
22	Production Expenses		
23	Operation Supervision and Engineering	0	0
24	Water for Power	0	0
25	Hydraulic Expenses	0	0
26	Electric Expenses	0	0
27	Misc Hydraulic Power Generation Expenses	0	0
28	Rents	0	0
29	Maintenance Supervision and Engineering	0	0
30	Maintenance of Structures	0	0
31	Maintenance of Reservoirs, Dams, and Waterways	0	0
32	Maintenance of Electric Plant	0	0
33	Maintenance of Misc Hydraulic Plant	0	0
34	Total Production Expenses (total 23 thru 33)	0	0
35	Expenses per net KWh	0.0000	0.0000

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

FERC Licensed Project No. 0 Plant Name: (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
			8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
			13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0	0	0	18
0	0	0	19
0	0	0	20
0.0000	0.0000	0.0000	21
			22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

FERC Licensed Project No. 0 Plant Name: (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
			8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
			13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0	0	0	18
0	0	0	19
0	0	0	20
0.0000	0.0000	0.0000	21
			22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

HYDROELECTRIC GENERATING PLANT STATISTICS (Large Plants) (Continued)

5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power, System control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."
6. Report as a separate plant any plant equipped with combinations of steam, hydro, internal combustion engine, or gas turbine equipment.

FERC Licensed Project No. 0 Plant Name: (d)	FERC Licensed Project No. 0 Plant Name: (e)	FERC Licensed Project No. 0 Plant Name: (f)	Line No.
			1
			2
			3
			4
0.00	0.00	0.00	5
0	0	0	6
0	0	0	7
			8
0	0	0	9
0	0	0	10
0	0	0	11
0	0	0	12
			13
0	0	0	14
0	0	0	15
0	0	0	16
0	0	0	17
0	0	0	18
0	0	0	19
0	0	0	20
0.0000	0.0000	0.0000	21
			22
0	0	0	23
0	0	0	24
0	0	0	25
0	0	0	26
0	0	0	27
0	0	0	28
0	0	0	29
0	0	0	30
0	0	0	31
0	0	0	32
0	0	0	33
0	0	0	34
0.0000	0.0000	0.0000	35

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants)

1. Large plants and pumped storage plants of 10,000 Kw or more of installed capacity (name plate ratings)
2. If any plant is leased, operating under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, indicate such facts in a footnote. Give project number.
3. If net peak demand for 60 minutes is not available, give the which is available, specifying period.
4. If a group of employees attends more than one generating plant, report on line 8 the approximate average number of employees assignable to each plant.
5. The items under Cost of Plant represent accounts or combinations of accounts prescribed by the Uniform System of Accounts. Production Expenses do not include Purchased Power System Control and Load Dispatching, and Other Expenses classified as "Other Power Supply Expenses."

Line No.	Item (a)	FERC Licensed Project No. Plant Name: (b)
1	Type of Plant Construction (Conventional or Outdoor)	
2	Year Originally Constructed	
3	Year Last Unit was Installed	
4	Total installed cap (Gen name plate Rating in MW)	
5	Net Peak Demaind on Plant-Megawatts (60 minutes)	
6	Plant Hours Connect to Load While Generating	
7	Net Plant Capability (in megawatts)	
8	Average Number of Employees	
9	Generation, Exclusive of Plant Use - Kwh	
10	Energy Used for Pumping	
11	Net Output for Load (line 9 - line 10) - Kwh	
12	Cost of Plant	
13	Land and Land Rights	
14	Structures and Improvements	
15	Reservoirs, Dams, and Waterways	
16	Water Wheels, Turbines, and Generators	
17	Accessory Electric Equipment	
18	Miscellaneous Powerplant Equipment	
19	Roads, Railroads, and Bridges	
20	Asset Retirement Costs	
21	Total cost (total 13 thru 20)	
22	Cost per KW of installed cap (line 21 / 4)	
23	Production Expenses	
24	Operation Supervision and Engineering	
25	Water for Power	
26	Pumped Storage Expenses	
27	Electric Expenses	
28	Misc Pumped Storage Power generation Expenses	
29	Rents	
30	Maintenance Supervision and Engineering	
31	Maintenance of Structures	
32	Maintenance of Reservoirs, Dams, and Waterways	
33	Maintenance of Electric Plant	
34	Maintenance of Misc Pumped Storage Plant	
35	Production Exp Before Pumping Exp (24 thru 34)	
36	Pumping Expenses	
37	Total Production Exp (total 35 and 36)	
38	Expenses per KWh (line 37 / 9)	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

PUMPED STORAGE GENERATING PLANT STATISTICS (Large Plants) (Continued)

6. Pumping energy (Line 10) is that energy measured as input to the plant for pumping purposes.
7. Include on Line 36 the cost of energy used in pumping into the storage reservoir. When this item cannot be accurately computed leave Lines 36, 37 and 38 blank and describe at the bottom of the schedule the company's principal sources of pumping power, the estimated amounts of energy from each station or other source that individually provides more than 10 percent of the total energy used for pumping, and production expenses per net MWH as reported herein for each source described. Group together stations and other resources which individually provide less than 10 percent of total pumping energy. If contracts are made with others to purchase power for pumping, give the supplier contract number, and date of contract.

FERC Licensed Project No. Plant Name: (c)	FERC Licensed Project No. Plant Name: (d)	FERC Licensed Project No. Plant Name: (e)	Line No.
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Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) / /	End of 2019/Q4

GENERATING PLANT STATISTICS (Small Plants)

1. Small generating plants are steam plants of, less than 25,000 Kw; internal combustion and gas turbine-plants, conventional hydro plants and pumped storage plants of less than 10,000 Kw installed capacity (name plate rating). 2. Designate any plant leased from others, operated under a license from the Federal Energy Regulatory Commission, or operated as a joint facility, and give a concise statement of the facts in a footnote. If licensed project, give project number in footnote.

Line No.	Name of Plant (a)	Year Orig. Const. (b)	Installed Capacity Name Plate Rating (In MW) (c)	Net Peak Demand MW (60 min.) (d)	Net Generation Excluding Plant Use (e)	Cost of Plant (f)
1	Brown Solar	2016	6.10	6.1	10,666,620	15,544,788
2	Simpsonville Solar	2019	0.24	0.2	156,560	1,800,674
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Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) / /	End of 2019/Q4

GENERATING PLANT STATISTICS (Small Plants) (Continued)

3. List plants appropriately under subheadings for steam, hydro, nuclear, internal combustion and gas turbine plants. For nuclear, see instruction 11, Page 403. 4. If net peak demand for 60 minutes is not available, give the which is available, specifying period. 5. If any plant is equipped with combinations of steam, hydro internal combustion or gas turbine equipment, report each as a separate plant. However, if the exhaust heat from the gas turbine is utilized in a steam turbine regenerative feed water cycle, or for preheated combustion air in a boiler, report as one plant.

Plant Cost (Incl Asset Retire. Costs) Per MW (g)	Operation Exc'l. Fuel (h)	Production Expenses		Kind of Fuel (k)	Fuel Costs (in cents (per Million Btu) (l)	Line No.
		Fuel (i)	Maintenance (j)			
2,548,326			93,175			1
7,655,927			6,652			2
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						7
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Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 410 Line No.: 1 Column: c

The Namemplate Rating for Brown Photovoltaic Solar Unit represents 61% ownership of the 10 MW unit. The remaining percentage of the unit is owned by LG&E.

Schedule Page: 410 Line No.: 2 Column: c

The Namemplate Rating for Simpsonville Solar Array 1 represents 56% ownership of the 420 kW unit. The remaining percentage of the unit is owned by LG&E.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION LINE STATISTICS

1. Report information concerning transmission lines, cost of lines, and expenses for year. List each transmission line having nominal voltage of 132 kilovolts or greater. Report transmission lines below these voltages in group totals only for each voltage.
2. Transmission lines include all lines covered by the definition of transmission system plant as given in the Uniform System of Accounts. Do not report substation costs and expenses on this page.
3. Report data by individual lines for all voltages if so required by a State commission.
4. Exclude from this page any transmission lines for which plant costs are included in Account 121, Nonutility Property.
5. Indicate whether the type of supporting structure reported in column (e) is: (1) single pole wood or steel; (2) H-frame wood, or steel poles; (3) tower; or (4) underground construction If a transmission line has more than one type of supporting structure, indicate the mileage of each type of construction by the use of brackets and extra lines. Minor portions of a transmission line of a different type of construction need not be distinguished from the remainder of the line.
6. Report in columns (f) and (g) the total pole miles of each transmission line. Show in column (f) the pole miles of line on structures the cost of which is reported for the line designated; conversely, show in column (g) the pole miles of line on structures the cost of which is reported for another line. Report pole miles of line on leased or partly owned structures in column (g). In a footnote, explain the basis of such occupancy and state whether expenses with respect to such structures are included in the expenses reported for the line designated.

Line No.	DESIGNATION		VOLTAGE (KV) (Indicate where other than 60 cycle, 3 phase)		Type of Supporting	LENGTH (Pole miles) (In the case of underground lines report circuit miles)		Number Of Circuits
	From (a)	To (b)	Operating (c)	Designed (d)	Structure (e)	On Structure of Line Designated (f)	On Structures of Another Line (g)	(h)
1	Pocket	Pineville	500.00	500.00	ST	35.48		
2	Pocket	Phipps Bend	500.00	500.00	ST	21.39		
3	Ghent Plant	Brown North	345.00	345.00	ST	113.87		
4	Ghent Plant	Batesville	345.00	345.00	ST	7.80		
5	Brown Plant	Elmer Smith	345.00	345.00	HF,SP,ST	171.06		
6	Brown North	K.U. Park	345.00	345.00	ST	102.47		2
7	Green River	AEC Buss	161.00	161.00	HF,ST,WP	183.09		
8	Green River	Morganfield	161.00	161.00	HF,WP	55.38		
9	Elihu	Dorchester	161.00	161.00	HF,ST	86.06		
10	Lake Reba	Dorchester	161.00	161.00	HF,ST	99.15		1
11	Pineville	Harlan	161.00	161.00	HF,WP	48.34		
12	Pineville 149	Pineville 192	161.00	161.00	HF	0.12		1
13	East Ky. Power Cooperative	Taylor County	161.00	161.00	SP	3.97		1
14	Imboden	Harlan	161.00	161.00	HF,SP,WP,ST	43.82		
15	Ghent Plant	Brown Plant	138.00	138.00	ST	90.51		
16	Brown Plant	Green River	138.00	138.00	HF,SP,WP,ST	169.43		
17	Kenton	Rodburn	138.00	138.00	HF	45.74		1
18	Green River	Brown North	138.00	138.00	HF,SP,ST	167.77		
19	Fawkes	Rodburn	138.00	138.00	HF,ST,WP	64.58		1
20	Clifty Creek	Carrollton	138.00	138.00	HF,SP,ST,WP	144.71		
21	Brown Plant	Lake Reba	138.00	138.00	HF,SP	29.44		1
22	Brown Plant	Haefling	138.00	138.00	HF,SP,ST,WP	29.32		
23	Ghent Plant	Kenton Station	138.00	138.00	HF,WF	72.78		1
24	Ghent Plant	Adams	138.00	138.00	HF,SP,ST	56.77		
25	Hardin County	Rogersville	138.00	138.00	HF	10.24		1
26	Virginia City	Clinch River (AEP Int. Pt)	138.00	138.00	HF	7.89		1
27	69KV Lines		69.00	69.00	Various	2,200.53		
28								
29								
30								
31								
32								
33								
34								
35	Exp Applicable to All Lines							
36					TOTAL	4,061.71		11

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION LINE STATISTICS (Continued)

7. Do not report the same transmission line structure twice. Report Lower voltage Lines and higher voltage lines as one line. Designate in a footnote if you do not include Lower voltage lines with higher voltage lines. If two or more transmission line structures support lines of the same voltage, report the pole miles of the primary structure in column (f) and the pole miles of the other line(s) in column (g)
8. Designate any transmission line or portion thereof for which the respondent is not the sole owner. If such property is leased from another company, give name of lessor, date and terms of Lease, and amount of rent for year. For any transmission line other than a leased line, or portion thereof, for which the respondent is not the sole owner but which the respondent operates or shares in the operation of, furnish a succinct statement explaining the arrangement and giving particulars (details) of such matters as percent ownership by respondent in the line, name of co-owner, basis of sharing expenses of the Line, and how the expenses borne by the respondent are accounted for, and accounts affected. Specify whether lessor, co-owner, or other party is an associated company.
9. Designate any transmission line leased to another company and give name of Lessee, date and terms of lease, annual rent for year, and how determined. Specify whether lessee is an associated company.
10. Base the plant cost figures called for in columns (j) to (l) on the book cost at end of year.

Size of Conductor and Material (i)	COST OF LINE (Include in Column (j) Land, Land rights, and clearing right-of-way)			EXPENSES, EXCEPT DEPRECIATION AND TAXES				Line No.
	Land (j)	Construction and Other Costs (k)	Total Cost (l)	Operation Expenses (m)	Maintenance Expenses (n)	Rents (o)	Total Expenses (p)	
954 mcm	3,117,591	15,708,717	18,826,308					1
954 mcm	280,371	7,950,059	8,230,430					2
795 mcm	2,495,681	17,705,147	20,200,828					3
954 mcm	437,159	6,217,395	6,654,554					4
954 mcm	5,490,631	68,146,407	73,637,038					5
954 mcm	1,111,580	26,077,449	27,189,029					6
556 mcm	1,284,447	28,680,135	29,964,582					7
556 mcm	268,660	4,628,066	4,896,726					8
556 mcm	270,147	11,163,364	11,433,511					9
556 mcm	559,988	11,465,653	12,025,641					10
795 mcm	300,849	7,135,219	7,436,068					11
954 mcm		205,543	205,543					12
556 mcm	261,988	401,198	663,186					13
795 mcm	84,143	6,655,785	6,739,928					14
954 mcm	419,701	7,233,534	7,653,235					15
556 mcm	450,190	16,624,395	17,074,585					16
397 mcm	98,119	5,215,789	5,313,908					17
795 mcm	736,912	28,474,684	29,211,596					18
556 mcm	579,168	6,329,966	6,909,134					19
795 mcm	891,092	38,514,167	39,405,259					20
556 mcm	80,240	5,933,243	6,013,483					21
795 mcm	191,989	5,902,673	6,094,662					22
795 mcm	446,861	7,565,328	8,012,189					23
795 mcm	245,501	15,765,684	16,011,185					24
795 mcm	245,092	1,393,140	1,638,232					25
795 mcm	344,980	4,788,455	5,133,435					26
Various	8,821,422	359,732,222	368,553,644					27
								28
								29
								30
								31
								32
								33
								34
				781,730	10,919,827	264,436	11,965,993	35
	29,514,502	715,613,417	745,127,919	781,730	10,919,827	264,436	11,965,993	36

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 422 Line No.: 1 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 2 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 3 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 4 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 5 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 7 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 8 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 9 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 11 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 14 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 15 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 16 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 18 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 20 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 22 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 24 Column: h
Contains both single and double circuitry.

Schedule Page: 422 Line No.: 27 Column: h
Contains both single and double circuitry.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION LINES ADDED DURING YEAR

1. Report below the information called for concerning Transmission lines added or altered during the year. It is not necessary to report minor revisions of lines.
2. Provide separate subheadings for overhead and under- ground construction and show each transmission line separately. If actual costs of competed construction are not readily available for reporting columns (l) to (o), it is permissible to report in these columns the

Line No.	LINE DESIGNATION		Line Length in Miles	SUPPORTING STRUCTURE		CIRCUITS PER STRUCTURE	
	From	To		Type	Average Number per Miles	Present	Ultimate
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
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44	TOTAL						

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSMISSION LINES ADDED DURING YEAR (Continued)

costs. Designate, however, if estimated amounts are reported. Include costs of Clearing Land and Rights-of-Way, and Roads and Trails, in column (l) with appropriate footnote, and costs of Underground Conduit in column (m).

3. If design voltage differs from operating voltage, indicate such fact by footnote; also where line is other than 60 cycle, 3 phase, indicate such other characteristic.

CONDUCTORS			Voltage	LINE COST					Line
Size (h)	Specification (i)	Configuration and Spacing (j)	KV (Operating) (k)	Land and Land Rights (l)	Poles, Towers and Fixtures (m)	Conductors and Devices (n)	Asset Retire. Costs (o)	Total (p)	No.
									1
									2
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Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation	Character of Substation	VOLTAGE (In MVa)		
			Primary	Secondary	Tertiary
	(a)	(b)	(c)	(d)	(e)
1	A. O. Smith - Mt. Sterling	Transmission*	69.00		
2	Adams - Georgetown	Transmission*	138.00	69.00	13.20
3	Alcalde - Somerset	Transmission*	345.00	161.00	13.20
4	American Avenue - Lexington	Transmission*	138.00	69.00	13.20
5	Arnold - Cumberland	Transmission*	161.00	69.00	13.20
6	Artemus - Pineville	Transmission*	161.00	69.00	13.20
7	Avon - Fayette	Transmission*	69.00		
8	Bardstown - Campbellsville	Transmission*	138.00	69.00	13.20
9	Bardstown City - Campbellsville	Transmission*	69.00		
10	Barlow	Transmission*	69.00		
11	Beattyville - Richmond	Transmission*	161.00	69.00	13.20
12	Bimble	Transmission*	69.00		
13	Blackwell	Transmission*	138.00		
14	Bluegrass Ordnance	Transmission*	69.00		
15	Bond - Coeburn	Transmission*	69.00		
16	Bonds Mill	Transmission*	69.00		
17	Bonnieville - Horse Cave	Transmission*	138.00	69.00	13.20
18	Boone Avenue	Transmission*	69.00		
19	Boonesboro North - Winchester	Transmission*	138.00	69.00	13.20
20	Boyle County	Transmission*	69.00		
21	Brodhead Switching	Transmission*	69.00		
22	Bromley	Transmission*	69.00		
23	Brown CT - Harrodsburg	Transmission*	138.00		
24	Brown North - Harrodsburg	Transmission*	345.00	138.00	13.20
25	Brown Plant - Harrodsburg	Transmission*	138.00		
26	Carntown - Augusta	Transmission*	138.00	69.00	13.20
27	Carrollton - Carrollton	Transmission*	138.00	69.00	13.20
28	Cary Switching	Transmission*	69.00		
29	Clark County - Winchester	Transmission*	138.00	69.00	13.20
30	Clinton	Transmission*	69.00		
31	Coleman Road - McCracken Co	Transmission*	161.00		
32	Corydon - Henderson	Transmission*	161.00	69.00	13.20
33	Crittendon County - Marion	Transmission*	161.00	69.00	13.20
34	Danville North - Danville	Transmission*	138.00	69.00	13.20
35	Daviess County	Transmission*	345.00		
36	Delvinta	Transmission*	161.00		
37	Dix Dam - Mercer	Transmission*	69.00		
38	Dow Corning West	Transmission*	138.00		
39	Dorchester - Norton	Transmission*	161.00	69.00	13.20
40	Earlington North - Earlington	Transmission*	161.00	69.00	13.20

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Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation	Character of Substation	VOLTAGE (In MVa)		
			Primary	Secondary	Tertiary
	(a)	(b)	(c)	(d)	(e)
1	East Frankfort - Frankfort	Transmission*	138.00	69.00	13.20
2	Elihu - Somerset	Transmission*	161.00	69.00	13.20
3	Elizabethtown - Elizabethtown	Transmission*	138.00	69.00	13.20
4	Eminence	Transmission*	69.00		
5	Evarts	Transmission*	69.00		
6	Farley - Corbin	Transmission*	161.00	69.00	13.20
7	Farmers - Morehead	Transmission*	138.00	69.00	13.20
8	Fawkes - Richmond	Transmission*	138.00	69.00	13.20
9	Finchville	Transmission*	69.00		
10	FMC - Lexington	Transmission*	69.00		
11	Ghent Plant - Carrollton	Transmission*	345.00	138.00	
12	Ghent Plant - Carrollton	Transmission*	345.00	138.00	25.00
13	Goddard	Transmission*	138.00		
14	Gorge Switching	Transmission*	69.00		
15	Grahamville - Barlow	Transmission*	161.00	69.00	13.20
16	Green River Plant - Greenville	Transmission*	138.00	69.00	13.20
17	Green River Plant - Greenville	Transmission*	161.00	138.00	13.20
18	Green River Steel - Greenville	Transmission*	138.00	69.00	13.80
19	Haefling - Lexington	Transmission*	138.00	69.00	13.20
20	Hardin County - Elizabethtown	Transmission*	345.00	138.00	13.20
21	Hardin County - Elizabethtown	Transmission*	138.00	69.00	13.20
22	Hardinsburg - Hardinsburg	Transmission*	138.00		
23	Harrodsburg	Transmission*	69.00		
24	Harlan "Y" - Harlan	Transmission*	161.00	69.00	13.20
25	Higby Mill - Lexington	Transmission*	138.00	69.00	13.20
26	Hillside	Transmission*	69.00		
27	Howards Branch	Transmission*	161.00		
28	Hughes Lane - Lexington	Transmission*	69.00		
29	Imboden - Big Stone Gap	Transmission*	161.00	69.00	13.20
30	Indian Hill	Transmission*	69.00		
31	Kenton - Maysville	Transmission*	138.00	69.00	13.20
32	KU Park - Pineville	Transmission*	69.00		
33	LaGrange East	Transmission*	69.00		
34	Lake Reba - Richmond	Transmission*	138.00	69.00	13.20
35	Lake Reba Tap - Richmond	Transmission*	161.00	138.00	6.60
36	Lancaster Switching	Transmission*	69.00		
37	Lansdowne - Lexington	Transmission*	138.00	69.00	13.20
38	Lebanon - Lebanon	Transmission*	80.00	40.00	13.20
39	Lebanon City	Transmission*	69.00		
40	Leitchfield - Leitchfield	Transmission*	138.00	69.00	13.20

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Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
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Line No.	Name and Location of Substation	Character of Substation	VOLTAGE (In MVa)		
			Primary	Secondary	Tertiary
	(a)	(b)	(c)	(d)	(e)
1	Leitchfield East	Transmission*	69.00		
2	Lexington Plant - Lexington	Transmission*	69.00		
3	Livingston County	Transmission*	161.00		
4	London - London	Transmission*	69.00		
5	Loudon Ave - Lexington	Transmission*	138.00	69.00	13.20
6	Lynch - Harlan	Transmission*	69.00		
7	Manchester	Transmission*	69.00		
8	Marion	Transmission*	69.00		
9	Matanzas	Transmission*	161.00	138.00	13.20
10	Meldrum SW	Transmission*	69.00		
11	Meredith	Transmission*	138.00		
12	Middlesboro - Middlesboro	Transmission*	69.00		
13	Millersburg - Millersburg	Transmission*	69.00		
14	Morganfield - Morganfield	Transmission*	161.00	69.00	13.20
15	Mt. Vernon - Mt. Vernon	Transmission*	69.00		
16	N.A.S.	Transmission*	345.00	138.00	
17	Nebo - Nebo	Transmission*	69.00		
18	Newtown	Transmission*	69.00		
19	Nicholasville	Transmission*	69.00		
20	North London - London	Transmission*	69.00		
21	North Princeton - Princeton	Transmission*	161.00		
22	Ohio County - Beaver Dam	Transmission*	138.00	69.00	13.20
23	Paducah Primary - Paducah	Transmission*	161.00		
24	Paris	Transmission*	138.00	69.00	13.20
25	Pineville - Pineville	Transmission*	345.00	161.00	13.20
26	Pineville - Pineville	Transmission*	500.00	345.00	34.50
27	PIneville - Pineville	Transmission*	161.00	69.00	13.20
28	Pineville Switching - Pineville	Transmission*	161.00		
29	Pisgah - Lexington	Transmission*	138.00	69.00	13.20
30	Pittsburg - London	Transmission*	161.00	69.00	13.20
31	Pocket - Pennington Gap	Transmission*	161.00	69.00	13.20
32	Pocket North - Pennington Gap	Transmission*	500.00	161.00	
33	Princeton - Princeton	Transmission*	69.00		
34	Richmond - Richmond	Transmission*	69.00		
35	River Queen - Muhlenberg	Transmission*	161.00	69.00	13.20
36	Rocky Branch	Transmission*	69.00		
37	Rodburn - Morehead	Transmission*	138.00	69.00	13.20
38	Rogersville - Radcliff	Transmission*	138.00	69.00	13.20
39	Scott County	Transmission*	138.00	69.00	13.20
40	Shelbyville - Shelbyville	Transmission*	69.00		

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SUBSTATIONS

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Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	Shrewsbury Sw	Transmission*	138.00		
2	Simmons	Transmission*	69.00		
3	Somerset N - Somerset	Transmission*	69.00		
4	South Paducah	Transmission*	161.00	69.00	13.20
5	Spears SW	Transmission*	69.00		
6	Spencer Road - Mt. Sterling	Transmission*	138.00	69.00	13.20
7	St. Paul	Transmission*	69.00		
8	Stanford North	Transmission*	69.00		
9	Sweet Hollow	Transmission*	69.00		
10	Taylor County - Campellsville	Transmission*	161.00	69.00	13.20
11	Tyrone - Versailles	Transmission*	138.00	69.00	13.20
12	UK Medical Center - Lexington	Transmission*	69.00		
13	Uniontown	Transmission*	69.00		
14	Versailles Bypass - Versailles	Transmission*	69.00		
15	Virginia City - Norton	Transmission*	138.00	69.00	13.20
16	Walker - Earlington	Transmission*	161.00	69.00	13.20
17	West Cliff - Harrodsburg	Transmission*	138.00	69.00	13.20
18	West Frankfort - Shelbyville	Transmission*	345.00	138.00	13.20
19	West Frankfort - Shelbyville	Transmission*	138.00	69.00	13.20
20	West Garrard - Lancaster	Transmission*	345.00		
21	West Irvine - Irvine	Transmission*	161.00	69.00	13.20
22	West Lexington - Lexington	Transmission*	345.00	138.00	13.20
23	Wheatcroft	Transmission*	69.00		
24	Wickliffe - Barlow	Transmission*	161.00	69.00	13.20
25	Williamsburg Switching	Transmission*	69.00		
26	Winchester	Transmission*	69.00		
27	Wofford	Transmission*	69.00		
28	Total Transmission		19894.00	6112.00	924.70
29					
30	A.O. Smith - Mt. Sterling	Distribution*	69.00	12.47	
31	Adams	Distribution*	69.00	34.50	
32	Adams	Distribution*	69.00	12.47	
33	Airgas	Distribution*	138.00	13.80	
34	Aisin	Distribution*	69.00	12.47	
35	Alexander - Versailles	Distribution*	69.00	12.47	
36	American Airlines - Lexington	Distribution*	69.00	12.47	
37	Andover - Norton	Distribution*	69.00	34.50	
38	Appalachia	Distribution*	69.00	12.47	
39	Ashland Avenue - Lexington	Distribution*	69.00	4.16	
40	Ashland Pipe - Lexington	Distribution*	69.00	12.47	

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Line No.	Name and Location of Substation	Character of Substation	VOLTAGE (In MVa)		
			Primary	Secondary	Tertiary
	(a)	(b)	(c)	(d)	(e)
1	Atoka	Distribution*	69.00	12.47	
2	Augusta 12KV	Distribution*	69.00	12.47	
3	Bardstown City	Distribution*	69.00	12.47	
4	Bardstown Industrial	Distribution*	69.00	12.47	
5	Barlow	Distribution*	69.00	12.47	
6	Beaver Dam - Beaver Dam	Distribution*	69.00	12.47	
7	Beaver Dam North - Beaver Dam	Distribution*	69.00	12.47	
8	Belt Line - Lexington	Distribution*	69.00	12.47	
9	Bevier - Earlington	Distribution*	69.00	34.50	
10	Big Stone Gap - Big Stone Gap	Distribution*	69.00	12.47	
11	Black Branch Road	Distribution*	138.00	12.47	
12	Bond - Coeburn	Distribution*	69.00	12.47	
13	Bond - Coeburn	Distribution*	69.00	23.00	
14	Boone Avenue - Winchester	Distribution*	69.00	12.47	
15	Boonesboro Park	Distribution*	69.00	12.47	
16	Borg Warner - Earlington	Distribution*	69.00	12.47	
17	Bryant Road - Lexington	Distribution*	69.00	12.47	
18	Buchanan - Lexington	Distribution*	69.00	4.16	
19	Buena Vista	Distribution*	69.00	12.47	
20	Burnside - Somerset	Distribution*	69.00	12.47	
21	Calloway	Distribution*	69.00	12.47	
22	Camargo - Mt. Sterling	Distribution*	69.00	12.47	
23	Camp Breckinridge	Distribution*	69.00	12.47	
24	Campbellsville 1 - Campbellsville	Distribution*	69.00	12.47	
25	Campbellsville Industrial - Campbellsville	Distribution*	69.00	12.47	
26	Carlisle	Distribution*	69.00	12.47	
27	Carntown - Augusta	Distribution*	69.00	12.47	
28	Caron - London	Distribution*	69.00	12.47	
29	Carrollton - Carrollton	Distribution*	69.00	12.47	
30	Catrons Creek	Distribution*	69.00	12.47	
31	Cawood - Harlan	Distribution*	69.00	12.47	
32	Central City	Distribution*	69.00	12.47	
33	Central City South	Distribution*	69.00	12.47	
34	Clays Mill - Lexington	Distribution*	138.00	12.47	
35	Clinch Valley - Norton	Distribution*	69.00	12.47	
36	Columbia - Columbia	Distribution*	69.00	12.47	
37	Columbia South - Columbia	Distribution*	69.00	12.47	
38	Corbin East - Corbin	Distribution*	69.00	12.47	
39	Corbin US Steel	Distribution*	69.00	12.47	
40	Corning 12KV	Distribution*	69.00	12.47	

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Line No.	Name and Location of Substation	Character of Substation	VOLTAGE (In MVa)		
			Primary	Secondary	Tertiary
	(a)	(b)	(c)	(d)	(e)
1	Corning Harrodsburg	Distribution*	69.00	12.47	
2	Corporate Drive	Distribution*	69.00	12.47	
3	Cynthiana	Distribution*	69.00	12.47	
4	Cynthiana South	Distribution*	69.00	12.47	
5	Danville Central - Danville	Distribution*	69.00	12.47	
6	Danville East - Danville	Distribution*	69.00	12.47	
7	Danville Industrial - Danville	Distribution*	69.00	12.47	
8	Danville North - Danville	Distribution*	69.00	12.47	
9	Danville West - Danville	Distribution*	69.00	12.47	
10	Dark Hollow - Richmond	Distribution*	69.00	12.47	
11	Dawson Industrial - Earlington	Distribution*	69.00	4.16	
12	Dayhoit	Distribution*	69.00	12.47	
13	Days Branch	Distribution*	69.00	12.47	
14	Dayton - Walther - Carrollton	Distribution*	138.00	12.47	
15	Delaplain - Georgetown	Distribution*	69.00	12.47	
16	Delaplain - Georgetown	Distribution*	69.00	13.80	
17	Denham Street - Somerset	Distribution*	69.00	12.47	
18	Detroit Harvester - Paris	Distribution*	69.00	12.47	
19	Donerail - Lexington	Distribution*	69.00	12.47	
20	Dorchester - Norton	Distribution*	69.00	22.00	
21	Dorchester - Norton	Distribution*	69.00	34.50	
22	Dorchester - Norton	Distribution*	69.00	12.47	
23	Dow Corning - Carrollton	Distribution*	69.00	12.47	
24	Dozier Heights	Distribution*	69.00	12.47	
25	Earlington - Earlington	Distribution*	69.00	34.50	
26	Earlington - Earlington	Distribution*	69.00	12.47	
27	Earlington - Earlington	Distribution*	69.00	4.16	
28	East Bernstadt - London	Distribution*	69.00	12.47	
29	East Stone Gap - Big Stone Gap	Distribution*	69.00	12.47	
30	Eastland - Lexington	Distribution*	69.00	12.47	
31	Eastview	Distribution*	69.00	12.47	
32	Eddyville	Distribution*	69.00	12.47	
33	Eddyville Prison	Distribution*	69.00	12.47	
34	Elizabethtown Industrial - Elizabethtown	Distribution*	69.00	12.47	
35	Eminence - Shelbyville	Distribution*	69.00	12.47	
36	Esserville - Norton	Distribution*	69.00	12.47	
37	Elizabethtown 2 - Elizabethtown	Distribution*	69.00	12.47	
38	Elizabethtown 3 - Elizabethtown	Distribution*	69.00	12.47	
39	Elizabethtown 4 - Elizabethtown	Distribution*	69.00	12.47	
40	Elizabethtown 5 - Elizabethtown	Distribution*	69.00	12.47	

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			Primary	Secondary	Tertiary
	(a)	(b)	(c)	(d)	(e)
1	Elizabethtown West - Elizabethtown	Distribution*	69.00	12.47	
2	Evarts	Distribution*	69.00	12.47	
3	Ewington - Mt. Sterling	Distribution*	69.00	12.47	
4	Fairfield - Fairfield	Distribution*	69.00	12.47	
5	Farmers	Distribution*	69.00	12.47	
6	Ferguson South - Somerset	Distribution*	69.00	12.47	
7	Flemingsburg	Distribution*	138.00	12.47	
8	Florida Tile - Lawrenceburg	Distribution*	69.00	12.47	
9	FMC - Lexington	Distribution*	69.00	12.47	
10	Forrestdale	Distribution*	69.00	12.47	
11	Forks of Elkhorn - Georgetown	Distribution*	34.50	12.47	
12	Frankfort - Frankfort	Distribution*	69.00	34.50	
13	GE Lamp Works - Lexington	Distribution*	69.00	4.16	
14	Georgetown - Georgetown	Distribution*	69.00	12.47	
15	Ghent City	Distribution*	69.00	12.47	
16	Ghent Plant	Distribution*	138.00	13.20	
17	Green River Steel	Distribution*	69.00	12.47	
18	Green River	Distribution*	69.00	34.50	
19	Greensburg - Campellsville	Distribution*	69.00	12.47	
20	Greenville 12KV - Muhlenburg	Distribution*	69.00	12.47	
21	Greenville 4KV - Muhlenburg	Distribution*	69.00	4.16	
22	Greenville North - Muhlenburg	Distribution*	69.00	12.47	
23	Guest River - Ramsey, VA	Distribution*	23.00	4.16	
24	Haefling - Lexington	Distribution*	138.00	12.47	
25	Haley - Lexington	Distribution*	69.00	12.47	
26	Hamblin - Pennington Gap	Distribution*	69.00	12.47	
27	Hanson - Earlington	Distribution*	69.00	12.47	
28	Hardesty - Earlington	Distribution*	69.00	34.50	
29	Harlan - Harlan	Distribution*	69.00	12.47	
30	Harlan Wye - Harlan	Distribution*	69.00	12.47	
31	Harrodsburg East - Harrodsburg	Distribution*	69.00	12.47	
32	Harrodsburg Industrial - Harrodsburg	Distribution*	69.00	12.47	
33	Harrodsburg North	Distribution*	69.00	12.47	
34	Hartford	Distribution*	69.00	4.16	
35	Higby Mill - Lexington	Distribution*	138.00	12.47	
36	Higby Mill - Lexington	Distribution*	69.00	12.47	
37	Highsplint - Harlan	Distribution*	69.00	12.47	
38	Hodgenville 12KV	Distribution*	69.00	12.47	
39	Hoover 1 - Georgetown	Distribution*	69.00	12.47	
40	Hopewell - Corbin	Distribution*	69.00	12.47	

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Line No.	Name and Location of Substation	Character of Substation	VOLTAGE (In MVa)		
			Primary	Secondary	Tertiary
	(a)	(b)	(c)	(d)	(e)
1	Horse Cave	Distribution*	69.00	12.47	
2	Horse Cave Industrial - Horse Cave	Distribution*	69.00	12.47	
3	Hughes Lane - Lexington	Distribution*	69.00	12.47	
4	Hume Road	Distribution*	69.00	12.47	
5	IBM - Lexington	Distribution*	69.00	12.47	
6	IBM North	Distribution*	138.00	12.47	
7	Innovation Drive	Distribution*	138.00	12.47	
8	Irvine - Richmond	Distribution*	69.00	12.47	
9	Joyland - Lexington	Distribution*	69.00	12.47	
10	Kawneer - Cynthiana	Distribution*	69.00	12.47	
11	Kentenia	Distribution*	69.00	12.47	
12	Kenton - Maysville	Distribution*	69.00	12.47	
13	Kentucky State Hospital	Distribution*	69.00	12.47	
14	Kentucky River	Distribution*	69.00	4.16	
15	LaGrange East	Distribution*	69.00	12.47	
16	LaGrange Penal - LaGrange	Distribution*	69.00	12.47	
17	Lakeshore - Lexington	Distribution*	69.00	12.47	
18	Lancaster - Danville	Distribution*	69.00	4.16	
19	Lansdowne - Lexington	Distribution*	69.00	12.47	
20	Lawrenceburg - Lawrenceburg	Distribution*	69.00	12.47	
21	Lebanon - Lebanon	Distribution*	69.00	12.47	
22	Lebanon East	Distribution*	69.00	12.47	
23	Lebanon Industrial	Distribution*	69.00	12.47	
24	Lebanon South - Lebanon	Distribution*	69.00	12.47	
25	Lebanon Junction	Distribution*	161.00	12.47	
26	Lebanon West	Distribution*	138.00	12.47	
27	Leitchfield - Leitchfield	Distribution*	69.00	12.47	
28	Leitchfield East - Leitchfield	Distribution*	69.00	12.47	
29	Lemons Mill - Georgetown	Distribution*	69.00	12.47	
30	Lexington Water Company	Distribution*	69.00	12.47	
31	Lexington Water Company	Distribution*	69.00	4.16	
32	Lexington Plant - Lexington	Distribution*	69.00	4.16	
33	Liberty - Liberty	Distribution*	69.00	12.47	
34	Liberty Road - Lexington	Distribution*	69.00	12.47	
35	Liggett	Distribution*	69.00	12.47	
36	Lockport	Distribution*	138.00	12.47	
37	London - London	Distribution*	69.00	12.47	
38	Loudon Avenue - Lexington	Distribution*	138.00	12.47	
39	Madisonville GE	Distribution*	69.00	12.47	
40	Madisonville Hospital	Distribution*	69.00	12.47	

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Line No.	Name and Location of Substation	Character of Substation	VOLTAGE (In MVa)		
			Primary	Secondary	Tertiary
	(a)	(b)	(c)	(d)	(e)
1	Madisonville North	Distribution*	69.00	12.47	
2	Madisonville West	Distribution*	69.00	12.47	
3	Madisonville East	Distribution*	69.00	12.47	
4	Manchester South	Distribution*	69.00	12.47	
5	Marion South - Marion	Distribution*	69.00	12.47	
6	Maysville East - Maysville	Distribution*	69.00	4.16	
7	Maysville Mid - Maysville	Distribution*	69.00	4.16	
8	McCoy Avenue	Distribution*	69.00	12.47	
9	McKee Road	Distribution*	69.00	12.47	
10	Meldrum - Middlesboro	Distribution*	69.00	12.47	
11	Metal & Thermit - Carrollton	Distribution*	69.00	12.47	
12	Middlesboro #1	Distribution*	69.00	12.47	
13	Middlesboro #2	Distribution*	69.00	12.47	
14	Midway - Versailles	Distribution*	138.00	12.47	
15	Mill Creek	Distribution*	69.00	12.47	
16	Minor Farm	Distribution*	69.00	12.47	
17	Morehead - Morehead	Distribution*	69.00	12.47	
18	Morehead - Morehead	Distribution*	69.00	4.16	
19	Morehead East - Morehead	Distribution*	69.00	4.16	
20	Morehead West - Morehead	Distribution*	69.00	12.47	
21	Morganfield City - Morganfield	Distribution*	69.00	4.16	
22	Morganfield Industrial - Morganfield	Distribution*	69.00	12.47	
23	Mount Sterling - Mt. Sterling	Distribution*	69.00	12.47	
24	Mount Vernon - Mt. Vernon	Distribution*	69.00	12.47	
25	Mount Vernon Tap - Mt. Vernon	Distribution*	69.00	12.47	
26	Muhlenburg Prison - Muhlenburg	Distribution*	69.00	12.47	
27	Munfordville	Distribution*	69.00	12.47	
28	New Haven	Distribution*	69.00	12.47	
29	Newtown	Distribution*	69.00	12.47	
30	Norton East - Norton	Distribution*	69.00	12.47	
31	Nortonville	Distribution*	34.50	12.47	
32	Oakhill - Earlington	Distribution*	69.00	34.50	
33	Okonite - Richmond	Distribution*	69.00	12.47	
34	Owingsville	Distribution*	69.00	12.47	
35	Oxford - Georgetown	Distribution*	69.00	12.47	
36	Paris - Paris	Distribution*	69.00	12.47	
37	Parker Seal - Winchester	Distribution*	69.00	12.47	
38	Parkers Mill	Distribution*	69.00	12.47	
39	Pepper Pike - Georgetown	Distribution*	34.50	12.47	
40	Picadome - Lexington	Distribution*	69.00	12.47	

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Line No.	Name and Location of Substation	Character of Substation	VOLTAGE (In MVa)		
			Primary	Secondary	Tertiary
	(a)	(b)	(c)	(d)	(e)
1	Pineville	Distribution*	69.00	12.47	
2	Pocket - Norton	Distribution*	69.00	34.50	
3	Poor Valley - Pennington Gap	Distribution*	69.00	12.47	
4	Powderly - Muhlenburg	Distribution*	69.00	12.47	
5	Princeton - Princeton	Distribution*	69.00	34.50	
6	Proctor & Gamble	Distribution*	69.00	4.16	
7	Race Street - Lexington	Distribution*	69.00	12.47	
8	Race Street - Lexington	Distribution*	69.00	4.16	
9	Radcliff - Radcliff	Distribution*	69.00	12.47	
10	Radcliff South - Radcliff	Distribution*	69.00	12.47	
11	Red House	Distribution*	69.00	12.47	
12	Reynolds - Lexington	Distribution*	138.00	12.47	
13	Richmond	Distribution*	69.00	12.47	
14	Richmond 2	Distribution*	69.00	12.47	
15	Richmond 3 (EKU)	Distribution*	69.00	12.47	
16	Richmond East	Distribution*	69.00	12.47	
17	Richmond Industrial	Distribution*	69.00	12.47	
18	Richmond South	Distribution*	69.00	12.47	
19	Richmond North	Distribution*	138.00	12.47	
20	Rineyville	Distribution*	69.00	12.47	
21	Robbins	Distribution*	69.00	12.47	
22	Rockwell - Winchester	Distribution*	69.00	12.47	
23	Rogers Gap	Distribution*	69.00	12.47	
24	Rogersville - Radcliff	Distribution*	69.00	12.47	
25	Rose Hill	Distribution*	69.00	12.47	
26	Rumsey - Earlington	Distribution*	69.00	34.50	
27	Russell Springs	Distribution*	69.00	12.47	
28	Salem - Earlington	Distribution*	69.00	34.50	
29	Shadrack	Distribution*	69.00	12.47	
30	Shannon Run	Distribution*	69.00	12.47	
31	Sharon - Augusta	Distribution*	69.00	12.47	
32	Shavers Chapel	Distribution*	69.00	12.47	
33	Shawnee Gas	Distribution*	69.00	12.47	
34	Shelbyville North	Distribution*	69.00	12.47	
35	Shelbyville East	Distribution*	69.00	12.47	
36	Shelbyville South	Distribution*	69.00	12.47	
37	Shun Pike	Distribution*	69.00	12.47	
38	Simpsonville - Shelbyville	Distribution*	69.00	12.47	
39	Somerset 2	Distribution*	69.00	4.16	
40	Somerset 3	Distribution*	69.00	12.47	

Name of Respondent	This Report Is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	(Mo, Da, Yr) / /	End of 2019/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation	Character of Substation	VOLTAGE (In MVa)		
			Primary	Secondary	Tertiary
	(a)	(b)	(c)	(d)	(e)
1	Somerset South	Distribution*	69.00	12.47	
2	Sonora	Distribution*	69.00	12.47	
3	Springfield - Campbellsville	Distribution*	69.00	12.47	
4	St. Paul	Distribution*	69.00	12.47	
5	Stamping Ground	Distribution*	34.50	12.47	
6	Stanford	Distribution*	69.00	12.47	
7	Stanford North	Distribution*	69.00	12.47	
8	Stonewall - Lexington	Distribution*	69.00	12.47	
9	Sylvania - Winchester	Distribution*	69.00	12.47	
10	Taylorsville - Shelbyville	Distribution*	69.00	12.47	
11	Toms Creek	Distribution*	69.00	4.16	
12	Toyota North	Distribution*	138.00	13.20	
13	Toyota South	Distribution*	138.00	13.20	
14	Trafton Avenue - Lexington	Distribution*	69.00	12.47	
15	Trafton Avenue - Lexington	Distribution*	69.00	4.16	
16	UK Scott Street	Distribution*	69.00	12.47	
17	UK Medical Center - Lexington	Distribution*	69.00	12.47	
18	UK West - Lexington	Distribution*	69.00	13.09	
19	Union Underwear - Russell Springs	Distribution*	69.00	12.47	
20	Vaksdahl Avenue	Distribution*	69.00	12.47	
21	Verda - Harlan	Distribution*	69.00	12.47	
22	Versailles West - Versailles	Distribution*	69.00	12.47	
23	Versailles Bypass - Versailles	Distribution*	69.00	12.47	
24	Viley Road - Lexington	Distribution*	138.00	12.47	
25	Vine Street - Lexington	Distribution*	69.00	12.47	
26	Waco	Distribution*	69.00	12.47	
27	Waitsboro - Somerset	Distribution*	69.00	12.47	
28	Warsaw East - Owenton	Distribution*	69.00	12.47	
29	West Hickman - Lexington	Distribution*	69.00	12.47	
30	West High Street - Lexington	Distribution*	69.00	12.47	
31	Westvaco	Distribution*	69.00	13.80	
32	Whitley	Distribution*	69.00	12.47	
33	Wickliffe	Distribution*	69.00	13.80	
34	Wilson Downing - Lexington	Distribution*	69.00	12.47	
35	Williamsburg South - Williamsburg	Distribution*	69.00	12.47	
36	Wilmore - Versailles	Distribution*	69.00	12.47	
37	Winchester Industrial - Winchester	Distribution*	69.00	12.47	
38	Winchester Water	Distribution*	69.00	12.47	
39	Wise - Norton	Distribution*	69.00	12.47	
40	Woodlawn	Distribution*	69.00	12.47	

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS

1. Report below the information called for concerning substations of the respondent as of the end of the year.
2. Substations which serve only one industrial or street railway customer should not be listed below.
3. Substations with capacities of Less than 10 MVa except those serving customers with energy for resale, may be grouped according to functional character, but the number of such substations must be shown.
4. Indicate in column (b) the functional character of each substation, designating whether transmission or distribution and whether attended or unattended. At the end of the page, summarize according to function the capacities reported for the individual stations in column (f).

Line No.	Name and Location of Substation (a)	Character of Substation (b)	VOLTAGE (In MVa) Primary (c)	Secondary (d)	Tertiary (e)
1	192 Stations Less Than 10 MVA	Distribution*			
2	Total Distribution		21298.00	3760.53	
3					
4	* Unattended				
5					
6	Summary				
7	Transmission 141				
8	Distribution 469				
9	Total 610				
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
			NONE			1
186	2		NONE			2
448	1		NONE			3
150	1		NONE			4
56	1		NONE			5
56	1		NONE			6
			NONE			7
149	1		NONE			8
			NONE			9
			NONE			10
90	1		NONE			11
			NONE			12
			NONE			13
			NONE			14
			NONE			15
			NONE			16
33	1		NONE			17
			NONE			18
150	1		NONE			19
			NONE			20
			NONE			21
			NONE			22
			NONE			23
448	1		NONE			24
			NONE			25
50	1		NONE			26
187	2		NONE			27
			NONE			28
93	1		NONE			29
			NONE			30
			NONE			31
112	1		NONE			32
112	1		NONE			33
112	1		NONE			34
			NONE			35
			NONE			36
			NONE			37
			NONE			38
187	2		NONE			39
150	1		NONE			40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (l), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
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Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
224	2		NONE			1
187	2		NONE			2
149	1		NONE			3
			NONE			4
			NONE			5
149	1		NONE			6
61	1		NONE			7
299	2		NONE			8
			NONE			9
			NONE			10
450	1		NONE			11
448	1		NONE			12
			NONE			13
			NONE			14
93	1		NONE			15
261	2		NONE			16
312	3	1	NONE			17
90	1		NONE			18
149	1		NONE			19
448	1		NONE			20
185	1	1	NONE			21
			NONE			22
			NONE			23
93	1		NONE			24
344	3		NONE			25
			NONE			26
			NONE			27
			NONE			28
149	1		NONE			29
			NONE			30
145	2		NONE			31
			NONE			32
			NONE			33
149	1		NONE			34
200	1		NONE			35
			NONE			36
112	1		NONE			37
143	4	1	NONE			38
			NONE			39
93	1		NONE			40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
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Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
			NONE			1
			NONE			2
			NONE			3
			NONE			4
262	2	2	NONE			5
			NONE			6
			NONE			7
			NONE			8
400	2		NONE			9
			NONE			10
			NONE			11
			NONE			12
			NONE			13
112	1		NONE			14
			NONE			15
450	1	1	NONE			16
			NONE			17
			NONE			18
			NONE			19
			NONE			20
			NONE			21
93	1		NONE			22
			NONE			23
150	1		NONE			24
560	1		NONE			25
504	1		NONE			26
299	2		NONE			27
			NONE			28
112	1		NONE			29
112	1		NONE			30
187	1		NONE			31
448	1		NONE			32
			NONE			33
			NONE			34
112	1		NONE			35
			NONE			36
90	1		NONE			37
93	1		NONE			38
93	1		NONE			39
			NONE			40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
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Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
			NONE			1
			NONE			2
			NONE			3
50	1		NONE			4
			NONE			5
89	2		NONE			6
			NONE			7
			NONE			8
			NONE			9
90	1		NONE			10
112	1		NONE			11
			NONE			12
			NONE			13
			NONE			14
120	1		NONE			15
112	1		NONE			16
392	3		NONE			17
450	1		NONE			18
112	1		NONE			19
			NONE			20
56	1		NONE			21
448	1		NONE			22
			NONE			23
93	1		NONE			24
			NONE			25
			NONE			26
			NONE			27
13903	92	6				28
						29
22	1		NONE			30
20	1		NONE			31
22	1		NONE			32
22	1		NONE			33
14	1		NONE			34
22	1		NONE			35
36	2		NONE			36
22	1		NONE			37
11	1		NONE			38
28	2		NONE			39
20	2		NONE			40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

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Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
14	1		NONE			1
14	1		NONE			2
22	1		NONE			3
45	2		NONE			4
11	1		NONE			5
14	1		NONE			6
14	1		NONE			7
22	1		NONE			8
14	2		NONE			9
42	3		NONE			10
28	1		NONE			11
45	2		NONE			12
22	1		NONE			13
22	1		NONE			14
11	1		NONE			15
22	1		NONE			16
67	3		NONE			17
14	1		NONE			18
14	1		NONE			19
14	1		NONE			20
11	1		NONE			21
28	2		NONE			22
14	1		NONE			23
45	2		NONE			24
22	1		NONE			25
14	2		NONE			26
22	1		NONE			27
22	1		NONE			28
19	2		NONE			29
11	1		NONE			30
14	1		NONE			31
14	1		NONE			32
14	1		NONE			33
37	1		NONE			34
22	1		NONE			35
14	1		NONE			36
14	1		NONE			37
36	2		NONE			38
25	2		NONE			39
56	2	4	NONE			40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
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Capacity of Substation (In Service) (In MVa)	Number of Transformers In Service	Number of Spare Transformers	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment	Number of Units	Total Capacity (In MVa)	
(f)	(g)	(h)	(i)	(j)	(k)	
15	7		NONE			1
29	2		NONE			2
20	2		NONE			3
14	1		NONE			4
29	2		NONE			5
29	2		NONE			6
45	2		NONE			7
14	1		NONE			8
22	1		NONE			9
14	1		NONE			10
14	1		NONE			11
11	1		NONE			12
14	1		NONE			13
14	1		NONE			14
14	1		NONE			15
28	1		NONE			16
14	1		NONE			17
22	1		NONE			18
14	1		NONE			19
25	1		NONE			20
14	1		NONE			21
14	1		NONE			22
14	1		NONE			23
14	1		NONE			24
20	1		NONE			25
14	1		NONE			26
3	3		NONE			27
14	1		NONE			28
25	2		NONE			29
22	1		NONE			30
14	1		NONE			31
14	1		NONE			32
11	1		NONE			33
22	1		NONE			34
28	2		NONE			35
22	1		NONE			36
45	2		NONE			37
33	2		NONE			38
22	1		NONE			39
14	1		NONE			40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
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Capacity of Substation (In Service) (In MVa)	Number of Transformers In Service	Number of Spare Transformers	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment	Number of Units	Total Capacity (In MVa)	
(f)	(g)	(h)	(i)	(j)	(k)	
22	1		NONE			1
11	1		NONE			2
36	2		NONE			3
14	1		NONE			4
11	1		NONE			5
14	1		NONE			6
14	1		NONE			7
14	1		NONE			8
22	1		NONE			9
14	1		NONE			10
14	1		NONE			11
20	1		NONE			12
14	1		NONE			13
21	2		NONE			14
11	1		NONE			15
56	2		NONE			16
25	2		NONE			17
17	1		NONE			18
14	1		NONE			19
14	1		NONE			20
11	1		NONE			21
14	1		NONE			22
11	3		NONE			23
39	1		NONE			24
14	1		NONE			25
14	1		NONE			26
22	1		NONE			27
13	1		NONE			28
21	2		NONE			29
28	2		NONE			30
20	2		NONE			31
14	1		NONE			32
14	1		NONE			33
11	1		NONE			34
37	1		NONE			35
22	1		NONE			36
14	1		NONE			37
19	2		NONE			38
22	1		NONE			39
28	2		NONE			40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
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Capacity of Substation (In Service) (In MVa)	Number of Transformers In Service	Number of Spare Transformers	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment	Number of Units	Total Capacity (In MVa)	
(f)	(g)	(h)	(i)	(j)	(k)	
28	2		NONE			1
45	2		NONE			2
11	1		NONE			3
60	2		NONE			4
75	2		NONE			5
34	1		NONE			6
75	2		NONE			7
14	1		NONE			8
36	2		NONE			9
14	1		NONE			10
11	1		NONE			11
28	2	1	NONE			12
11	1		NONE			13
35	3		NONE			14
36	2		NONE			15
22	1		NONE			16
75	2		NONE			17
11	1		NONE			18
75	2		NONE			19
45	2		NONE			20
14	1		NONE			21
28	2		NONE			22
11	1		NONE			23
14	1		NONE			24
45	2		NONE			25
14	1		NONE			26
14	1		NONE			27
14	1		NONE			28
45	2		NONE			29
45	2		NONE			30
11	1		NONE			31
28	2		NONE			32
14	1		NONE			33
37	1		NONE			34
11	1		NONE			35
11	1		NONE			36
45	2		NONE			37
37	1		NONE			38
22	1		NONE			39
14	1		NONE			40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa)	Number of Transformers In Service	Number of Spare Transformers	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment	Number of Units	Total Capacity (In MVa)	
(f)	(g)	(h)	(i)	(j)	(k)	
22	1		NONE			1
22	1		NONE			2
14	1		NONE			3
14	1		NONE			4
14	1		NONE			5
11	1		NONE			6
14	1		NONE			7
14	1		NONE			8
14	1		NONE			9
14	1		NONE			10
14	1		NONE			11
35	3		NONE			12
35	3		NONE			13
14	1		NONE			14
11	1		NONE			15
14	1		NONE			16
14	1		NONE			17
11	1		NONE			18
11	1		NONE			19
11	1		NONE			20
11	1		NONE			21
14	1		NONE			22
14	1		NONE			23
14	1		NONE			24
22	1		NONE			25
14	1		NONE			26
11	1		NONE			27
11	1		NONE			28
14	1		NONE			29
14	1		NONE			30
14	1		NONE			31
20	1		NONE			32
36	2		NONE			33
14	1		NONE			34
28	2		NONE			35
28	2		NONE			36
22	1		NONE			37
45	2		NONE			38
14	1		NONE			39
45	2		NONE			40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa)	Number of Transformers In Service	Number of Spare Transformers	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment	Number of Units	Total Capacity (In MVa)	
(f)	(g)	(h)	(i)	(j)	(k)	
28	2		NONE			1
25	4		NONE			2
14	1		NONE			3
14	1		NONE			4
13	1		NONE			5
14	1		NONE			6
14	1		NONE			7
21	2		NONE			8
22	1		NONE			9
11	1		NONE			10
14	1		NONE			11
77	2		NONE			12
45	2		NONE			13
22	1		NONE			14
45	2		NONE			15
22	1		NONE			16
22	1		NONE			17
22	1		NONE			18
37	1		NONE			19
14	1		NONE			20
11	1		NONE			21
22	1		NONE			22
22	1		NONE			23
22	1		NONE			24
11	1		NONE			25
13	1		NONE			26
14	1		NONE			27
14	1		NONE			28
11	1		NONE			29
14	1		NONE			30
14	1		NONE			31
14	1		NONE			32
15	1		NONE			33
22	1		NONE			34
45	2		NONE			35
36	2		NONE			36
14	1		NONE			37
25	2		NONE			38
11	1		NONE			39
14	1		NONE			40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
14	1		NONE			1
11	1		NONE			2
25	2		NONE			3
45	2		NONE			4
14	1		NONE			5
14	1		NONE			6
14	1		NONE			7
75	2		NONE			8
26	2		NONE			9
14	1		NONE			10
11	1		NONE			11
84	3	1	NONE			12
112	4		NONE			13
22	1		NONE			14
14	1		NONE			15
37	1		NONE			16
75	2		NONE			17
42	2		NONE			18
28	2		NONE			19
14	1		NONE			20
14	1		NONE			21
22	1		NONE			22
45	2		NONE			23
77	2		NONE			24
20	2		NONE			25
14	1		NONE			26
14	1		NONE			27
14	1		NONE			28
45	2		NONE			29
28	2		NONE			30
67	3		NONE			31
11	1		NONE			32
14	1		NONE			33
45	2		NONE			34
25	2		NONE			35
18	2		NONE			36
22	1		NONE			37
14	1		NONE			38
22	1		NONE			39
14	1		NONE			40

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

SUBSTATIONS (Continued)

5. Show in columns (I), (j), and (k) special equipment such as rotary converters, rectifiers, condensers, etc. and auxiliary equipment for increasing capacity.
6. Designate substations or major items of equipment leased from others, jointly owned with others, or operated otherwise than by reason of sole ownership by the respondent. For any substation or equipment operated under lease, give name of lessor, date and period of lease, and annual rent. For any substation or equipment operated other than by reason of sole ownership or lease, give name of co-owner or other party, explain basis of sharing expenses or other accounting between the parties, and state amounts and accounts affected in respondent's books of account. Specify in each case whether lessor, co-owner, or other party is an associated company.

Capacity of Substation (In Service) (In MVa) (f)	Number of Transformers In Service (g)	Number of Spare Transformers (h)	CONVERSION APPARATUS AND SPECIAL EQUIPMENT			Line No.
			Type of Equipment (i)	Number of Units (j)	Total Capacity (In MVa) (k)	
844	250	130	NONE			1
7593	647	136				2
						3
						4
						5
						6
13903	92	9				7
7593	647	136				8
21496	739	145				9
						10
						11
						12
						13
						14
						15
						16
						17
						18
						19
						20
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Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

Schedule Page: 426.11 Line No.: 1 Column: h

130 spare transformers are stored at various company locations.

Big Stone Gap Storeroom	7
Danville Substation Department	10
Earlington Substation Department	53
Eastland Storage Lot (Lexington)	29
Midway Storeroom	3
Pineville Substation Department	28
	130

Schedule Page: 426.11 Line No.: 7 Column: h

Three spare transformers are stored. One each at Earlington Substation Department, Edwards Movers Lot, and Pineville Substation Department.

Name of Respondent	This Report Is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) [X] An Original (2) [ ] A Resubmission	/ /	End of 2019/Q4

TRANSACTIONS WITH ASSOCIATED (AFFILIATED) COMPANIES

1. Report below the information called for concerning all non-power goods or services received from or provided to associated (affiliated) companies.
2. The reporting threshold for reporting purposes is $250,000. The threshold applies to the annual amount billed to the respondent or billed to an associated/affiliated company for non-power goods and services. The good or service must be specific in nature. Respondents should not attempt to include or aggregate amounts in a nonspecific category such as "general".
3. Where amounts billed to or received from the associated (affiliated) company are based on an allocation process, explain in a footnote.

Line No.	Description of the Non-Power Good or Service (a)	Name of Associated/Affiliated Company (b)	Account Charged or Credited (c)	Amount Charged or Credited (d)
1	**Non-power Goods or Services Provided by Affiliated**			
2	Capital Expenditures	Louisville Gas and Electric Company	see footnote	3,763,991
3	Direct-Indirect Labor	Louisville Gas and Electric Company	see footnote	21,422,548
4	Equipment and Facilities	Louisville Gas and Electric Company	see footnote	483,715
5	Materials and Fuels	Louisville Gas and Electric Company	see footnote	387,518
6	Office and Administrative Services	Louisville Gas and Electric Company	see footnote	81,004
7	Outside Services	Louisville Gas and Electric Company	see footnote	922,397
8	Transmission	Louisville Gas and Electric Company	see footnote	1,490,574
9				
10	Capital Expenditures	LG&E and KU Services Company	see footnote	29,895,272
11	Direct-Indirect Labor	LG&E and KU Services Company	see footnote	103,610,319
12	Equipment and Facilities	LG&E and KU Services Company	see footnote	20,098,129
13	Materials	LG&E and KU Services Company	see footnote	136,313
14	Office and Administrative Services	LG&E and KU Services Company	see footnote	6,420,084
15	Outside Services	LG&E and KU Services Company	see footnote	14,994,782
16				
17	Equipment and Facilities	PPL Services Corporation	see footnote	191,619
18	Office and Administrative Services	PPL Services Corporation	see footnote	305
19	Outside Services	PPL Services Corporation	see footnote	2,389,257
20	**Non-power Goods or Services Provided for Affiliate**			
21	Capital Expenditures	Louisville Gas and Electric Company	see footnote	4,588,598
22	Direct-Indirect Labor	Louisville Gas and Electric Company	see footnote	1,246,574
23	Equipment and Facilities	Louisville Gas and Electric Company	see footnote	1,577,591
24	Materials and Fuels	Louisville Gas and Electric Company	see footnote	900,766
25	Office and Administrative Services	Louisville Gas and Electric Company	see footnote	97,307
26	Outside Services	Louisville Gas and Electric Company	see footnote	69,030
27	Transmission	Louisville Gas and Electric Company	see footnote	625,164
28				
29	Direct-Indirect Labor	LG&E and KU Services Company	see footnote	915,874
30	Equipment and Facilities	LG&E and KU Services Company	see footnote	32,455
31	Materials	LG&E and KU Services Company	see footnote	1,788
32	Office and Administrative Services	LG&E and KU Services Company	see footnote	60,477
33	Outside Services	LG&E and KU Services Company	see footnote	27,568
34				
35				
36				
37				
38	See footnote for allocation process			
39				
40				
41				
42				

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4

FOOTNOTE DATA

Schedule Page: 429 Line No.: 2 Column: c
Accounts charged include: 107 and 108

Schedule Page: 429 Line No.: 3 Column: c
Accounts charged include: 163, 182.3, 184, 408.1, 426.4, 426.5, 500-502, 505, 506, 510-514, 546, 548, 549, 551-553, 553.1, 554, 556, 560, 561.5, 566, 570, 570.1, 571, 580, 586, 588, 592, 595, 598, 901, 903, 907, 908, 920, 925, 926 and 935

Schedule Page: 429 Line No.: 4 Column: c
Accounts charged include: 163, 184, 426.4, 426.5, 500-502, 505, 506, 510-513, 560, 562, 566, 570, 570.1, 571, 580, 582-584, 586, 588, 592-595, 598, 901-903, 907, 908, 921, 931 and 935

Schedule Page: 429 Line No.: 5 Column: c
Accounts charged include: 163, 184, 500, 506, 511-514, 553, 566, 570, 571, 580, 586, 588, 902 and 921

Schedule Page: 429 Line No.: 6 Column: c
Accounts charged include: 184, 426.4, 426.5, 500, 506, 512, 546, 553, 566, 580, 586, 588, 592, 593, 902, 903, 910, 921, 924, 925 and 935

Schedule Page: 429 Line No.: 7 Column: c
Accounts charged include: 163, 184, 186, 506, 513, 560, 563, 571, 580, 582, 588, 902, 921 and 923

Schedule Page: 429 Line No.: 8 Column: c
Accounts charged include: 565

Schedule Page: 429 Line No.: 10 Column: c
Accounts charged include: 107 and 108

Schedule Page: 429 Line No.: 11 Column: c
Accounts charged include: 163, 184, 188, 232, 408.1, 426.4, 426.5, 500-502, 505, 506, 510-513, 549, 554, 556, 560, 561.1, 561.2, 561.3, 561.5, 561.6, 561.7, 562, 563, 566, 570, 570.1, 571, 573, 580-583, 586, 588, 590, 592, 593, 598, 901-903, 905, 907, 908, 920, 921, 925, 926, 930.2 and 935

Schedule Page: 429 Line No.: 12 Column: c
Accounts charged include: 163, 165, 184, 426.4, 426.5, 500-502, 506, 510-514, 556, 560, 561.1, 561.2, 561.3, 561.5, 561.6, 561.7, 562, 563, 566, 570, 570.1, 571, 573, 580, 583, 586, 588, 592, 593, 598, 901-903, 907, 908, 910, 921, 923, 930.2, 931 and 935

Schedule Page: 429 Line No.: 13 Column: c
Accounts charged include: 163, 184, 500, 580, 588, 590, 921 and 935

Schedule Page: 429 Line No.: 14 Column: c
Accounts charged include: 184, 186, 426.4, 426.5, 500-502, 506, 510-514, 549, 556, 560, 561.1, 561.5, 562, 563, 566, 570, 570.1, 571, 573, 580, 582, 583, 586, 588, 590, 592, 593, 598, 901-903, 907, 908, 910, 920, 921, 924, 925, 928, 930.2, 931 and 935

Schedule Page: 429 Line No.: 15 Column: c
Accounts charged include: 163, 165, 184, 186, 426.4, 426.5, 500, 501, 506, 510, 511, 513, 514, 549, 552, 560, 561.1, 561.5, 561.6, 561.7, 566, 570.1, 571, 573, 580, 582, 583, 586, 588, 590, 598, 901-903, 907, 910, 921, 923, 928 and 935

Schedule Page: 429 Line No.: 17 Column: c
Accounts charged include: 921 and 931

Schedule Page: 429 Line No.: 18 Column: c
Accounts charged include: 921

Schedule Page: 429 Line No.: 19 Column: c
Accounts charged include: 903, 921, 923 and 930.2

Schedule Page: 429 Line No.: 21 Column: c
Accounts charged include: 107 and 108

Schedule Page: 429 Line No.: 22 Column: c
Accounts charged include: 163, 183.2, 184, 188, 232, 408.1, 426.5, 500, 506, 510, 511, 513, 538, 546, 551-554, 556, 560, 561.1, 566, 570.1, 571, 580, 586, 588, 593, 595, 598, 901, 903, 907, 920, 922, 925, 926 and 935

Schedule Page: 429 Line No.: 22 Column: d

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4

FOOTNOTE DATA

A portion of labor overhead amounts are not included. Due to system configuration and functionality given the volume of transactions, labor overheads are not separately indentifiable as services provided by or for affiliate, but are included as a reduction to the amount reported in line 3, Column d.

Schedule Page: 429 Line No.: 23 Column: c

Accounts charged include: 151, 165, 173, 184, 186, 188, 426.5, 454, 493, 500, 502, 506, 512, 514, 538, 553, 560, 561.1, 566, 567, 570.1, 580, 582-584, 586, 588, 593, 594, 596, 598, 814, 816-818, 821, 830, 832-834, 836, 837, 856, 863, 874, 878-880, 887, 892, 901-903, 921, 931 and 935

Schedule Page: 429 Line No.: 24 Column: c

Accounts charged include: 163, 184, 500, 506, 512-514, 553.1, 566, 570.1, 571, 590, 593, 875, 902, 908, 921 and 935

Schedule Page: 429 Line No.: 25 Column: c

Accounts charged include: 184, 426.5, 500, 506, 554, 566, 580, 581, 583, 586, 588, 590, 593, 598, 901-903, 921 and 935

Schedule Page: 429 Line No.: 26 Column: c

Accounts charged include: 184, 186, 563, 566, 571, 582, 902, 921 and 923

Schedule Page: 429 Line No.: 27 Column: c

Accounts charged include: 456.1

Schedule Page: 429 Line No.: 29 Column: c

Accounts charged include: 184, 188, 408.1, 500, 560, 561.1, 566, 570.1, 580, 586, 588, 901, 903, 920, 926 and 935

Schedule Page: 429 Line No.: 30 Column: c

Accounts charged include: 184 and 931

Schedule Page: 429 Line No.: 30 Column: d

Most labor overhead amounts are not included. Due to system configuration and functionality given the volume of transactions, labor overheads are not separately identifiable as services provided by or for affiliate, but are included as a reduction to the amount reported in line 11, Column d.

Schedule Page: 429 Line No.: 31 Column: c

Accounts charged include: 588, 590, 921 and 935

Schedule Page: 429 Line No.: 32 Column: c

Accounts charged include: 184, 426.5, 566, 580, 588, 901, 903, 921, 925 and 935

Schedule Page: 429 Line No.: 33 Column: c

Accounts charged include: 184 and 921

Schedule Page: 429 Line No.: 38 Column: a

Costs between Kentucky Utilities Company and Louisville Gas and Electric Company are either charged directly or are allocated by certain assignment methods described below that most accurately distribute the costs.

LG&E and KU Services Company (LKS) and PPL Services Corporation (PPL Services) either directly charge or allocate the costs of service among the affiliated companies using one of several methods that most accurately distributes the costs. The method of cost allocation varies based on the department rendering the service. Any of the methods may be adjusted for any known and reasonably quantifiable events, or at such time as may be required due to significant changes in the business, but are generally determined annually. The assignment methods used by LKS to allocate its costs, as well as pass-through costs from PPL Services, are as follows:

Contract Ratio – Based on the sum of the physical amount (i.e. tons of coal, mmbtu of natural gas) of the contract for coal and natural gas fuel burned for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
FOOTNOTE DATA			

Corporate Information Security Ratio – This ratio allocates the cost of cyber security activities using an allocation consistent with the methodology used by third party insurers providing cyber security insurance to the organization. The methodology assigns a percentage of the premium based on the various risks (e.g., number of employees, the number of customers, etc.). The total of the percentages equals 100%. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Departmental Charge Ratio – A specific department ratio based upon various factors. The departmental charge ratio typically applies to indirectly attributable costs such as departmental administrative, support, and/or material and supply costs that benefit more than one affiliate and that require allocation using general measures of cost causation. Methods for assignment are department-specific depending on the type of service being performed and are documented and monitored by the Budget Coordinators for each department. The numerator and denominator vary by department. The ratio is based upon various factors such as labor hours, labor dollars, departmental or entity headcount, capital expenditures, operations and maintenance costs, retail energy sales, charitable contributions, generating plant sites, average allocation of direct reports, net book value of utility plant, total line of business assets, electric capital expenditures, substation assets and transformer assets. The Departmental Charge Ratio will only be used with prior approval by the Controller when other applicable ratios would not result in the fair assignment of costs. These ratios are calculated on an annual basis. Any changes in these ratios will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in any of these ratios from that used in the prior year.

Electric Peak Load Ratio – Based on the sum of the monthly electric maximum system demands for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Facilities Ratio – Based on a two-tiered approach with one tier based on the number of employees by department or line of business and the other tier based on the applicable department or line of business ratio. The numerator for the number of employees is the number of employees by department or line of business at the facility and the denominator is the total employees at the facility. The numerator and denominator for the applicable department or line of business for the service provided as described in this document. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Generation Ratio – Based on the annual forecast of megawatt hours, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Network Users Ratio – Based on the number of IT network users at the end of the previous calendar year. A

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	/ /	2019/Q4
FOOTNOTE DATA			

two-step assignment methodology is utilized to properly allocate costs to the proper legal entity. The numerator for the first step of this ratio is the total number of network users for each specific company, and the denominator is the total number of network users for all companies in which an allocator is assigned (i.e. LG&E, KU, LKS and PPL). For the second step, the ratio of LKS network users, to total network users will then be allocated to the other companies (LG&E, KU, and LKC) based on each company's ratio of LKS labor hours to total LKS labor hours. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Non-Fuel Material and Services Expenditures – Based on non-fuel material and services expenditures, net of reimbursements, for the immediately preceding twelve consecutive calendar months. The numerator is equal to such expenditures for a specific entity and/or line-of-business as appropriate and the denominator is equal to such expenditures for all applicable entities. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Number of Customers Ratio – Based on the number of retail electric and/or gas customers. This ratio will be determined based on the actual number of customers at the end of the previous calendar year. In some cases, the ratio may be calculated based on the type of customer class being served (i.e. Residential, Commercial or Industrial). The numerator is the total number of each Company's retail customers. The denominator is the total number of retail customers for both LG&E and KU. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Number of Employees Ratio – Based on the number of employees benefiting from the performance of a service. This ratio will be determined based on actual counts of applicable employees at the end of the previous calendar year. A two-step assignment methodology is utilized to properly allocate LKS employee costs to the proper legal entity. The numerator for the first step of this ratio is the total number of employees for each specific company, and the denominator is the total number of employees for all companies in which an allocator is assigned (i.e. LG&E, KU and LKS). For the second step, the ratio of LKS to total employees will then be allocated to the other companies (LG&E, KU and LKC) based on each company's ratio of labor hours to total labor hours. LKC has no employees, but non-utility related labor is charged to it. In some cases, the ratio may be calculated based on the number of employees at a specific location for the first step with the ratio of LKS to total employees being allocated based on labor hours of the employees at the specific location. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Number of Meters Ratio – Based on the number or types of meters being utilized by customer classes within the system for the immediately preceding twelve consecutive calendar months. The numerator is equal to the number of meters for each utility and the denominator is equal to the total meters for KU and LG&E. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
FOOTNOTE DATA			

used in the prior year.

Number of Transactions Ratio – Based on the number of transactions occurring in the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. The Controller's organization is responsible for maintaining and monitoring specific product/service methodology documentation for actual transactions related to LKS billings. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Ownership Percentages – Based on the contractual ownership percentages of jointly-owned generating units, information technology, facilities and other capital projects. This ratio is updated as a result of a new jointly-owned capital projects and is based on the benefit to the respective company. The numerator is the specific company's forecasted usage. The denominator is the total forecasted usage of all respective companies.

Revenue Ratio – Based on the sum of the revenue for the immediately preceding twelve consecutive calendar months, the numerator of which is for an operating company and the denominator of which is for all operating companies. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Revenue, Total Assets and Number of Employees Ratio – Based on an average of the revenue, total assets and number of employees ratios. The numerator is the sum of Revenue Ratio, Total Assets Ratio and Number of Employees Ratio for the specific company. The denominator is three – the number of ratios being averaged. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Total Assets Ratio – Based on the total assets at year end for the preceding year. In the event of joint ownership of a specific asset, asset ownership percentages are utilized to assign costs. The numerator is the total assets for each specific company at the end of the preceding year. The denominator is the sum of total assets for each company in which an allocator is assigned (LG&E, KU and LKC). This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Total Utility Plant Assets Ratio – Based on the total utility plant assets at year end for the preceding year, the numerator of which is for an operating company and the denominator of which is for all operating companies. In the event of joint ownership of a specific asset, ownership percentages are utilized to assign costs. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Transmission Ratio –The Transmission Coordination Agreement (TCA) provides "the contractual basis for the

Name of Respondent	This Report is:	Date of Report	Year/Period of Report
Kentucky Utilities Company	(1) X An Original (2) __ A Resubmission	(Mo, Da, Yr) / /	2019/Q4
FOOTNOTE DATA			

coordinated planning, operation, and maintenance of the combined" LG&E and KU transmission system. Pursuant to the terms of the TCA, LG&E/KU "operate their transmission systems as a single control area." The TCA establishes cost and revenue allocations between LG&E and KU. The Transmission Ratio is based upon Schedule A (Allocation of Operating Expenses of the Transmission System Operator) of the TCA. Transmission System Operator Company allocation percentages are calculated during June of each year to be effective July 1st of each year using the previous year's summation of the Transmission Peak Demands as found in FERC Form 1 for Kentucky Utilities Company (KU) and Louisville Gas & Electric Company (LG&E) page 400 line 17(b).

Ultimate Users Ratio – Based on the number of ultimate users of an IT product or service (i.e., software, hardware, mobile devices, etc.) at the end of the previous calendar year. A two-step assignment methodology is utilized to properly allocate costs to the proper legal entity. The numerator for the first step of this ratio is the total number of ultimate users for each specific company, and the denominator is the total number of ultimate users for all companies in which an allocator is assigned (i.e. LG&E, KU, LKS and PPL). For the second step, the ratio of LKS ultimate users, to total ultimate users will then be allocated to the other companies (LG&E, KU, and LKC) based on each company's ratio of LKS labor hours to total LKS labor hours. This ratio is calculated on an annual basis. Any changes in the ratio will be determined no later than May 1st of the following calendar year, and charges to date will be reallocated for any significant changes in the ratio from that used in the prior year.

Vehicle Cost Allocation Ratio – Based on the costs associated with providing and operating transportation fleet for all affiliated companies including developing fleet policy, administering regulatory compliance programs, managing repair and maintenance of vehicles and procuring vehicles. Such rates are applied based on the specific equipment employment and the measured usage of services by the various company entities. This ratio is calculated monthly based on the actual transportation charges from the previous month. The numerator is the department labor charged to a specific company. The denominator is the total labor costs for the specific department. The ratio is then multiplied by the total transportation costs to determine the amount charged to each company.

INDEX

Schedule	Page No.
Accrued and prepaid taxes	262-263
Accumulated Deferred Income Taxes	234, 272-277
Accumulated provisions for depreciation of	
common utility plant	356
utility plant	219
utility plant (summary)	200-201
Advances	
from associated companies	256-257
Allowances	228-229
Amortization	
miscellaneous	340
of nuclear fuel	202-203
Appropriations of Retained Earnings	118-119
Associated Companies	
advances from	256-257
corporations controlled by respondent	103
control over respondent	102
interest on debt to	256-257
Attestation	i
Balance sheet	
comparative	110-113
notes to	122-123
Bonds	256-257
Capital Stock	251
expense	254
premiums	252
reacquired	251
subscribed	252
Cash flows, statement of	120-121
Changes	
important during year	108-109
Construction	
work in progress - common utility plant	356
work in progress - electric	216
work in progress - other utility departments	200-201
Control	
corporations controlled by respondent	103
over respondent	102
Corporation	
controlled by	103
incorporated	101
CPA, background information on	101
CPA Certification, this report form	i-ii

INDEX (continued)

Schedule	Page No.
Deferred	
credits, other	269
debits, miscellaneous	233
income taxes accumulated - accelerated amortization property	272-273
income taxes accumulated - other property	274-275
income taxes accumulated - other	276-277
income taxes accumulated - pollution control facilities	234
Definitions, this report form	iii
Depreciation and amortization	
of common utility plant	356
of electric plant	219, 336-337
Directors	105
Discount - premium on long-term debt	256-257
Distribution of salaries and wages	354-355
Dividend appropriations	118-119
Earnings, Retained	118-119
Electric energy account	401
Expenses	
electric operation and maintenance	320-323
electric operation and maintenance, summary	323
unamortized debt	256
Extraordinary property losses	230
Filing requirements, this report form	
General information	101
Instructions for filing the FERC Form 1	i-iv
Generating plant statistics	
hydroelectric (large)	406-407
pumped storage (large)	408-409
small plants	410-411
steam-electric (large)	402-403
Hydro-electric generating plant statistics	406-407
Identification	101
Important changes during year	108-109
Income	
statement of, by departments	114-117
statement of, for the year (see also revenues)	114-117
deductions, miscellaneous amortization	340
deductions, other income deduction	340
deductions, other interest charges	340
Incorporation information	101

INDEX (continued)

Schedule	Page No.
Interest	
charges, paid on long-term debt, advances, etc	256-257
Investments	
nonutility property	221
subsidiary companies	224-225
Investment tax credits, accumulated deferred	266-267
Law, excerpts applicable to this report form	iv
List of schedules, this report form	2-4
Long-term debt	256-257
Losses-Extraordinary property	230
Materials and supplies	227
Miscellaneous general expenses	335
Notes	
to balance sheet	122-123
to statement of changes in financial position	122-123
to statement of income	122-123
to statement of retained earnings	122-123
Nonutility property	221
Nuclear fuel materials	202-203
Nuclear generating plant, statistics	402-403
Officers and officers' salaries	104
Operating	
expenses-electric	320-323
expenses-electric (summary)	323
Other	
paid-in capital	253
donations received from stockholders	253
gains on resale or cancellation of reacquired capital stock	253
miscellaneous paid-in capital	253
reduction in par or stated value of capital stock	253
regulatory assets	232
regulatory liabilities	278
Peaks, monthly, and output	401
Plant, Common utility	
accumulated provision for depreciation	356
acquisition adjustments	356
allocated to utility departments	356
completed construction not classified	356
construction work in progress	356
expenses	356
held for future use	356
in service	356
leased to others	356
Plant data	336-337, 401-429

INDEX (continued)

Schedule	Page No.
Plant - electric	
accumulated provision for depreciation	219
construction work in progress	216
held for future use	214
in service	204-207
leased to others	213
Plant - utility and accumulated provisions for depreciation	
amortization and depletion (summary)	201
Pollution control facilities, accumulated deferred	
income taxes	234
Power Exchanges	326-327
Premium and discount on long-term debt	256
Premium on capital stock	251
Prepaid taxes	262-263
Property - losses, extraordinary	230
Pumped storage generating plant statistics	408-409
Purchased power (including power exchanges)	326-327
Reacquired capital stock	250
Reacquired long-term debt	256-257
Receivers' certificates	256-257
Reconciliation of reported net income with taxable income	
from Federal income taxes	261
Regulatory commission expenses deferred	233
Regulatory commission expenses for year	350-351
Research, development and demonstration activities	352-353
Retained Earnings	
amortization reserve Federal	119
appropriated	118-119
statement of, for the year	118-119
unappropriated	118-119
Revenues - electric operating	300-301
Salaries and wages	
directors fees	105
distribution of	354-355
officers'	104
Sales of electricity by rate schedules	304
Sales - for resale	310-311
Salvage - nuclear fuel	202-203
Schedules, this report form	2-4
Securities	
exchange registration	250-251
Statement of Cash Flows	120-121
Statement of income for the year	114-117
Statement of retained earnings for the year	118-119
Steam-electric generating plant statistics	402-403
Substations	426
Supplies - materials and	227

INDEX (continued)

Schedule	Page No.
Taxes	
accrued and prepaid	262-263
charged during year	262-263
on income, deferred and accumulated	234, 272-277
reconciliation of net income with taxable income for	261
Transformers, line - electric	429
Transmission	
lines added during year	424-425
lines statistics	422-423
of electricity for others	328-330
of electricity by others	332
Unamortized	
debt discount	256-257
debt expense	256-257
premium on debt	256-257
Unrecovered Plant and Regulatory Study Costs	230

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 42 - 807 KAR 5:001 Section 16(7)(l)
Sponsoring Witness: Christopher M. Garrett

Description of Filing Requirement:

The annual report to shareholders or members and the statistical supplements covering the most recent two (2) years from the application filing date.

Response:

There are no annual reports to shareholders or members during the period referenced. KU does not publish a statistical supplement.

Federal securities rules generally require the delivery of annual reports to public shareholders when requesting their vote via certain proxy solicitations. During the period in question, the common stock of KU has been wholly-owned by LG&E and KU Energy LLC, which is a wholly-owned subsidiary of PPL Corporation.

Copies of the audited annual financial statements and other financial information of KU relating to the period described are provided in Filing Requirement 807 KAR 5:001 Section 16(7)(p), [Tab No. 46].

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 43 - 807 KAR 5:001 Section 16(7)(m)
Sponsoring Witness: Christopher M. Garrett

Description of Filing Requirement:

The current chart of accounts if more detailed than the Uniform System of Accounts chart prescribed by the commission.

Response:

See attached.

Oracle Account Set Up Details	
Account Number	**Account Description**
101102	PLANT IN SERVICE - ELECTRIC FRANCHISES AND CONSENTS
101103	PLANT IN SERVICE - MISC. INTANGIBLE PLANT
101104	PLANT IN SERVICE - ELECTRIC LAND
101105	PLANT IN SERVICE - ELECTRIC STRUCTURES
101106	PLANT IN SERVICE - ELECTRIC EQUIPMENT
101107	PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT
101108	PLANT IN SERVICE - ELECTRIC HYDRO EQUIPMENT
101109	PLANT IN SERVICE - ELECTRIC DISTRIBUTION EQUIPMENT
101110	PLANT IN SERVICE - LEASED PROPERTY
101111	PLANT IN SERVICE - ELECTRIC GENERAL EQUIPMENT
101112	PLANT IN SERVICE - ELECTRIC COMMUNICATION EQUIPMENT
101113	PLANT IN SERVICE - ELECTRIC LAND RIGHTS
101114	PLANT IN SERVICE - ELECTRIC NON CURRENT CLOUD IMPLEMENTATION COSTS
101116	PLANT IN SERVICE - ELECTRIC CLOUD IMPLEMENTATION PREPAIDS
101125	PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-LAND/BUILDING
101126	PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-CCR
101130	PROPERTY UNDER OPERATING LEASES
101131	PROPERTY UNDER FINANCING LEASES
101132	PROPERTY UNDER PREPAID LEASES
101133	PROPERTY UNDER DEFERRED RENT
101134	PROPERTY UNDER DEFERRED RENT - INDIRECT
101135	LEASEHOLD TENANT INCENTIVE
101136	ACCUM AMORT PROPERTY UNDER OPERATING LEASES
101137	ACCUM AMORT PROPERTY UNDER OPERATING LEASES - IMPAIRMENT
101138	INITIAL DIRECT COST-FINANCE LEASE
101202	PLANT IN SERVICE - GAS FRANCHISES AND CONSENTS
101203	PLANT IN SERVICE - GAS MISC. INTANGIBLE PLANT
101204	PLANT IN SERVICE - GAS LAND
101205	PLANT IN SERVICE - GAS STRUCTURES
101206	PLANT IN SERVICE - GAS UNDERGROUND AND TRANSMISSION EQUIPMENT
101207	PLANT IN SERVICE - GAS ARO ASSET RETIREMENT COST-EQUIPMENT
101208	PLANT IN SERVICE - GAS TRANSPORTATION EQUIPMENT
101209	PLANT IN SERVICE - GAS DISTRIBUTION EQUIPMENT
101211	PLANT IN SERVICE - GAS GENERAL EQUIPMENT
101213	PLANT IN SERVICE - GAS LAND RIGHTS
101225	PLANT IN SERVICE - GAS ARO ASSET RETIREMENT COST-LAND/BUILDING
101301	PLANT IN SERVICE - COMMON ORGANIZATION
101302	PLANT IN SERVICE - COMMON FRANCHISES AND CONSENTS
101303	PLANT IN SERVICE - COMMON MISC. INTANGIBLE PLANT
101304	PLANT IN SERVICE - COMMON LAND
101305	PLANT IN SERVICE - COMMON STRUCTURES
101311	PLANT IN SERVICE - COMMON GENERAL EQUIPMENT
101312	PLANT IN SERVICE - COMMON COMMUNICATION EQUIPMENT
101313	PLANT IN SERVICE - COMMON LAND RIGHTS
101314	PLANT IN SERVICE - COMMON NON CURRENT CLOUD IMPLEMENTATION COSTS
101315	PLANT IN SERVICE - COMMON GENERAL EQUIPMENT
101316	PLANT IN SERVICE - COMMON CLOUD IMPLEMENTATION PREPAIDS
101700	PLANT IN SERVICE - CONTRA ASSET - PENSION
101701	PLANT IN SERVICE - CONTRA ASSET - OPEB
102001	ELECTRIC PLANT-PURCHASED OR SOLD
105001	PLT HELD FOR FUT USE
105002	PLANT HELD FOR FUTURE USE - LAND RIGHTS
106103	COMPL CONST NOT CL - MISC. INTANGIBLE PLANT
106104	COMPL CONST NOT CL - ELECTRIC LAND
106105	COMPL CONST NOT CL - ELECTRIC STRUCTURES
106106	COMPL CONST NOT CL - ELECTRIC EQUIPMENT
106108	COMPL CONST NOT CL - ELECTRIC HYDRO EQUIPMENT
106109	COMPL CONST NOT CL - ELECTRIC DISTRIBUTION EQUIPMENT
106111	COMPL CONST NOT CL - ELECTRIC GENERAL EQUIPMENT

Oracle Account Set Up Details	
Account Number	**Account Description**
106112	COMPL CONST NOT CL - ELECTRIC COMMUNICATION EQUIPMENT
106113	COMPL CONST NON CL-ELECTRIC LAND RIGHTS
106114	COMPL CONST NON CL-ELECTRIC NON CURRENT CLOUD IMPLEMENTATION COSTS
106116	COMPL CONST NON CL-ELECTRIC CLOUD IMPLEMENTATION PREPAYMENTS
106203	COMPL CONST NOT CL - GAS MISC. INTANGIBLE PLANT
106205	COMPL CONST NOT CL - GAS STRUCTURES
106206	COMPL CONST NOT CL - GAS UGD AND TRANSMISSION EQUIP
106208	COMPL CONST NOT CL - GAS TRANSPORTATION EQUIPMENT
106209	COMPL CONST NOT CL - GAS DISTRIBUTION EQUIPMENT
106211	COMPL CONST NOT CL - GAS GENERAL EQUIPMENT
106213	COMPL CONST NON CL-GAS LAND RIGHTS
106303	COMPL CONST NOT CL - COMMON MISC. INTANGIBLE PLANT
106305	COMPL CONST NOT CL - COMMON STRUCTURES
106311	COMPL CONST NOT CL - COMMON GENERAL EQUIPMENT
106312	COMPL CONST NOT CL - COMMON COMMUNICATION EQUIPMENT
106313	COMPL CONST NON CL-COMMON LAND RIGHTS
106314	COMPL CONST NON CL-COMMON NON CURRENT CLOUD IMPLEMENTATION COSTS
106315	COMPL CONST NOT CL - COMMON GENERAL EQUIPMENT
106316	COMPL CONST NON CL-COMMON CLOUD IMPLEMENTATION PREPAYMENTS
107001	CONSTR WORK IN PROG
107006	CONSTR WORK IN PROG - CLOUD IMPLEMENTATION COSTS
107700	CONSTR WORK IN PROG - CONTRA ASSET - PENSION
107701	CONSTR WORK IN PROG - CONTRA ASSET - OPEB
108104	ACCUM. DEPR. - ELECTRIC LAND RIGHTS
108105	ACCUM. DEPR. - ELECTRIC STRUCTURES
108106	ACCUM. DEPR. - ELECTRIC EQUIPMENT
108107	ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT
108108	ACCUM. DEPR. - ELECTRIC HYDRO EQUIPMENT
108109	ACCUM. DEPR. - ELECTRIC DISTRIBUTION EQUIPMENT
108110	ACCUM. DEPR. - LEASED PROPERTY
108111	ACCUM. DEPR. - ELECTRIC GENERAL EQUIPMENT
108112	ACCUM. DEPR. - ELECTRIC COMMUNICATION EQUIP.
108113	ACCUM. DEPR. - ELECTRIC TRANSPORTATION EQUIP.
108114	ACCUM. DEPR. - COR - ELECTRIC LAND RIGHTS
108115	ACCUM. DEPR. - COR - ELECTRIC STRUCTURES
108116	ACCUM. DEPR. - COR - ELECTRIC EQUIPMENT
108118	ACCUM. DEPR. - COR - ELECTRIC HYDRO EQUIPMENT
108119	ACCUM. DEPR. - COR - ELECTRIC DISTRIBUTION
108120	ACCUM. DEPR. - COR - ELECTRIC GENERAL PROPERTY
108121	ACCUM. DEPR. - COR - ELECTRIC COMMUNICATION EQUIP.
108122	ACCUM. DEPR. - COR - LEASED PROPERTY
108125	ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-LAND/BUILDING
108126	ACCUM. DEPR. - ELECTRIC ARO ASSET RETIREMENT COST-CCR
108204	ACCUM. DEPR. - GAS LAND RIGHTS
108205	ACCUM. DEPR. - GAS STRUCTURES
108206	ACCUM. DEPR. - GAS UNDERGROUND & TRANSMISSION EQUIPMENT
108207	ACCUM. DEPR. - GAS ARO ASSET RETIREMENT COST-EQUIPMENT
108209	ACCUM. DEPR. - GAS DISTRIBUTION EQUIPMENT
108211	ACCUM. DEPR. - GAS GENERAL EQUIP.
108213	ACCUM. DEPR. - GAS TRANSPORTATION EQUIP.
108215	ACCUM. DEPR. - COR - GAS STRUCTURES
108216	ACCUM. DEPR. - COR - GAS UNDERGROUND & TRANSMISSION EQUIP.
108219	ACCUM. DEPR. - COR - GAS DISTRIBUTION EQUIPMENT
108220	ACCUM. DEPR. - COR - GAS GENERAL EQUIP.
108225	ACCUM. DEPR. - GAS ARO ASSET RETIREMENT COST-LAND/BUILDING
108304	ACCUM. DEPR. - COMMON LAND RIGHTS
108305	ACCUM. DEPR. - COMMON STRUCTURES
108311	ACCUM. DEPR. - COMMON GENERAL EQUIPMENT
108312	ACCUM. DEPR. - COMMON COMMUNICATION EQUIPMENT

Oracle Account Set Up Details	
Account Number	**Account Description**
108313	ACCUM. DEPR. - COMMON TRANSPORTATION EQUIP.
108314	ACCUM. DEPR. - COMMON GENERAL EQUIPMENT - NONUTILITY
108315	ACCUM. DEPR. - COR - COMMON STRUCTURES
108321	ACCUM. DEPR. - COR - COMMON EQUIPMENT
108414	ACCUM. DEPR. - SALVAGE - ELECTRIC LAND RIGHTS
108415	ACCUM. DEPR. - SALVAGE - ELECTRIC STRUCTURES
108416	ACCUM. DEPR. - SALVAGE - ELECTRIC EQUIPMENT
108418	ACCUM. DEPR. - SALVAGE - ELECTRIC HYDRO EQUIPMENT
108419	ACCUM. DEPR. - SALVAGE - ELECTRIC DISTRIBUTION
108420	ACCUM. DEPR. - SALVAGE - ELECTRIC GENERAL PROPERTY
108421	ACCUM. DEPR. - SALVAGE - ELECTRIC COMMUNICATION EQUIP.
108515	ACCUM. DEPR. - SALVAGE - GAS STRUCTURES
108516	ACCUM. DEPR. - SALVAGE - GAS UNDERGROUND & TRANSMISSION EQUIP.
108519	ACCUM. DEPR. - SALVAGE - GAS DISTRIBUTION EQUIPMENT
108520	ACCUM. DEPR. - SALVAGE - GAS GENERAL EQUIP.
108621	ACCUM. DEPR. - SALVAGE - COMMON EQUIPMENT
108622	ACCUM. DEPR. - SALVAGE - COMMON COMMUNICATION EQUIPMENT
108700	ACCUM DEPR - CONTRA ASSET - PENSION
108701	ACCUM DEPR - CONTRA ASSET - OPEB
108799	RWIP-ARO LEGAL
108899	RWIP-ARO-ECR CLEARING
108901	RETIREMENT - RWIP
111102	AMORTIZATION EXPENSE - ELECTRIC FRANCHISES AND CONSENTS
111103	AMORTIZATION EXPENSE - ELECTRIC INTANGIBLES
111105	ACCUM DEPR PROPERTY UNDER FINANCING LEASES
111106	AMORTIZATION EXPENSE - ELECTRIC CLOUD IMPLEMENTATION INTANGIBLES
111202	AMORTIZATION EXPENSE - GAS FRANCHISES AND CONSENTS
111203	AMORTIZATON EXPENSE - GAS INTANGIBLES
111302	AMORTIZATION EXPENSE - COMMON FRANCHISES AND CONSENTS
111303	AMORTIZATION EXPENSE - COMMON INTANGIBLES
111306	AMORTIZATION EXPENSE - COMMON CLOUD IMPLEMENTATION INTANGIBLES
117001	GAS STORED-NONCUR
117101	GAS STORED - NONCURRENT RECOVERABLE BASE GAS
121001	NONUTIL PROP IN SERV
121007	PLANT IN SERVICE - ELECTRIC ARO ASSET RETIREMENT COST-EQUIPMENT
121107	FURNITURE & FIXTURES
122001	ACCUM DEPR/DEPL
122007	ACCUM. DEPR. - ELECTRIC ARO ASSET RETIRMENT COST-EQUIPMENT
122207	FURNITURE & FIXTURES - ACCUM DEPRECIATION
123102	INVESTMENT IN LGE PA ADJS
123103	INVEST IN LGE
123104	INVEST IN LGE CAPITAL
123105	INVESTMENT IN KU
123108	INVEST IN LEM
123109	INVEST IN SERVCO
123116	INVEST IN WKE
123118	INVEST IN FCD LLC
123123	INVESTMENT IN OVEC
123124	INVESTMENT IN DHA
123125	INVEST IN LGE CAPITAL PA ADJS
123127	INVEST IN SERVCO PA ADJS
123128	INVEST IN WKE PA ADJS
123133	INVEST IN DOWNTOWN COMMERICAL LOAD FUND
123134	INVESTMENT IN SUBS - CURRENT-YEAR EQUITY IN EARNINGS
123175	INVESTMENT IN KU PA ADJS
123186	NOTES RECEIVABLE FROM LG&E AND KU ENERGY LLC NON-CURRENT
128023	PREPAID PENSION
128024	PREPAID PENSION - LG&E UNION PLAN
128026	COLLATERAL DEPOSIT - IR SWAPS

Oracle Account Set Up Details	
Account Number	**Account Description**
128027	RESTRICTED CASH - NON-CURRENT
128028	PREPAID POSTRETIREMENT
131024	CASH- BNY MELLON BANK
131033	US BANK - LGE - LOUISVILLE
131050	SUNDRY CASH COLLECT
131069	CASH CLEARING - CCS
131080	LGE - BANK OF AMERICA - EBOX
131090	CASH-BOA A/P - CLEARING
131091	CASH-BOA PAYROLL
131092	CASH-BOA FUNDING
131093	UNION BANK - LGE - TRANSCENTRA
131200	UNION BANK - KU - TRANSCENTRA
131204	KU - BANK OF AMERICA - EBOX
131227	US BANK - MASTER ROLL UP ACCOUNT
131235	BANK OF AMERICA (BANK DRAFTS) - KU LOUISVILLE
131236	US BANK - BARLOW 134-1
131237	US BANK - EARLINGTON 141-5
131238	US BANK - EDDYVILLE 150-1
131239	US BANK - GREENVILLE 161-2
131240	US BANK - MORGANFIELD 171-1
131241	US BANK - CAMPBELLSVILLE 222-2
131242	US BANK - MOREHEAD 342-2
131243	US BANK - PARIS 351-1
131244	US BANK - LONDON 421-2
131245	US BANK - MIDDLESBORO 431-1
131246	US BANK - HARLAN 441-2
131247	US BANK - SOMERSET 451-1
131248	US BANK - NORTON 761-2
131249	US BANK - PENNINGTON GAP 773-1
131250	US BANK - DANVILLE 211-2
131251	US BANK - RICHMOND 231-2
131252	US BANK - E-TOWN 241-1
131253	US BANK - SHELBYVILLE 251-2
131254	US BANK - LEXINGTON 311-9
131255	US BANK - GEORGETOWN 321-3
131256	US BANK - VERSAILLES 331-3
131257	US BANK - MT. STERLING 341-2
131258	US BANK - MAYSVILLE 361-1
131259	US BANK - CARROLLTON 371-2
131260	US BANK - WINCHESTER 385-3
134007	RESTRICTED CASH - SHORT TERM
135001	WORKING FUNDS
136005	TEMP INV-OTHER
136015	TEMPORARY INVESTMENT ACCOUNTS AT BANK OF AMERICA
141004	NOTES RECEIVABLE - INDUSTRIAL AUTHORITY
141005	RESERVE FOR NOTES RECEIVABLE - INDUSTRIAL AUTHORITY
141006	NOTES RECEIVABLE - GAS SFC RIDER - CURRENT
141007	NOTES RECEIVABLE-401(H) ACCOUNT
142001	CUST A/R-ACTIVE
142002	A/R - UNPOSTED CASH
142003	WHOLESALE SALES A/R
142004	TRANSMISSION RECEIVABLE
142012	ACCTS REC - MISC CUSTOMERS - SUNDRY
142999	CUST A/R KU SUSP CIS- ACCTG USE ONLY
143001	A/R-OFFICERS/EMPL
143003	ACCTS REC - IMEA
143004	ACCTS REC - IMPA
143006	ACCTS REC - BILLED PROJECTS
143011	INSURANCE CLAIMS

Oracle Account Set Up Details	
Account Number	**Account Description**
143012	ACCTS REC - MISCELLANEOUS
143017	ACCTS REC - DAMAGE CLAIMS (DTS)
143024	A/R MUTUAL AID
143028	INCOME TAX RECEIVABLE - STATE
143030	EMPLOYEE PAYROLL ADVANCES
143032	ACCTS REC - TAX REFUNDS
143036	SUSPENSE - PPL
143037	STATE INCOME TAX RECEIVABLE
143038	ACCTS REC - MISC PAYROLL
143040	ACCTS REC - WKE UNWIND - DISPATCH, IT ADHOC, & CENTURY
143041	COBRA/LTD BENEFITS - RECEIVABLE
143042	AR REFINED COAL
143043	ACCTS REC - REVENUE FROM CONTRACTS
143053	LIQUIDATED DAMAGES/WARRANTY CLAIMS RECEIVABLE
144001	UNCOLL ACCT-CR-UTIL
144002	UNCOLL ACCT-DR-C/OFF
144003	UNCOLL ACCT-CR-RECOV
144004	UNCOLL ACCT-CR-OTHER
144006	UNCOLL ACCT-A/R MISC
144010	UNCOLL ACCT-CR-OTHER UNBILLED
144011	UNCOLL MISC A/R PROVISION
144014	UNCOLL A/R - WKE RESERVES
144015	UNCOLL A/R - LIQUIDATED DAMAGES
145011	N/R FROM LG&E - MONEY POOL
145012	N/R FROM KU - MONEY POOL
145013	N/R FROM LCC - MONEY POOL
145022	N/R FROM FCD - MONEY POOL
145023	N/R FROM WKE - MONEY POOL
146006	NOTES RECEIVABLE FROM LKE - CURRENT
146049	INTERCOMPANY ADVANCE FROM LG&E
146050	INTERCOMPANY ADVANCE FROM KU
146053	INTERCOMPANY PENSION RECEIVABLE
146054	I/C RECEIVABLE - PPL ELECTRIC UTILITIES CORPORATION
146055	I/C INTEREST RECEIVABLE - PPL ENERGY FUNDING CURRENT
146057	I/C RECEIVABLE - PPL SERVICES CORPORATION
146058	I/C RECEIVABLE - PPL CORPORATION
146061	INTERCOMPANY INCOME TAX RECEIVABLE - FEDERAL
146064	I/C RECEIVABLE - PPL STRATEGIC DEVELOPMENT, LLC
146067	I/C RECEIVABLE - PPL EU SERVICES CORPORATION
146070	I/C RECEIVABLE - PPL TRANSLINK
146080	I/C RECEIVABLE - PPL DISTRIBUTED ENERGY RESOURCES, LLC
146082	I/C RECEIVABLE - SAFARI ENERGY, LLC
146100	INTERCOMPANY
151010	FUEL STK-LEASED CARS
151020	COAL PURCHASES - TONS - $
151021	COAL - BTU ADJ - BTU
151023	IN-TRANSIT COAL - TONS - $
151025	TC2 NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - COAL PURCHASES - TONS - $
151026	TC2 NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - COAL PURCHASES (STAT ONLY)
151030	FUEL OIL - GAL - $
151031	FUEL OIL - BTU
151032	TC2 NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - FUEL OIL - GAL - $
151033	TC2 NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - FUEL OIL (STAT ONLY)
151060	RAILCARS-OPER/MTCE
151061	GAS PIPELINE OPER/MTCE - MCF - $
151073	IN-TRANSIT COAL-MMBTU/IN-TRANSIT PET COKE <AUG 2009
151080	COAL BARGE SHUTTLING
154001	MATERIALS/SUPPLIES
154003	LIMESTONE

Oracle Account Set Up Details	
Account Number	**Account Description**
154006	OTHER REAGENTS
154007	TC2 NON-JURISDICTIONAL CONTRA (IMEA/IMPA) - LIMESTONE
154008	TC2 NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - M&S
154023	LIMESTONE IN-TRANSIT
158121	SO2 ALLOWANCE INVENTORY
158122	NOX OZONE SEASON ALLOWANCE INVENTORY
158125	NOX ANNUAL ALLOWANCE INVENTORY
163001	STORES EXPENSE-T&D (ALL LOB PRIOR TO 6/14)
163002	WAREHOUSE EXPENSES-T&D (ALL LOB PRIOR TO 6/14)
163003	FREIGHT-T&D (ALL LOB PRIOR TO 6/14)
163004	ASSET RECOVERY-T&D (ALL LOB PRIOR TO 6/14)
163005	SALES TAX-T&D (ALL LOB PRIOR TO 6/14)
163006	PHYS INVENT ADJUSTMT-T&D (ALL LOB PRIOR TO 6/14)
163007	INVOICE PRICE VARIANCES-T&D (ALL LOB PRIOR TO 6/14)
163011	STORES EXPENSE - GENERATION
163012	WAREHOUSE EXPENSES - GENERATION
163013	FREIGHT - GENERATION
163015	SALES TAX - GENERATION
163016	PHYS INVENT ADJUSTMT - GENERATION
163017	INVOICE PRICE VARIANCES - GENERATION
163100	OTHER-T&D (ALL LOB PRIOR TO 6/14)
163101	OTHER - GENERATION
163201	TC2 NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - STORES
164101	GAS STORED-CURRENT
165001	PREPAID INSURANCE
165002	PREPAID TAXES
165013	PREPAID RIGHTS OF WAY
165018	PREPAID RISK MGMT AND WC
165025	PREPAID SALES & OTHER TAXES
165026	PREPAID ADP FUNDING
165100	PREPAID OTHER
165101	PREPAID IT CONTRACTS
165102	TC2 NON-JURISDICTIONAL CONTRA (IMEA-IMPA) - PREPAID INSURANCE
165201	PREPAID IT CONTRACTS-LT
165202	PREPAID ROYALTIES POWELL LT
165203	PREPAID RIGHTS OF WAY-LT
165204	PREPAID INSURANCE - LONG TERM
165900	PREPAID OTHER - INDIRECT
165950	PREPAID INSURANCE - INDIRECT
171001	INTEREST RECEIVABLE
172001	RENTS RECEIVABLE FOR POLE ATTACHMENTS
172002	LEASES RECEIVABLE
173001	ACCRUED UTIL REVENUE
173002	ACCRUED REVENUE - UNBILLED BEYOND THE METER
173005	ACCRUED WHOLESALE SALES REVENUE - UNBILLED
174001	MISC CURR/ACCR ASSET
181200	UNAMORTIZED DEBT EXPENSE REVOLVERS/LCS
181300	UNAMORTIZED DEBT EXPENSE BONDS
182201	LEGACY METER - LG&E ELECTRIC REGULATORY ASSET
182202	LEGACY METER - KU KENTUCKY REGULATORY ASSET
182203	LEGACY METER - KU VIRGINIA REGULATORY ASSET
182305	REGULATORY ASSET - FAS 158 OPEB
182306	FUEL ADJUSTMENT CLAUSE
182307	ENVIRONMENTAL COST RECOVERY
182308	REG ASSET - GAS SUPPLY CLAUSE
182309	VA FUEL COMPONENT - JURISDICTIONAL CUSTOMERS (CURRENT)
182313	REG ASSET - PENSION GAIN-LOSS AMORTIZATION-15 YEAR
182315	REGULATORY ASSET - FAS 158 PENSION
182317	OTHER REGULATORY ASSETS ARO - GENERATION

Oracle Account Set Up Details	
Account Number	**Account Description**
182318	OTHER REG ASSETS ARO - TRANSMISSION
182320	WINTER STORM - ELECTRIC
182325	OTHER REGULATORY ASSETS ARO - DISTRIBUTION
182326	OTHER REGULATORY ASSETS ARO - GAS
182328	FASB 109 ADJ-FED
182329	FASB 109 GR-UP-FED
182330	FASB 109 ADJ-STATE
182331	FASB 109 GR-UP-STATE
182332	CMRG FUNDING (CARBON MGT RESEARCH GROUP)
182334	WIND STORM REGULATORY ASSET
182335	RATE CASE EXPENSES - ELECTRIC
182336	RATE CASE EXPENSES - GAS
182342	WINTER STORM - GAS
182344	REG ASSET - LT - SWAP TERMINATION
182350	AMI O&M - KU KENTUCKY REGULATORY ASSET
182351	AMI O&M - KU VIRGINIA REGULATORY ASSET
182352	REG ASSET - LT INTEREST RATE SWAP
182361	2011 SUMMER STORM - ELECTRIC
182363	DSM COST RECOVERY - UNDER-RECOVERY
182365	GAS LINE TRACKER- REG ASSET
182366	REG ASSET - MUNI GEN TRUE UP
182369	GREEN RIVER REGULATORY ASSET
182370	REGULATORY ASSET - OST
182371	REG ASSET - FORWARD STARTING SWAPS SEP-2015
182372	OTHER REGULATORY ASSETS ARO - GENERATION - CCR
182373	REG. ASSET - OPEN ARO PONDS - KY
182374	REG. ASSET - OPEN ARO PONDS - VA
182375	REG. ASSET - OPEN ARO PONDS - FERC REMAINING MUNI
182376	REG. ASSET - OPEN ARO PONDS - FERC DEPARTING MUNI
182377	REG. ASSET - CLOSED ARO PONDS - KY
182378	REG. ASSET - CLOSED ARO PONDS - VA
182379	REG. ASSET - CLOSED ARO PONDS - FERC REMAINING MUNI
182380	REG. ASSET - CLOSED ARO PONDS - FERC DEPARTING MUNI
182381	REG ASSET - LT - BOA SWAP TERMINATION
182382	REG. ASSET - CLOSED ARO PONDS - PARIS
182383	REG. ASSET - OPEN ARO PONDS - PARIS
182384	REG ASSET - ASU 2017-07 - NON SERVICE COST - PENSION
182385	REG ASSET - ASU - 2017-07 - NON SERVICE COST - OPEB
182386	REG ASSET - PLANT OUTAGE NORMALIZATION
182387	OTHER REGULATORY ASSETS ARO - ECR/CCR
182388	REGULATORY ASSET - SUMMER STORM 2018
182389	REGULATORY ASSET - WINTER STORM 2018
182390	REGULATORY ASSET - LATE PAYMENT CHARGE WAIVER
182391	REGULATORY ASSET - BROWN INVENTORY
182392	REGULATORY ASSET - BROWN 1 STACK REPAIRS
182393	REGULATORY ASSET - COVID19 - VA
182394	AMI CAPITAL - LG&E ELECTRIC REGULATORY ASSET
182395	AMI CAPITAL - LG&E GAS REGULATORY ASSET
182396	AMI CAPITAL - KU KENTUCKY REGULATORY ASSET
182397	AMI CAPITAL - KU VIRGINIA REGULATORY ASSET
182398	AMI O&M - LG&E ELECTRIC REGULATORY ASSET
182399	AMI O&M - LG&E GAS REGULATORY ASSET
183201	OTH PREL SUR/INV-GAS
183302	PRELIMINARY SURV/INV ELEC - LT
184002	VACATION PAY
184011	HOLIDAY PAY
184021	SICK PAY
184031	OTHER OFF-DUTY PAY
184040	TEAM INCENTIVE AWARD - BURDEN CLEARING

Oracle Account Set Up Details	
Account Number	**Account Description**
184075	WORKERS COMP - BURDEN CLEARING
184076	ADMINISTRATIVE AND GENERAL - BURDEN CLEARING
184093	LONG TERM DISABILITY - BURDEN CLEARING
184096	PENSION SERVICE COST - BURDEN CLEARING - LIABILITY
184097	FASB 106 (OPEB) SERVICE COST - BURDEN CLEARING
184098	FASB 112 - BURDEN CLEARING
184099	PENSION SERVICE COST - BURDEN CLEARING
184100	WALL STREET SUSPENSE ACCOUNT
184101	GROUP LIFE INSURANCE - BURDEN CLEARING
184104	DENTAL INSURANCE - BURDEN CLEARING
184105	MEDICAL INSURANCE - BURDEN CLEARING
184108	401K - BURDEN CLEARING
184109	RETIREMENT INCOME - BURDEN CLEARING
184119	PENSION NON SERVICE COST - BURDEN CLEARING - LIABILITY
184120	FASB 106 POST RETIREMENT NON SERVICE COST - BURDEN CLEARING
184121	OTHER BENEFITS - BURDEN CLEARING
184122	PENSION NON SERVICE COST - BURDEN CLEARING
184125	PAYROLL TAX CLEARING - FICA, STATE AND FED UNEMPLOYMENT
184130	LKS ALLOCATION CLEARING ACCOUNT
184135	ORACLE PROJECT BURDEN CLEARING ACCOUNT
184136	LKS ALLOC. CLEARING ACCOUNT FOR ALLOCATED CAPITAL
184141	SUNDRY CASH RECEIPTS CLEARING
184150	SYSTEM ALLOC-CO 1
184301	GASOLINE-TRANSP
184304	VEHICLE REPR-TRANSP
184307	ADMIN/OTH EXP-TRANSP
184308	VALUE-ADD SVCSTR
184309	DIESEL FUEL-TRANSP
184312	RENT/STORAGE-TRANSP
184313	TELECOM VEHICLE RADIO / COMPUTER EXPENSES
184314	LICENSE/TAX-TRANSP
184315	DEPRECIATION-TRANSP
184319	FUEL ADMINISTRATION VEHICLES
184320	TRANSPORTATION EXPENSE ALLOCATION - CLEARING
184450	CL ACC TO OTH DEF CR
184503	OPERATIONS - SIMPSONVILLE
184504	OPERATION-SSC
184505	MAINTENANCE-SSC
184506	MAINTENANCE - SIMPSONVILLE
184507	OPERATIONS - KU GENERAL OFFICE
184508	MAINTENANCE - KU GENERAL OFFICE
184514	OPERATION-ESC
184515	MAINTENANCE-ESC
184516	OPERATION-BOC
184517	MAINTENANCE-BOC
184518	OPERATION-AUBURNDALE
184519	MAINT-AUBURNDALE
184521	OPERATIONS - MORGANFIELD
184522	MAINTENANCE - MORGANFIELD
184523	OPERATIONS - DIX DAM
184524	MAINTENANCE - DIX DAM
184525	OPERATIONS - EARLINGTON
184526	MAINTENANCE - EARLINGTON
184533	OPERATIONS - PINEVILLE
184534	MAINTENANCE - PINEVILLE
184535	OPERATIONS - EOC TRAINING BLDG
184536	MAINTENANCE - EOC TRAINING
184599	MISC FACILITIES ALLOCATION-OFFSET
184600	ENGINEERING OVERHEADS - GENERATION

Oracle Account Set Up Details	
Account Number	**Account Description**
184602	ENGINEERING OVERHEADS - DISTRIBUTION
184603	ENGINEERING OVERHEADS - RETAIL GAS
184605	ENGINEERING OVERHEADS - TRANSMISSION
184612	ENGINEERING OVERHEADS - DISTRIBUTION
184615	ENGINEERING OVERHEADS - TRANSMISSION DIRECT
184622	ENGINEERING OVERHEADS - DISTRIBUTION INDIRECT
184630	ENGINEERING OVERHEADS - GENERATION DIRECT
184650	CUSTOMER ADVANCES - CLEARING
184702	IEXPENSE CREDIT CARD CLEARING
184730	LEASE PAYMENT - CLEARING
186001	MISC DEFERRED DEBITS
186004	FINANCING EXPENSE
186035	KEY MAN LIFE INSURANCE
186049	PRELIMINARY CELL SITE COSTS
186051	NOTES RECEIVABLE - GAS SFC RIDER - LONG TERM
186074	CANE RUN 7 LTPC ASSET
186075	BROWN 6 AND 7 LTSA ASSET
186505	GOODWILL
186553	OTH INTANG ASSETS - OVEC PPA ENERGY CONTRACT
186576	CARROLLTON SALE/LEASEBACK
186700	OTHER DEFERRED LT ASSET - ASU 2017-07 - NON SERVICE COST - PENSION
186701	OTHER DEFERRED LT ASSET - ASU 2017-07 - NON SERVICE COST - OPEB
188001	RESRCH/DEV/DEMO EXP
188901	RESRCH/DEV/DEMO EXP - INDIRECT
189100	UAMORTIZED LOSS ON REACQUIRED DEBT
190007	FASB 109 ADJ-FED
190008	FASB 109 GRS-UP-FED
190009	FASB 109 ADJ-STATE
190010	FASB 109 GRS-UP-ST
190414	DTA ON PROVISIONS FOR PENSIONS - OCI - FED (NON-CURRENT)
190415	DTA FEDERAL - NON-CURRENT
190416	DTA ON FIN 48 - UTP - FEDERAL
190614	DTA ON PROVISIONS FOR PENSIONS - OCI - ST (NON-CURRENT)
190615	DTA STATE - NON-CURRENT
190616	DTA ON FIN 48 - UTP - STATE
201001	COMMON STOCK-AUTH SH
201002	COMMON STOCK-W/O PAR
211001	CONTRIBUTED CAPITAL - MISC.
214010	CAP STOCK EXP-COMMON
216001	UNAPP RETAINED EARN
219011	ACCUM OCI OF SUBS - PTAX
219012	OCI - FAS 158 (OPEB) PRE-ACQUISITION
219013	OCI - FAS 158 INCREASE FUNDED STATUS - GROSS
219014	AOCI - FAS 158 POST-ACQUISITION
219015	OCI - FAS 158 (SERP)
219016	OCI - FAS 158 (OPEB)
219110	DEFERRED TAX - OCI - EQUITY INVEST EEI
219111	ACCUM OCI OF SUBS - TAX
219112	OCI - FAS 158 (OPEB) PRE-ACQUISITION - TAX
219113	OCI - FAS 158 INCREASE FUNDED STATUS - TAX
219114	AOCI TAX - FAS 158 POST-ACQUISITION
219115	OCI - FAS 158 (SERP) - TAX
219116	OCI - FAS 158 (OPEB) - TAX
221100	LONG TERM DEBT
221899	CURRENT PORTION OF LONG TERM DEBT
223014	LT NOTES PAYABLE TO SERVCO
223101	LT - NOTES PAYABLE TO CEP RESERVES
225004	UNAMORTIZED PREMIUM ON LT DEBT
226100	DEBT DISCOUNT BONDS

Oracle Account Set Up Details	
Account Number	**Account Description**
226899	CURRENT PORTION OF DEBT DISCOUNT BONDS
227101	OBLIGATIONS UNDER OPERATING LEASES - NONCURRENT
227102	OBLIGATIONS UNDER FINANCING LEASES - NONCURRENT
228201	WORKERS COMPENSATION
228202	WORKERS COMPENSATION - SHORT-TERM
228301	FASB106-POST RET BEN
228304	PENSION PAYABLE
228305	POST EMPLOYMENT BENEFIT PAYABLE
228306	PENSION PAYABLE SERP
228307	FASB 106 - MEDICARE SUBSIDY
228325	FASB 112 - POST EMPLOY MEDICARE SUBSIDY
230011	ASSET RETIREMENT OBLIGATIONS - STEAM - CCR
230012	ASSET RETIREMENT OBLIGATIONS - STEAM
230013	ASSET RETIREMENT OBLIGATIONS - TRANSMISSION
230015	ASSET RETIREMENT OBLIGATIONS - DISTRIBUTION
230016	ASSET RETIREMENT OBLIGATIONS - GAS
230021	ASSET RETIREMENT OBLIGATIONS - STEAM - CCR - ST
230022	ASSET RETIREMENT OBLIGATIONS - STEAM - ST
230026	ASSET RETIREMENT OBLIGATIONS - GAS - ST
230799	RWIP-ARO-ECR
231005	COMMERCIAL PAPER PAYABLE
231006	DISCOUNT ON COMMERCIAL PAPER
231010	COMMERCIAL PAPER PAYABLE - NON-CURRENT
231100	REVOLVING CREDIT FACILITIES
232001	ACCTS PAYABLE-REG
232002	SALS/WAGES ACCRUED
232008	SUNDRY BILLING REFUNDS
232009	PURCHASING ACCRUAL
232010	WHOLESALE PURCHASES A/P
232011	TRANSMISSION PAYABLE
232014	RECEIVING/INSPECTION ACCRUAL
232015	AP FUEL
232022	ACCRUED AUDIT FEES
232023	ACCRUED TAXABLE OFFICER BENEFITS
232024	CREDIT CASH BALANCE
232028	AP FUEL - NATURAL GAS
232029	BROWN SOLAR REC LIABILITY
232030	RETAINAGE FEES - NON-ARO
232031	A/P - CWIP ACCRUALS
232032	A/P - RWIP ACCRUALS (NON-ARO)
232033	A/P - RWIP ACCRUALS (ARO)
232034	RETAINAGE FEES - ARO
232035	LEASE ACCRUAL OTHER MISC
232042	MISO AND PJM ANCILLARY SERVICES CHARGES A/P
232043	AP REFINED COAL
232060	AP - GAS SUPPLY PURCHASES
232093	SUSPENSE - CCS
232094	SUSPENSE - PPL
232095	SUSPENSE - SALES TAX BURDEN
232096	SUSPENSE - OTHER BURDENS
232097	SUSPENSE - INVENTORY
232098	ACCOUNTS PAYABLE INVOICE CLEARING
232099	SUSPENSE ACCOUNT
232100	ACCOUNTS PAYABLE-TRADE
232111	401K LIABILITY - EMPLOYER
232211	TIA LIABILITY
232246	DCAP WITHHOLDING PAYABLE
232248	HCRA WITHHOLDING PAYABLE
232252	HEALTH EQUITY HIGH DEDUCTIBLE WITHHOLDING PAYABLE

Oracle Account Set Up Details	
Account Number	**Account Description**
232299	PAYROLL WITHHOLDING PAYABLES
233011	ST - NOTES PAYABLE TO LKE PARENT
233013	ST - NOTES PAYABLE TO SERVCO
233030	N/P TO LKE PARENT - MONEY POOL
233102	N/P TO KU - MONEY POOL
234012	I/C PAYABLE CEP RESERVES
234051	INTERCOMPANY PENSION PAYABLE
234052	I/C PAYABLE-PPL SERVICES CORPORATION
234055	I/C PAYABLE-PPL CORPORATION
234056	I/C PAYABLE-PPL CAPITAL FUNDING, INC.
234057	I/C PAYABLE-PPL EU SERVICES CORPORATION
234100	A/P TO ASSOC CO
235001	CUSTOMER DEPOSITS
235002	CUSTOMER DEPOSITS OFF-SYS
235003	CUSTOMER DEPOSITS - TRANSMISSION
236007	FICA-OPR
236013	ST SALES/USE TAX-KY-OPR
236023	ST SALES/USE TAX-IN-OPR
236025	CORP INC TAX-FED EST-OPR
236026	CORP INC TAX-ST EST-OPR
236031	CORP INCOME-KY-OPR
236032	CORP INCOME-FED-OPR
236033	REAL ESTATE AND PERSONAL PROPERTY TAXES
236034	PROPERTY TAX ON RAILCARS USED FOR COAL
236036	REAL ESTATE AND PERSONAL PROPERTY TAXES - NON KY
236037	VIRGINIA USE TAX
236115	STATE UNEMPLOYMENT-OPR
236116	FEDERAL UNEMPLOYMENT-OPR
236207	FICA NON-CURRENT
237100	ACCR INT LONG-TERM DEBT
237300	INT ACC-OTH LIAB
237301	INTEREST ACCRUED ON CUSTOMER DEPOSITS
237304	INTEREST ACCRUED ON TAX LIABILITIES
241018	STATE WITHHOLDING TAX PAYABLE
241036	LOCAL WITHHOLDING TAX PAYABLE
241038	T/C PAY-ST SALES/USE
241039	T/C PAY-OCCUP/SCHOOL
241046	CONSUMER UTILITY TAX-VA
241049	FRANCHISE FEE PAYABLE-CHARGE UNCOLLECTED
241056	FRANCHISE FEE COLLECTED ON BAD DEBTS
241061	T/C PAY - ST SALES/USE OVER COLLECTIONS
241062	T/C PAY - SCHOOL TAX OVER COLLECTIONS
241099	PAYROLL EE FICA & FED LIABILITY PAYABLES
242001	MISC LIABILITY
242002	MISC LIAB-VESTED VAC
242005	UNEARNED REVENUE - CURRENT
242014	ESCHEATED DEPOSITS
242015	FRANCHISE FEE PAYABLE-FRANCHISE LOCATIONS
242017	HOME ENERGY ASSISTANCE
242018	GREEN POWER REC LIABILITY
242019	GREEN POWER MKT LIABILITY
242021	FASB 106-POST RET BEN - CURRENT
242022	ACCRUED SHORT TERM INCENTIVE
242023	PENSION PAYABLE SERP CURRENT
242027	AR CREDITS
242028	SERVICE DEPOSIT REFUND PAYABLE
242030	WINTERCARE ENERGY FUND
242031	NO-NOTICE GAS PAYABLE
242034	MCI UNEARNED REVENUE

Oracle Account Set Up Details	
Account Number	**Account Description**
242038	COBRA/LTD BENEFITS - PAYABLE
242039	SUSPENSE - CASH
242081	UNEARNED REVENUE - LEASES CURRENT
242101	RETIREMENT INCOME LIABILITY
242102	IBNP MEDICAL AND DENTAL RESERVE
243102	OBLIGATIONS UNDER OPERATING LEASES - CURRENT
243103	OBLIGATIONS UNDER FINANCING LEASES - CURRENT
244512	LT DERIV LIAB FAS 133-NON HEDGING MS1
244513	LT DERIV LIAB FAS 133-NON HEDGING MS2
244515	ST DERIV LIAB FAS 133-NON HEDGING MS1
244516	ST DERIV LIAB FAS 133-NON HEDGING MS2
244519	ST DERIV LIAB FAS 133 JPM
252011	LINE EXTENSIONS
252013	CUSTOMER ADVANCES - CONSTRUCTION - LONG TERM
252015	MOBILE HOME LINE
252017	CUSTOMER ADVANCES - SHORT TERM
253004	OTH DEFERRED CR-OTHR
253005	CL ACC FR OTH DEF DR
253025	DEFERRED COMPENSATION
253032	UNCERTAIN TAX POSITION - FEDERAL
253033	UNCERTAIN TAX POSITION - STATE
253034	MCI AMORTIZATION
253041	CANE RUN 7 LTPC LIABILITY
253042	LONG TERM RETAINAGE - NON-ARO
253043	LONG TERM RETAINAGE - ARO
253044	BROWN 6 AND 7 LTSA LIABILITY
253050	KY TAX RATE REDUCTION
253320	UNCERTAIN TAX POSITIONS - INTEREST
253576	DEF GAIN - CARROLLTON SALE/LEASEBACK
254001	FASB 109 ADJ-FED
254002	FASB 109 GR-UP-FED
254003	FASB 109 ADJ-STATE
254004	FASB 109 GR-UP-STATE
254007	REG LIABILITY - GAS SUPPLY CLAUSE
254008	DSM COST RECOVERY
254010	REGULATORY LIABILITY - FAS 158 OPEB
254011	VA FUEL COMPONENT - JURISDICTIONAL CUSTOMERS (CURRENT)
254017	ENVIRONMENTAL COST RECOVERY
254018	REGULATORY LIABILITY FAC
254020	GAS LINE TRACKER- REG LIABILITY
254022	REG LIAB - MUNI GEN TRUE UP
254024	REGULATORY LIABILITY - OST
254025	REG LIABILITY - REFINED COAL - KENTUCKY
254026	REG LIABILITY - REFINED COAL - VIRGINIA
254027	REG LIABILITY - REFINED COAL - FERC
254030	REG LIAB - ASU 2017-07 - NON SERVICE COST - PENSION
254031	REG LIAB - ASU - 2017-07 - NON SERVICE COST - OPEB
254032	REG LIABILITY - 2011 SUMMER STORM
254033	REG LIABILITY - BROWN 1 STACK REPAIRS
254034	REG LIABILITY - TCJA - FERC ONLY
254058	PAA REGULATORY LIABILITY - OVEC VALUATION
254059	REG. LIABILITY - PLANT OUTAGE NORMALIZATION
254060	REG LIABILITY - BREC SETTLEMENT
254090	REGULATORY LIAB FORWARD STARTING SWAPS NOV 2013
254403	LEGACY METER EXCESS DEPR - LG&E ELECTRIC REG LIABILITY
254404	LEGACY METER EXCESS DEPR - KU KENTUCKY REG LIABILITY
254405	LEGACY METER EXCESS DEPR - KU VIRGINIA REG LIABILITY
254406	AMI O&M - LG&E ELECTRIC REGULATORY LIABILITY
254407	AMI O&M - LG&E GAS REGULATORY LIABILITY

Oracle Account Set Up Details	
Account Number	**Account Description**
254408	AMI O&M - KU KENTUCKY REGULATORY LIABILITY
254409	AMI O&M - KU VIRGINIA REGULATORY LIABILITY
255004	ITC TC2
255006	JOB DEVELOP CR
255009	ITC SOLAR
282007	FASB 109 ADJ-FED PRO
282009	FASB 109 ADJ-ST PROP
282503	DTL ON FIXED ASSETS
282703	DTL ON FIXED ASSETS - STATE (NON-CURRENT)
283011	FASB 109 GR-UP-F-OTH
283012	FASB 109 GR-UP-S-OTH
283017	DEF INC TAX - FED EST
283018	DEF INC TAX - ST EST
283514	DTL ON PROVISIONS FOR PENSIONS - OCI - FED (NON-CURRENT)
283515	DTL FEDERAL - NON-CURRENT
283519	DTL ON LIABILITIES - EEI -FED (NON-CURRENT)
283714	DTL ON PROVISIONS FOR PENSIONS - OCI - STATE (NON-CURRENT)
283715	DTL STATE - NON-CURRENT
283719	DTL ON LIABILITIES - EEI - STATE (NON-CURRENT)
403011	DEPREC EXP - STEAM POWER GEN
403012	DEPREC EXP - HYDRO POWER GEN
403013	DEPREC EXP - OTH POWER GEN
403014	DEPREC EXP - TRANSMISSION
403015	DEPREC EXP - DISTRIBUTION
403016	GENERAL DEPRECIATION EXPENSE
403021	DEPREC. EXP. - UNDERGROUND - GAS
403022	DEPREC. EXP. - TRANSMISSION - GAS
403023	DEPREC. EXP. - DISTRIBUTION - GAS
403024	DEPREC. EXP. - GENERAL - GAS
403025	DEPREC. EXP. - COMMON
403026	DEPREC. EXP. - STEAM - ECR
403027	DEPREC EXP - ELECTRIC - DSM
403028	DEPREC EXP - GAS - DSM
403029	DEPREC. EXP. - GENERAL - GLT
403030	DEPREC. EXP. - TRANS - GLT
403050	DEPREC EXP FINANCE LEASES
403100	DEPREC EXP
403111	DEPREC EXP ARO STEAM
403112	DEPREC EXP ARO TRANSMISSION
403113	DEPREC EXP ARO OTHER PRODUCTION
403114	DEPREC EXP ARO HYDRO
403115	DEPREC EXP ARO DISTRIBUTION
403121	DEPREC EXP ARO GAS UNDERGROUND STORAGE
403122	DEPREC EXP ARO GAS DISTRIBUTION
403123	DEPREC EXP ARO GAS TRANSMISSION
403181	DEPRECIATION NEUTRALITY - GENERATION DEPRECIATION
403182	DEPRECIATION NEUTRALITY - TRANSMISSION DEPRECIATION
403185	DEPRECIATION NEUTRALITY - DISTRIBUTION DEPRECIATION
403186	DEPRECIATION NEUTRALITY - GAS DEPRECIATION
403700	DEPREC EXP - CONTRA ASSET - PENSION
403701	DEPREC EXP - CONTRA ASSET - OPEB
404301	AMORT-INTANG GAS PLT
404302	AMORT-GAS INTANG PLANT CLOUD
404401	AMT-EL INTAN PLT-RTL
404402	AMT-EL INTAN PLT-WHS
404403	AMORT-INTANG PLANT CLOUD
407304	AMORT EXPENSE - OPEN ARO PONDS - KY
407305	AMORT EXPENSE - OPEN ARO PONDS - VA
407306	AMORT EXPENSE - OPEN ARO PONDS - FERC REMAINING MUNI

Oracle Account Set Up Details	
Account Number	**Account Description**
407307	AMORT EXPENSE - OPEN ARO PONDS - FERC DEPARTING MUNI
407308	AMORT EXPENSE - CLOSED ARO PONDS - KY
407309	AMORT EXPENSE - CLOSED ARO PONDS - VA
407310	AMORT EXPENSE - CLOSED ARO PONDS - FERC REMAINING MUNI
407311	AMORT EXPENSE - CLOSED ARO PONDS - FERC DEPARTING MUNI
407312	AMORT EXPENSE - OPEN ARO PONDS - VA ADJUSTMENT
407313	AMORT EXPENSE - OPEN ARO PONDS - FERC REMAIN ADJUSTMENT
407314	AMORT EXPENSE - OPEN ARO PONDS - FERC DEPART ADJUSTMENT
407315	AMORT EXPENSE - CLOSED ARO PONDS - VA ADJUSTMENT
407316	AMORT EXPENSE - CLOSED ARO PONDS - FERC REMAIN ADJUSTMENT
407317	AMORT EXPENSE - CLOSED ARO PONDS - FERC DEPART ADJUSTMENT
407319	AMORT EXPENSE - OPEN ARO PONDS - PARIS
407321	AMORT EXPENSE - OPEN ARO PONDS - PARIS ADJUSTMENT
407322	REGULATORY DEBITS AMI
408101	TAX-NON INC-UTIL OPR
408102	REAL AND PERSONAL PROP. TAX
408103	KY PUBLIC SERVICE COMMISSION TAX
408105	FEDERAL UNEMP TAX
408106	FICA TAX
408107	STATE UNEMP TAX
408108	REAL AND PERSONAL PROP TAX - ECR
408109	REAL AND PERSONAL PROP TAX - GLT DISTR
408110	REAL AND PERSONAL PROP TAX - GLT TRANS
408192	REAL AND PERSONAL PROP. TAX - INDIRECT
408195	FEDERAL UNEMP TAX - INDIRECT
408196	FICA TAX - INDIRECT
408197	STATE UNEMP TAX - INDIRECT
408202	TAX-NON INC-OTHER
408203	TC N/A OTHER TAXES
409101	FED INC TAX-UTIL OPR
409102	KY ST INCOME TAXES
409104	FED INC TAXES - EST
409105	ST INC TAXES - EST
409106	FED INC TAX-WKE OPR
409107	KY ST INCOME TAXES-WKE OPR
409108	FED INC TAX - UTIL OPR - SPEC ITEM
409109	KY ST INCOME TAXES - SPEC ITEM
409203	FED INC TAX-OTHER
409206	ST INC TAX-OTHER
409209	FED IN TAXES-OTH EST
409210	ST INC TAXES-OTH EST
409213	FED CURRENT INC TAX-GAIN ON SALE DISCO
409214	ST CURRENT INC TAX-GAIN ON SALE DISCO
409218	FED INC TAX - UTIL OPR - SPEC ITEM-BTL
409219	KY ST INCOME TAXES - SPEC ITEM-BTL
410101	DEF FED INC TAX-OPR
410102	DEF ST INC TAX-OPR
410103	DEF FED INC TAX - OPR EST
410104	DEF ST INC TAX - OPR EST
410106	DEF FED INC TAX-WKE OPR
410107	DEF ST INC TAX-WKE OPR
410108	DEF FED INC TAX-SPEC ITEM
410109	DEF ST INC TAX-SPEC ITEM
410203	DEF FEDERAL INC TX
410204	DEF STATE INC TAX
410208	DEF FED INC TAX-SPEC ITEM-BTL
410209	DEF ST INC TAX-SPEC ITEM-BTL
411100	ACCRETION EXPENSE - NEUTRALITY
411101	FED INC TX DEF-CR-OP

Oracle Account Set Up Details	
Account Number	**Account Description**
411102	ST INC TAX DEF-CR-OP
411103	ACCRETION EXPENSE - ELECTRIC
411104	ACCRETION EXPENSE - GAS
411106	FED INC TX DEF-CR-WKE OPR
411107	ST INC TAX DEF-CR-WKE OPR
411108	FED INC TX DEF-CR-SPEC ITEM
411109	ST INC TAX DEF-CR-SPEC ITEM
411201	FD INC TX DEF-CR-OTH
411202	ST INC TX DEF-CR-OTH
411208	FED INC TAX DEF-CR-SPEC ITEM-BTL
411209	ST INC TAX DEF-CR-SPEC ITEM-BTL
411403	ITC DEFERRED
411404	AMORTIZATION OF ITC
411601	GAIN-PLANT HELD FOR FUTURE USE
411701	LOSS-PLANT HELD FOR FUTURE USE
411802	GAIN-DISP OF ALLOW
411810	GAIN-SOLAR REC REVENUE
412001	SERVICE COMPANY CONSTRUCTION OR OTHER SERVICES EXP
412901	SERVICE COMPANY CONSTRUCTION OR OTHER SERVICES EXP - INDIRECT
415001	REVENUE FROM CUSTOMER SERVICE LINES
415004	MERCHANDISE SALES
415005	INDUSTRIAL COAL SERVICES INCOME
416004	MERCHANDISE COST OF SALES
416005	INDUSTRIAL COAL SERVICES EXPENSE
417004	SERVICE CHARGE AND SUPERVISORY FEE - IMEA AND IMPA
417005	IMPA-WORKING CAPITAL
417006	IMEA-WORKING CAPITAL
417102	STEAM EXPENSES - (TC ALLOC ONLY)
417105	ELECTRIC EXPENSES - (TC ALLOC ONLY)
417106	MISC EXPENSES - (TC ALLOC ONLY)
417107	RENTS
417108	OPERATION SUPERVISION / ENGR - (TC ALLOC ONLY)
417109	EMISSION ALLOWANCES - (TC ALLOC ONLY)
417110	MTCE SUPERVISION/ENG - (TC ALLOC ONLY)
417111	MTCE OF STRUCTURES - (TC ALLOC ONLY)
417112	MTCE OF BOILER PLANT - (TC ALLOC ONLY)
417113	MTCE OF ELEC PLANT - (TC ALLOC ONLY)
417114	MTCE OF MISC PLANT - (TC ALLOC ONLY)
417120	ADMIN AND GEN SAL - (TC ALLOC ONLY)
417121	OFFICE SUPP AND EXP - (TC ALLOC ONLY)
417123	OUSIDE SVCE EMPLOYED - (TC ALLOC ONLY)
417124	PROPERTY INSURANCE - (TC ALLOC ONLY)
417125	INJURIES AND DAMAGES - (TC ALLOC ONLY)
417126	EMPL PENSIONS/BEN - (TC ALLOC ONLY)
417129	DUPLICATE CGS - CR - (TC ALLOC ONLY)
417130	MISC GENERAL EXP - (TC ALLOC ONLY)
417131	ADMIN AND GEN RENTS - (TC ALLOC ONLY)
417135	MTCE OF GEN PLANT - (TC ALLOC ONLY)
417199	OPERATING EXPENSES OF NON-UTILITY OPERATIONS
418110	EQUITY IN EARNINGS OF CONSOLIDATED SUBSIDIARIES
419002	INT INC-US TREAS SEC
419005	INT INC-FED TAX PMT
419006	INT INC-ST TAX PMT
419014	DIVS FROM INVESTMENT
419150	ALLOW FOR FUNDS USED DURING CONSTRUC-EQUITY
419151	AMI AFUDC - EQUITY
419205	INTEREST INCOME FROM FINANCIAL HOLDINGS
419206	INTEREST INCOME FROM OTHER LOANS & RECEIVABLES
419207	INTEREST INCOME FROM SPECIAL FUNDS

Oracle Account Set Up Details	
Account Number	**Account Description**
419208	INT INC - PPL ENERGY FUNDING
419209	INT INC-ASSOC CO
420003	AMORTIZATION OF ITC
421001	MISC NONOPR INCOME - INDIRECT
421003	KM LIFE INS - CASH SURRENDER VALUE
421007	MISC NONOPR INCOME - DIRECT
421101	GAIN-PROPERTY DISP
421105	GAIN ON ARO SETTLEMENT
421106	GAIN - LEASE DISP
421201	LOSS-PROPERTY DISP
421206	LOSS - LEASE DISP
421306	PRETAX GAIN/LOSS ON DISPOSAL OF DISC OPERS - CENTURY RECEIVABLE
426101	DONATIONS
426120	SPONSORSHIP/OTHER COMMUNITY RELATIONS
426190	SPONSORSHIP/OTHER COMMUNITY RELATIONS - INDIRECT
426191	DONATIONS - INDIRECT
426201	LIFE INSURANCE
426301	PENALTIES
426391	PENALTIES - INDIRECT
426401	EXP-CIVIC/POL/REL
426491	EXP-CIVIC/POL/REL - INDIRECT
426501	OTHER DEDUCTIONS
426513	OTHER OFFICER BENEFITS
426526	IMPAIRMENT OF LEASED ASSETS
426527	IMPAIRMENT OF FINANCE LEASES
426561	IMPAIRMENT ON LEASED ASSETS
426591	OTHER DEDUCTIONS - INDIRECT
427100	INTEREST EXPENSE
428090	OTHER AMORT OR DEBT DISCOUNT AND EXP
428190	OTHER AMORT-REACQ DEBT
428200	AM DISC-LONG TERM DEBT
429004	AMORTIZATION OF PREMIUM ON LT DEBT
430002	INT-DEBT TO ASSOC CO
430004	I/C INT EXP CEP RESERVES
430101	I/C INTEREST EXPENSE - LT-NOTES CEP RESERVES
431002	INT-CUST DEPOSITS
431003	INT-FED TAX DEFNCY
431004	INT-OTHER TAX DEFNCY
431008	INT-DSM COST RECOVER
431015	INTEREST ON RATES REFUND-RETAIL
431017	UTP INTEREST - FED INC TAX
431018	UTP INTEREST - STATE INC TAX
431104	INTEREST EXPENSE FROM FINANCIAL LIABILITIES
431106	INTEREST ON PROPERTY UNDER FINANCING LEASES
431200	INTEREST EXP SHORT-TERM DEBT- CP
432001	ALLOW FOR FUNDS USED DURING CONSTRUC-BORROWED
432002	AMI AFUDC - BORROWED
433100	REVENUES - DISCONTINUED OPERATIONS
433101	OTHER EXPENSES - DISCONTINUED OPERATIONS
433102	FED CURRENT INCOME TAXES - DISCO OPS
433103	ST CURRENT INCOME TAXES - DISCO OPS
433104	FED DEFERRED INCOME TAXES - DISCO OPS
433105	ST DEFERRED INCOME TAXES - DISCO OPS
438003	COMMON STK DIVS DECL - LEL
438005	COMMON STK DIVS DECL - PARENT FM KU
438006	COMMON STOCK DIV DECLARED PPL FM LKE
439002	RETAINED EARNINGS ADJ
440010	RESID (FUEL) - KWH - (STAT ONLY)
440011	RESID (FUEL) - CUS - (STAT ONLY)

Oracle Account Set Up Details	
Account Number	**Account Description**
440012	ELECTRIC RESIDENTIAL KW
440101	ELECTRIC RESIDENTIAL DSM
440102	ELECTRIC RESIDENTIAL ENERGY NON-FUEL REV
440103	ELECTRIC RESIDENTIAL ENERGY FUEL REV
440104	ELECTRIC RESIDENTIAL FAC
440111	ELECTRIC RESIDENTIAL ECR
440113	ELECTRIC RESIDENTIAL OSS TRACKER (ESM)
440115	ELECTRIC RESIDENTIAL TCJA SURCREDIT
440116	ELECTRIC RESIDENTIAL DEMAND ECR
440117	ELECTRIC RESIDENTIAL ENERGY ECR
440118	ELECTRIC RESIDENTIAL DEMAND CHG REV
440119	ELECTRIC RESIDENTIAL CUST CHG REV
440121	ELECTRIC RESIDENTIAL SOLAR CAPACITY CHG
440122	ELECTRIC RESIDENTIAL SOLAR ENERGY CREDIT
440123	ELECTRIC RESIDENTIAL SOLAR FAC OFFSET
440124	ELECTRIC RESIDENTIAL SOLAR OST OFFSET
440126	ELECTRIC RESIDENTIAL SOLAR ENERGY FUEL CREDIT
442020	LG COMMERC SALES-EL - KWH - (STAT ONLY)
442021	LG COMMERC SALES-EL - CUS - (STAT ONLY)
442025	KU COMMERCIAL SALES - KWH - (STAT ONLY)
442026	KU COMMERCIAL SALES - CUS - (STAT ONLY)
442030	LG INDUSTR SALES-EI-OTHER - KWH - (STAT ONLY)
442031	LG INDUSTR SALES-EL-OTHER - CUS - (STAT ONLY)
442035	KU INDUSTRIAL SALES - KWH - (STAT ONLY)
442036	KU INDUSTRIAL SALES - CUS - (STAT ONLY)
442101	ELECTRIC SMALL COMMERCIAL DSM
442102	ELECTRIC SMALL COMMERCIAL ENERGY NON-FUEL REV
442103	ELECTRIC SMALL COMMERCIAL ENERGY FUEL REV
442104	ELECTRIC SMALL COMMERCIAL FAC
442111	ELECTRIC SMALL COMMERCIAL ECR
442113	ELECTRIC SMALL COMMERCIAL OSS TRACKER (ESM)
442115	ELECTRIC SMALL COMMERCIAL TCJA SURCREDIT
442116	ELECTRIC SMALL COMMERCIAL DEMAND ECR
442117	ELECTRIC SMALL COMMERCIAL ENERGY ECR
442118	ELECTRIC SMALL COMMERCIAL DEMAND CHG REV
442119	ELECTRIC SMALL COMMERCIAL CUST CHG REV
442201	ELECTRIC LARGE COMMERCIAL DSM
442202	ELECTRIC LARGE COMMERCIAL ENERGY NON-FUEL REV
442203	ELECTRIC LARGE COMMERCIAL ENERGY FUEL REV
442204	ELECTRIC LARGE COMMERCIAL FAC
442211	ELECTRIC LARGE COMMERCIAL ECR
442213	ELECTRIC LARGE COMMERCIAL OSS TRACKER (ESM)
442215	ELECTRIC LARGE COMMERCIAL TCJA SURCREDIT
442216	ELECTRIC LARGE COMMERCIAL DEMAND ECR
442217	ELECTRIC LARGE COMMERCIAL ENERGY ECR
442218	ELECTRIC LARGE COMMERCIAL DEMAND CHG REV
442219	ELECTRIC LARGE COMMERCIAL CUST CHG REV
442221	ELECTRIC LARGE COMMERCIAL SOLAR CAPACITY CHG
442222	ELECTRIC LARGE COMMERCIAL SOLAR ENERGY CREDIT
442223	ELECTRIC LARGE COMMERCIAL SOLAR FAC OFFSET
442224	ELECTRIC LARGE COMMERCIAL SOLAR OST OFFSET
442225	ELECTRIC LARGE COMMERCIAL DEMAND EDR
442226	ELECTRIC LARGE COMMERCIAL SOLAR ENERGY FUEL CREDIT
442301	ELECTRIC INDUSTRIAL DSM
442302	ELECTRIC INDUSTRIAL ENERGY NON-FUEL REV
442303	ELECTRIC INDUSTRIAL ENERGY FUEL REV
442304	ELECTRIC INDUSTRIAL FAC
442311	ELECTRIC INDUSTRIAL ECR
442313	ELECTRIC INDUSTRIAL OSS TRACKER (ESM)

Oracle Account Set Up Details	
Account Number	**Account Description**
442315	ELECTRIC INDUSTRIAL TCJA SURCREDIT
442316	ELECTRIC INDUSTRIAL DEMAND ECR
442317	ELECTRIC INDUSTRIAL ENERGY ECR
442318	ELECTRIC INDUSTRIAL DEMAND CHG REV
442319	ELECTRIC INDUSTRIAL CUST CHG REV
442321	ELECTRIC INDUSTRIAL SOLAR CAPACITY CHG
442322	ELECTRIC INDUSTRIAL SOLAR ENERGY CREDIT
442323	ELECTRIC INDUSTRIAL SOLAR FAC OFFSET
442324	ELECTRIC INDUSTRIAL SOLAR OST OFFSET
442325	ELECTRIC INDUSTRIAL DEMAND EDR
442326	ELECTRIC INDUSTRIAL SOLAR ENERGY FUEL CREDIT
442601	MINE POWER DSM
442602	MINE POWER ENERGY NON-FUEL REV
442603	MINE POWER ENERGY FUEL REV
442604	MINE POWER FAC
442611	MINE POWER ECR
442613	MINE POWER OSS TRACKER (ESM)
442615	MINE POWER TCJA SURCREDIT
442616	MINE POWER DEMAND ECR
442617	MINE POWER ENERGY ECR
442618	MINE POWER DEMAND CHG REV
442619	MINE POWER CUST CHG REV
444010	PUBLIC ST/HWY LIGHTS - KWH - (STAT ONLY)
444011	PUBLIC ST/HWY LIGHTS - CUS - (STAT ONLY)
444101	ELECTRIC STREET LIGHTING DSM
444102	ELECTRIC STREET LIGHTING ENERGY NON-FUEL REV
444103	ELECTRIC STREET LIGHTING ENERGY FUEL REV
444104	ELECTRIC STREET LIGHTING FAC
444111	ELECTRIC STREET LIGHTING ECR
444113	ELECTRIC STREET LIGHTING OSS TRACKER (ESM)
444115	ELECTRIC STREET LIGHTING TCJA SURCREDIT
444117	ELECTRIC STREET LIGHTING ENERGY ECR
444118	ELECTRIC STREET LIGHTING DEMAND CHG REV
444119	ELECTRIC STREET LIGHTING CUST CHG REV
445010	SALES-PUB AUTH-ELEC - KWH - (STAT ONLY)
445011	SALES-PUB AUTH-ELEC - CUS - (STAT ONLY)
445101	ELECTRIC PUBLIC AUTH DSM
445102	ELECTRIC PUBLIC AUTH ENERGY NON-FUEL REV
445103	ELECTRIC PUBLIC AUTH ENERGY FUEL REV
445104	ELECTRIC PUBLIC AUTH FAC
445111	ELECTRIC PUBLIC AUTH ECR
445113	ELECTRIC PUBLIC AUTH OSS TRACKER (ESM)
445115	ELECTRIC PUBLIC AUTH TCJA SURCREDIT
445116	ELECTRIC PUBLIC AUTH DEMAND ECR
445117	ELECTRIC PUBLIC AUTH ENERGY ECR
445118	ELECTRIC PUBLIC AUTH DEMAND CHG REV
445119	ELECTRIC PUBLIC AUTH CUST CHG REV
445121	ELECTRIC PUBLIC AUTH SOLAR CAPACITY CHG
445122	ELECTRIC PUBLIC AUTH SOLAR ENERGY CREDIT
445123	ELECTRIC PUBLIC AUTH SOLAR FAC OFFSET
445124	ELECTRIC PUBLIC AUTH SOLAR OST OFFSET
445125	ELECTRIC PUBLIC AUTH DEMAND EDR
445126	ELECTRIC PUBLIC AUTH SOLAR ENERGY FUEL CREDIT
445301	MUNI PUMPING DSM
445302	MUNI PUMPING ENERGY NON-FUEL REV
445303	MUNI PUMPING ENERGY FUEL REV
445304	MUNI PUMPING FAC
445311	MUNI PUMPING ECR
445313	MUNI PUMPING OSS TRACKER (ESM)

Oracle Account Set Up Details	
Account Number	**Account Description**
445315	MUNI PUMPING TCJA SURCREDIT
445316	MUNI PUMPING DEMAND ECR
445317	MUNI PUMPING ENERGY ECR
445318	MUNI PUMPING DEMAND CHG REV
445319	MUNI PUMPING CUST CHG REV
447005	I/C SALES - OSS
447006	I/C SALES NL
447011	FIRM SALES - ENERGY-OTHER - CUS - (STAT ONLY)
447021	FIRM SALES - MUNI/BEREA - KWH - (STAT ONLY)
447022	FIRM SALES - MUNI/BEREA - CUS
447049	SPOT SALES - ENERGY
447050	OFF-SYSTEM SALES REVENUE TO THIRD PARTIES
447302	RESALE MUNICIPALS BASE REV
447303	RESALE MUNICIPALS BASE REV FUEL
447304	RESALE MUNICIPALS FAC
447318	RESALE MUNICIPALS DEMAND CHG REV
447319	RESALE MUNICIPALS CUST CHG REV
447402	ELEC WLSE SPECIAL CONTRACT - NON-FUEL REV
447403	ELEC WLSE SPECIAL CONTRACT - FUEL REV
447418	ELEC WLSE SPECIAL CONTRACT - DEMAND CHG REV
447419	ELEC WLSE SPECIAL CONTRACT - CUST CHG REV
449102	PROVISION FOR RATE REFUND/COLLECTION
449105	RATE REFUNDS-RETAIL
450001	FORFEITED DISC/LATE PAYMENT CHARGE-ELEC
450002	FORFEITED DISC/LATE PAYMENT CHARGE - MUNI INTEREST
451001	RECONNECT CHRG-ELEC
451002	TEMPORARY SERV-ELEC
451004	OTH SERVICE REV-ELEC
451005	UNAUTHORIZED RECONNECT (UAR)
454001	CATV ATTACH RENT
454002	OTH RENT-ELEC PROP
454003	RENT FRM FIBER OPTIC
454006	FACILITY CHARGES
454007	ELECTRIC VEHICLE CHARGING STATION RENTAL
454008	REFINED COAL LICENSE FEE
454009	RENT ELECTRIC PROPERTY - LEASE
454900	I/C JOINT USE RENT REVENUE-ELEC-INDIRECT
454901	I/C JOINT USE RENT REVENUE-ELEC-INDIRECT (PPL ELIM)
456003	COMP-TAX REMIT-ELEC
456004	COMP-STBY PWR-H2O CO
456007	RET CHECK CHRG-ELEC
456008	OTHER MISC ELEC REVS
456018	COAL RESALE REVENUES - REFINED COAL
456022	INDUSTRIAL COAL SERVICES INCOME
456023	COAL RESALE EXPENSES - REFINED COAL
456024	INDUSTRIAL COAL SERVICES EXPENSE
456028	EXCESS FACILITIES CHARGES/NRB ELECTRIC REV (ENDED 04/09)
456031	SSP - SUBSCRIPTION FEES
456032	NET PROFIT ON SALE OF MATERIALS/SUPPLIES - ELECTRIC
456090	REVENUE FROM RECS - COMPANY OWNED
456091	REVENUE FROM RECS - PURCHASED POWER
456099	POWER DELIVERED TO GOVERNMENT (STAT ONLY)
456109	NL TRANSMISSION OF ELECTRIC ENERGY-3RD PARTY
456110	ELEC WLSE SPECIAL CONTRACT - TRANSMISSION
456115	FERC CIAC TAX GROSS UP - TRANSMISSION
456130	THIRD PARTY ENERGY NATIVE LOAD TRANSMISSION
456131	THIRD PARTY SCHEDULE 1 NATIVE LOAD TRANSMISSION
456132	THIRD PARTY SCHEDULE 2 NATIVE LOAD TRANSMISSION
456133	THIRD PARTY SCHEDULE 3 NATIVE LOAD TRANSMISSON

Oracle Account Set Up Details	
Account Number	**Account Description**
456134	THIRD PARTY DEMAND NATIVE LOAD TRANSMISSION
456135	THIRD PARTY SCHEDULE 5 NATIVE LOAD TRANSMISSION
456136	THIRD PARTY SCHEDULE 6 NATIVE LOAD TRANSMISSION
456140	INTERCOMPANY NATIVE LOAD ENERGY TRANSMISSION
456141	INTERCOMPANY NATIVE LOAD SCH 1 TRANSMISSION
456142	INTERCOMPANY NATIVE LOAD SCH 2 TRANSMISSION
456143	INTERCOMPANY NATIVE LOAD DEMAND TRANSMISSION
456150	INTERCOMPANY RETAIL SOURCE ENERGY TRANSMISSION
456151	INTERCOMPANY RETAIL SOURCE SCH 1 TRANSMISSION
456152	INTERCOMPANY RETAIL SOURCE SCH 2 TRANSMISSION
456153	INTERCOMPANY RETAIL SOURCE DEMAND TRANSMISSION
456160	INTRACOMPANY NATIVE LOAD ENERGY TRANSMISSION
456161	INTRACOMPANY NATIVE LOAD SCH 1 TRANSMISSION
456162	INTRACOMPANY NATIVE LOAD SCH 2 TRANSMISSION
456163	INTRACOMPANY NATIVE LOAD DEMAND TRANSMISSION
456170	INTRACOMPANY RETAIL SOURCE ENERGY TRANSMISSION
456171	INTRACOMPANY RETAIL SOURCE SCH 1 TRANSMISSION
456172	INTRACOMPANY RETAIL SOURCE SCH 2 TRANSMISSION
456173	INTRACOMPANY RETAIL SOURCE DEMAND TRANSMISSION
456198	INTRACOMPANY TRANSMISSION REVENUE ELIMINATION - NL
456199	INTRACOMPANY TRANSMISSION REVENUE ELIMINATION - RETAIL SOURCING OSS
457101	DIRECT COSTS CHARGED
457201	INDIRECT COSTS CHARGED
480010	RESID VARIABLE(FUEL) - MCF - (STAT ONLY)
480011	RESID VARIABLE(FUEL) - CUS - (STAT ONLY)
480101	GAS RESIDENTIAL DSM
480102	GAS RESIDENTIAL ENERGY REV
480104	GAS RESIDENTIAL GSC
480106	GAS RESIDENTIAL GLT DISTR
480107	GAS RESIDENTIAL WNA
480108	GAS RESIDENTIAL GLT TRANS
480115	GAS RESIDENTIAL TCJA SURCREDIT
480119	GAS RESIDENTIAL CUST CHG REV
481010	COMMERCIAL SALES-GAS - CU - (STAT ONLY)
481011	COMMERCIAL SALES-GAS - MCF - (STAT ONLY)
481020	INDUSTRIAL SALES-GAS - CU - (STAT ONLY)
481021	INDUSTRIAL SALES-GAS - MCF - (STAT ONLY)
481101	GAS COMMERCIAL DSM
481102	GAS COMMERCIAL ENERGY REV
481104	GAS COMMERCIAL GSC
481105	GAS COMMERCIAL CASHOUT
481106	GAS COMMERICAL GLT DISTR
481107	GAS COMMERCIAL WNA
481108	GAS COMMERCIAL GLT TRANS
481115	GAS COMMERCIAL TCJA SURCREDIT
481119	GAS COMMERCIAL CUST CHG REV
481201	GAS INDUSTRIAL DSM
481202	GAS INDUSTRIAL ENERGY REV
481204	GAS INDUSTRIAL GSC
481205	GAS INDUSTRIAL CASHOUT
481206	GAS INDUSTRIAL GLT DISTR
481208	GAS INDUSTRIAL GLT TRANS
481215	GAS INDUSTRIAL TCJA SURCREDIT
481219	GAS INDUSTRIAL CUST CHG REV
482010	SALES-PUB AUTH-GAS - CUS - (STAT ONLY)
482011	SALES-PUB AUTH-GAS - MCF - (STAT ONLY)
482101	GAS PUBLIC AUTH DSM
482102	GAS PUBLIC AUTH ENERGY REV
482104	GAS PUBLIC AUTH GSC

Oracle Account Set Up Details	
Account Number	**Account Description**
482105	GAS PUBLIC AUTH CASHOUT
482106	GAS PUBLIC AUTH GLT DISTR
482107	GAS PUBLIC AUTH WNA
482108	GAS PUBLIC AUTH GLT TRANS
482115	GAS PUBLIC AUTH TCJA SURCREDIT
482119	GAS PUBLIC AUTH CUST CHG REV
483001	OFF SYSTEM SALES FOR RESALE (MCF) - (STAT ONLY)
484001	GAS INTERDEPARTMENTAL SALES
484102	GAS INTERDEPARTMENTAL BASE REVENUES
484104	GAS INTERDEPARTMENTAL GSC
484105	PADDYS RUN CASHOUT - INTRACOMPANY
484106	GAS INTERDEPARTMENTAL GLT DISTR
484108	GAS INTERDEPARTMENTAL GLT TRANS
484115	GAS INTERDEPARTMENTAL TCJA SURCREDIT
484119	GAS INTERDEPARTMENTAL CUSTOMER CHARGE
487001	FORFEITED DISC/LATE PAYMENT CHARGE-GAS
488001	RECONNECT CHRG-GAS
488003	INSPECTION CHARGE-GAS
488004	METER TESTS-GAS
488005	GAS METER PULSE SERVICE
488006	UNAUTHORIZED RECONNECT (UAR) - GAS
489201	GAS TRANSPORT INTERDEPARTMENTAL - BASE
489204	GAS TRANSPORT INTERDEP - CASHOUT OFO/UCDI
489215	GAS TRANSPORT - INTERDEPARTMENTAL
489301	INDUSTRIAL TRANSPORT - DSM
489302	INDUSTRIAL TRANSPORT - BASE
489304	INDUSTRIAL TRANSPORT - CASHOUT OFO/UCDI
489306	INDUSTRIAL TRANSPORT - GLT-DISTRIBUTION
489308	INDUSTRIAL TRANSPORT - GLT-TRANSMISSION
489310	INDUSTRIAL TRANSPORT - CUSTOMERS (STAT ONLY)
489312	GAS TRANSPORT - DIRECT PAY - STATS ONLY
489315	GAS TRANSPORT - TCJA SURCREDIT
489319	INDUSTRIAL TRANSPORT - CUSTOMER CHARGE
489320	COMMERCIAL TRANSPORT - CUSTOMERS (STAT ONLY)
489321	COMMERCIAL TRANSPORT - DSM
489322	COMMERCIAL TRANSPORT - BASE
489324	COMMERCIAL TRANSPORT - CASOUT OFO/UCDI
489326	COMMERCIAL TRANSPORT - GLT-DISTRIBUTION
489328	COMMERCIAL TRANSPORT - GLT-TRANSMISSION
489329	COMMERCIAL TRANSPORT - CUSTOMER CHARGE
489330	PUBLIC AUTHORITY TRANSPORT - CUSTOMERS (STAT ONLY)
489331	PUBLIC AUTHORITY TRANSPORT - DSM
489332	PUBLIC AUTHORITY TRANSPORT - BASE
489334	PUBLIC AUTHORITY TRANSPORT - CASHOUT OFD/UCDI
489336	PUBLIC AUTHORITY TRANSPORT - GLT-DISTRIBUTION
489338	PUBLIC AUTHORITY TRANSPORT - GLT-TRANSMISSION
489339	PUBLIC AUTHORITY TRANSPORT - CUSTOMER CHARGE
493001	RENT-GAS PROPERTY
493002	RENT GAS PROPERTY - LEASE
493900	I/C JOINT USE RENT REVENUE-GAS-INDIRECT
493901	I/C JOINT USE RENT REVENUE FROM PPL-GAS-INDIRECT
495002	COMP-TAX REMIT-GAS
495005	RET CHECK CHRG-GAS
495006	OTHER GAS REVENUES
495032	NET PROFIT ON SALE OF MATERIALS/SUPPLIES - GAS
500100	OPER SUPER/ENG
500900	OPER SUPER/ENG - INDIRECT
501001	FUEL-COAL - TON
501002	FUEL-COAL - BTU - (STAT ONLY)

Oracle Account Set Up Details	
Account Number	**Account Description**
501004	FUEL COAL - TO SOURCE UTILITY OSS
501005	FUEL COAL - OSS
501006	FUEL COAL - OFFSET
501007	FUEL COAL - TO SOURCE UTILITY RETAIL
501009	OSS INCREMENTAL COAL EXPENSE
501018	REFINED COAL - TC COAL HANDLING SERVICES
501019	REFINED COAL - COAL YARD SERVICES
501020	START-UP OIL -GAL
501021	START-UP OIL - BTU - (STAT ONLY)
501022	STABILIZATION OIL - GAL
501023	STABILIZATION OIL - BTU - (STAT ONLY)
501028	AMORTIZATION OF REFINED COAL - COAL YARD SERVICES - KY
501090	FUEL HANDLING
501091	FUEL SAMPLING AND TESTING
501099	KWH GENERATED-COAL - (STAT ONLY)
501100	START-UP GAS - MCF
501101	START-UP GAS - BTU - (STAT ONLY)
501102	STABILIZATION GAS - MCF
501103	STABILIZATION GAS - BTU - (STAT ONLY)
501200	BOTTOM ASH DISPOSAL
501203	ECR BOTTOM ASH DISPOSAL
501253	ECR FLY ASH DISPOSAL
501990	FUEL HANDLING - INDIRECT
502001	OTHER WASTE DISPOSAL
502002	BOILER SYSTEMS OPR
502003	SDRS OPERATION
502004	SDRS-H2O SYS OPR
502006	SCRUBBER REACTANT EX
502011	ECR OTHER WASTE DISPOSAL
502012	LANDFILL OPERATION
502013	ECR LANDFILL OPERATIONS
502014	PROCESS WATER CHEMICALS
502015	ECR EFFLUENT WATERS CHEMICALS
502017	ECR EFFLUENT WATER OPERATIONS
502025	REACTANT - EXTERNAL OSS
502026	SCRUBBER REACTANT - OFFSET
502027	SCRUBBER REACTANT - TO SOURCE UTILITY OSS
502100	STM EXP(EX SDRS.SPP)
502900	STM EXP(EX SDRS.SPP) - INDIRECT
505100	ELECTRIC SYS OPR
506001	STEAM OPERATION-AIR QUALITY MONITORING AND CONTROL EQUIPMENT
506051	ECR STEAM OPERATION-AIR QUALITY MONITORING AND CONTROL EQUIPMENT
506100	MISC STM PWR EXP
506104	NOX REDUCTION REAGENT
506105	OPERATION OF SCR/NOX REDUCTION EQUIP
506107	AMMONIA - EXTERNAL OSS
506108	SCR/NOX - OFFSET
506109	SORBENT INJECTION OPERATION
506110	MERCURY MONITORS OPERATIONS
506111	ACTIVATED CARBON
506112	SORBENT REACTANT - REAGENT ONLY
506113	LIQUID INJECTION - REAGENT ONLY
506114	AMMONIA - TO SOURCE UTILITY OSS
506150	ECR MERCURY MONITORS OPERATIONS
506151	ECR ACTIVATED CARBON
506152	ECR SORBENT REACTANT - REAGENT ONLY
506153	ECR LIQUID INJECTION - REAGENT ONLY
506154	ECR NOX REDUCTION REAGENT
506156	ECR BAGHOUSE OPERATIONS

Oracle Account Set Up Details	
Account Number	**Account Description**
506159	ECR SORBENT INJECTION OPERATION
506160	ECR OTHER STEAM EXPENSE OSS OFFSET
506161	ECR ACTIVATED CARBON - OSS
506162	ECR SORBENT REACTANT - REAGENT ONLY - OSS
506163	ECR NOX REDUCTION REAGENT - OSS
506164	ECR LIQUID INJECTION - REAGENT ONLY - OSS
506900	MISC STM PWR EXP - INDIRECT
507100	RENTS-STEAM
509002	SO2 EMISSION ALLOWANCES
509003	NOX EMISSION ALLOWANCES
509052	ECR SO2 EMISSION ALLOWANCES
509053	ECR NOX EMISSION ALLOWANCES
510100	MTCE SUPER/ENG - STEAM
510900	MTCE SUPER/ENG - STEAM - INDIRECT
511100	MTCE-STRUCTURES
511900	MTCE-STRUCTURES - INDIRECT
512005	MAINTENANCE-SDRS
512011	INSTR/CNTRL-ENVRNL
512015	SDRS-COMMON H2O SYS
512016	MAINTENANCE - MERC CONTROL
512017	MTCE-SLUDGE STAB SYS
512055	ECR MAINTENANCE-SDRS
512056	ECR MAINTENANCE - MERC CONTROL
512100	MTCE-BOILER PLANT
512101	MAINTENANCE OF SCR/NOX REDUCTION EQUIP
512102	SORBENT INJECTION MAINTENANCE
512107	ECR LANDFILL MAINTENANCE
512108	ECR CCR BEN REUSE SYSTEM MAINT
512151	ECR MAINTENANCE OF SCR/NOX REDUCTION EQUIP
512152	ECR SORBENT INJECTION MAINTENANCE
512156	ECR BAGHOUSE MAINTENANCE
512157	ECR EFFLUENT WATER MAINTENANCE
513100	MTCE-ELECTRIC PLANT
513900	MTCE-ELECTRIC PLANT - BOILER
514100	MTCE-MISC/STM PLANT
535100	OPER SUPER/ENG-HYDRO
536100	WATER FOR POWER
536101	KWH GENERATED-HYDRO - (STAT ONLY)
538100	ELECTRIC EXPENSES - HYDRO
539100	MISC HYD PWR GEN EXP
540100	RENTS-HYDRO
541100	MTCE-SUPER/ENG - HYDRO
542100	MAINT OF STRUCTURES - HYDRO
543100	MTCE-RES/DAMS/WATERW
544100	MTCE-ELECTRIC PLANT
545100	MTCE-MISC HYDAULIC PLANT
546100	OPER SUPER/ENG - TURBINES
546900	OPER SUPER/ENG - TURBINES - INDIRECT
547010	KWH GEN-OTH PWR-OIL - (STAT ONLY)
547020	KWH GEN-OTH PWR-GAS - (STAT ONLY)
547021	KWH GEN-OTH PWR-SOLAR - (STAT ONLY)
547030	FUEL-GAS - MCF
547031	FUEL-GAS - BTU - (STAT ONLY)
547040	FUEL-OIL - GAL
547041	FUEL-OIL - BTU - (STAT ONLY)
547051	FUEL - TO SOURCE UTILITY OSS
547052	FUEL - OSS
547053	FUEL - OFFSET
547054	FUEL - TO SOURCE UTILITY RETAIL

Oracle Account Set Up Details	
Account Number	**Account Description**
547058	OSS INCREMENTAL CT EXPENSE
548010	GENERATION EXP
548910	GENERATION EXP - INDIRECT
549001	SO2 EMISSION ALLOWANCES
549002	AIR QUALITY EXPENSES
549003	NOX EMISSION ALLOWANCES
549100	MISC OTH PWR GEN EXP
549900	MISC OTH PWR GEN EXP - INDIRECT
550100	RENTS-OTH PWR
551100	MTCE-SUPER/ENG - TURBINES
551900	MTCE-SUPER/ENG - TURBINES - INDIRECT
552100	MTCE-STRUCTURES - OTH PWR
553010	MTCE-GEN/ELECT EQ
553200	MTCE-HEAT RECOVERY STM GEN
553910	MTCE-GEN/ELECT EQ - INDIRECT
554100	MTCE-MISC OTH PWR GEN
555010	OSS POWER PURCHASES
555011	MONTHLY FUEL ADJUSTMENT (MFA) RELATED CAPACITY/TOLLING PURCHASE POWER
555015	NL POWER PURCHASES - ENERGY
555016	NL POWER PURCHASES - DEMAND
555017	DEMAND FOR TOLLING/CAPACITY AGREEMENTS
555020	OSS I/C POWER PURCHASES
555025	NL I/C POWER PURCHASES
555080	PURCHASE POWER NATIVE LOAD - SQF AND LQF TARIFF
555081	PURCHASE POWER NATIVE LOAD - SOLAR SHARE PROGRAM
555082	PURCHASE POWER NL - SOLAR SHARE PROGRAM
555101	INAD INTER REC-KWH - (STAT ONLY)
555110	INAD INTER DEL-KWH - (STAT ONLY)
556100	SYS CTRL / DISPATCHING
556900	SYS CTRL / DISPATCHING - INDIRECT
557111	MARKET FEES - OFF SYSTEM SALES
557207	MISO DAY 2 OTHER - OFF SYSTEM SALES
557208	RTO OTHER (NON-MISO) - NL
557209	RTO OTHER (NON-MISO) - OSS
557211	RTO OPERATING RESRV (NON-MISO) - NL
557212	RTO OPERATING RESRV (NON-MISO) - OSS
557920	ADMIN FEES FOR RESERVE SHARING AGREEMENT - INDIRECT
560100	OP SUPER/ENG-SSTOPER
560900	OP SUPER/ENG-SSTOPER - INDIRECT
561190	LOAD DISPATCH - INDIRECT
561201	LOAD DISPATCH-MONITOR AND OPERATE TRANSMISSION SYSTEM
561291	LOAD DISPATCH-MONITOR AND OPERATE TRANSMISSION SYSTEM - INDIRECT
561391	LOAD DISPATCH-TRANSMISSION SERVICE AND SCHEDULING - INDIRECT
561590	RELIABILITY, PLANNING AND STANDARDS DEVELOPMENT - INDIRECT
561601	TRANSMISSION SERVICE STUDIES
561701	GENERATION INTERCONNECTION STUDIES
562010	STA EXP-SUBST OPER
562090	STA EXP - SUBST OPER - INDIRECT
563100	OTHER INSP-ELEC TRAN
565002	TRANSMISSION ELECTRIC OSS
565005	TRANSMISSION ELECTRIC NATIVE LOAD
565014	INTERCOMPANY TRANSMISSION EXPENSE
565018	INTRACOMPANY TRANSMISSION EXPENSE - NATIVE LOAD
565019	INTRACOMPANY TRANSMISSION EXPENSE - OSS
565024	I/C TRANSMISSION RETAIL EXPENSE - NATIVE LOAD
565198	INTRACOMPANY TRANSMISSION EXPENSE OFFSET - NATIVE LOAD
565199	INTRACOMPANY TRANSMISSION EXPENSE ELIMINATION - RETAIL SOURCING OSS
566100	MISC TRANS EXP-SSTMT
566122	REACTIVE SUPPLY & VOLTAGE CONTROL - NL

Oracle Account Set Up Details	
Account Number	**Account Description**
566140	INDEPENDENT OPERATOR
566151	TRANSMISSION DEPANCAKING EXPENSES
566900	MISC TRANS EXP-SSTMT - INDIRECT
566940	INDEPENDENT OPERATOR - INDIRECT
567100	RENTS-ELEC/SUBSTATION OPERATIONS
567900	I/C JOINT USE RENT EXPENSE-TRANS-INDIRECT
570010	MTCE-ST EQ-SSTMTCE
570900	MTCE-ST EQ-SSTMTCE - INDIRECT
571100	MTCE OF OVERHEAD LINES
573100	MTCE-MISC TR PLT-SSTMT
573900	MTCE-MISC TR PLT-SSTMT INDIRECT
575701	MISO DAY 2 SCH 17-MARKET ADMIN FEE-OSS
575702	MISO DAY 2 SCH 16-FTR ADMIN FEE-NL
575703	MISO DAY 2 SCH 17-MARKET ADMIN FEE-NL
575708	NL MISO D1 SCHEDULE 10 - MKT ADMIN
580100	OP SUPER/ENG-SSTOPER
580900	OP SUPER/ENG-SSTOPER - INDIRECT
581100	SYS CTRL/SWITCH-DIST
581900	SYS CTRL/SWITCH-DIST - INDIRECT
582100	STATION EXP-SSTOPER
582900	STATION EXP-SSTOPER - INDIRECT
583001	OPR-O/H LINES
583005	CUST COMPL RESP-O/H
583008	INST/REMV TRANSF/REG
583009	INSPC O/H LINE FACIL
583010	LOC O/H ELEC FAC-BUD
583100	O/H LINE EXP-SSTOPER
583905	CUST COMPL RESP-O/H - INDIRECT
584001	OPR-UNDERGRND LINES
584002	INSPC U/G LINE FACIL
584003	LOAD/VOLT TEST-U/G
584008	INST/RMV/REPL TRANSF
584010	LOC U/G ELEC FAC-BUD
586100	METER EXP
586111	AMI METER EXPENSES DIRECT
586900	METER EXP - INDIRECT
586911	AMI METER EXPENSES INDIRECT
587100	CUST INSTALLATION EXP
588100	MISC ELECTRIC DIST EXP
588900	MISC ELECTRIC DIST EXP - INDIRECT
589100	RENTS - ELECTRIC DIST
590100	MTCE/SUPER/ENG-SSTMT
590900	MTCE/SUPER/ENG-SSTMT - INDIRECT
591003	MTCE-MISC STRUCT-DIS
592100	MTCE-ST EQ-SSTMTCE
593001	MTCE-POLE/FIXT-DISTR
593002	MTCE-COND/DEVICE-DIS
593003	MTCE-SERVICES
593004	TREE TRIMMING
593005	MINOR EXEMPT EXPENSE
593904	TREE TRIMMING - INDIRECT
594001	MTCE-ELEC MANHOL ETC
594002	MTCE-U/G COND ETC
595100	MTCE-TRANSF/REG
596100	MTCE OF STREET LIGHTING AND SIGNALS
597100	MAINTENANCE OF METERS
597111	AMI METER MAINTENANCE DIRECT
597911	AMI METER MAINTENANCE INDIRECT
598100	MTCE OF MISC DISTRIBUTION PLANT

Oracle Account Set Up Details	
Account Number	**Account Description**
598900	MTCE OF MISC DISTRIBUTION PLANT - INDIRECT
803001	GAS TRANS LINE PURCH
803003	GAS COST ACTUAL ADJ
803004	GAS COST BALANCE ADJ
803006	PURCHASED GAS - WHOLESALE SALES
803007	GAS OSS INCENTIVE
803008	ACQ AND TRANS INCENTIVE
803009	PBR RECOVERY
803010	END USERS GAS PURCHASE (MCF ONLY) - (STAT ONLY)
806001	EXCHANGE GAS - INJECTIONS
806002	EXCHANGE GAS - WITHDRAWALS
807502	GAS PROCUREMENT EXP
808101	GAS W/D FROM STOR-DR
808201	GAS DELD TO STOR-CR
810001	GAS-COMP STA FUEL-CR
812010	GAS-FUEL-ELEC GEN-CR - MCF - (STAT ONLY)
812011	GAS-FUEL-ELEC GEN-CR - BTU - (STAT ONLY)
812020	GAS-CITY GATE-CR
812030	GAS-OTH DEPT-CR
813003	LOST AND UNACCOUNTED FOR GAS - TRANSPORTS (STAT ONLY)
814003	SUPV-STOR/COMPR STA
816100	WELLS EXPENSE
817100	LINES EXPENSE
818100	COMPR STATION EXP
819100	COMPR STA FUEL-U/G
821100	PURIFICATION EXP
823100	GAS LOSSES
824100	OPR-U/G STO/COMPR
825100	ROYALTIES
830100	MTCE SUPRV AND ENGR - STOR COMPR
832100	MTC-RESERVOIRS/WELLS
833100	MTCE-LINES
834100	MTCE-COMP STA EQUIP
835100	MTCE-M/R EQ-COMPR
836100	MTCE-PURIFICATION EQUP
837100	MTCE-OTHER EQUIP
850100	OPR SUPV AND ENGR
851100	SYS CTRL/DSPTCH-GAS
856100	MAINS EXPENSES
859100	OTH GAS TRANS EXP
860100	RENTS-GAS TRANS
863100	MTCE-GAS MAINS-TRANS
863110	GLT - MTCE GAS MAINS-TRANS
871100	DISTR LOAD DISPATCH
874001	OTHER MAINS/SERV EXP
874002	LEAK SUR-DIST MN/SVC
874005	CHEK STOP BOX ACCESS
874007	CHEK/GREASE VALVES
874008	OPR-ODOR EQ
874110	GLT - OTHER MAINS / SERV EXP.
875100	MEAS/REG STA-GENERAL
876100	MEAS/REG STA-INDUSTRIAL
877100	MEAS/REG STA-CITY GATE
878100	METER/REG EXPENSE
878110	GLT - METER/REG EXP.
878111	AMI GAS METER EXPENSES DIRECT
878900	METER/REG EXPENSE INDIRECT
878911	AMI GAS METER EXPENSES INDIRECT
879100	CUST INSTALL EXPENSE

Oracle Account Set Up Details	
Account Number	**Account Description**
879110	GLT-CUSTOMER INSTALL
880016	GAS LOST / UNACCT FOR (MCF) - (STAT ONLY)
880100	OTH GAS DISTR EXPENSE
880110	GAS RISER AND LEAK MITIGATION TRACKER EXPENSES - BUDGET ONLY
880900	OTH GAS DISTR EXPENSE - INDIRECT
881100	RENTS-GAS DISTR
887100	MTCE-GAS MAINS-DISTR
887110	GLT- MTCE GAS MAINS DIST.
889100	MTCE-M/R STA EQ-GENL
890100	MTCE-M/R STA EQ-INDL
891100	MTCE-M/R ST EQ-CITY GATE
892100	MTCE-OTH SERVICES
892110	GLT-MTCE-OTHER SERVICE
894100	MTCE-OTHER EQUIP
894900	MTCE-OTHER EQUIP - INDIRECT
901001	SUPV-CUST ACCTS
901900	SUPV-CUST ACCTS - INDIRECT
902001	METER READ-SERV AREA
902002	METER READ-CLER/OTH
902111	AMI METER READING DIRECT
902900	METER READ-SERV AREA - INDIRECT
902911	AMI METER READING INDIRECT
903003	PROCESS METER ORDERS
903006	CUST BILL/ACCTG
903007	PROCESS PAYMENTS
903008	INVEST THEFT OF SVC
903012	PROC CUST CNTRT/ORDR
903022	COLL OFF-LINE BILLS
903023	PROC BANKRUPT CLAIMS
903030	PROC CUST REQUESTS
903032	DELIVER BILLS-REG
903035	COLLECTING-OTHER
903036	CUSTOMER COMPLAINTS
903038	MISC CASH OVERAGE/SHORTAGE
903111	AMI RECORDS & COLLECTIONS DIRECT
903902	BILL SPECIAL ACCTS - INDIRECT
903903	PROCESS METER ORDERS - INDIRECT
903906	CUST BILL/ACCTG - INDIRECT
903907	PROCESS PAYMENTS - INDIRECT
903908	INVESTIGATE THEFT OF SERVICE - INDIRECT
903909	PROC EXCEPTION PMTS - INDIRECT
903911	AMI RECORDS & COLLECTIONS INDIRECT
903912	PROC CUST CNTRT/ORDR - INDIRECT
903922	COLLECT OFF-LINE BILLS - INDIRECT
903930	PROC CUST REQUESTS - INDIRECT
903931	PROC CUST PAYMENTS - INDIRECT
903935	COLLECTING-OTHER - INDIRECT
903936	CUSTOMER COMPLAINTS - INDIRECT
904001	UNCOLLECTIBLE ACCTS
904003	UNCOLL ACCTS - A/R MISC
904005	UNCOLLECTIBLE ACCTS - GSC
905001	MISC CUST SERV EXP
905003	MISC COLLECTING EXP
905900	MISC CUST SERV EXP - INDIRECT
907900	SUPV-CUST SER/INFO - INDIRECT
908004	DSM - ENERGY AUDIT
908005	DSM CONSERVATION PROG
908006	DSM - HVAC
908007	DSM - CONSERVATION

Oracle Account Set Up Details	
Account Number	**Account Description**
908011	DSM CONSERVATION PROGRAM - GAS EXPENSE RECLASS
908111	AMI CUSTOMER ASSISTANCE DIRECT
908901	CUST MKTG/ASSIST - INDIRECT
908909	MISC MARKETING EXP - INDIRECT
908911	AMI CUSTOMER ASSISTANCE INDIRECT
909005	MEDIA RELATIONS
909010	PRINT ADVER-SER/INFO
909011	OTH ADVER-SER/INFO
909013	SAFETY PROGRAMS
909910	PRINT ADVER-SER/INFO - INDIRECT
909911	OTHER ADVER-SER/INFO - INDIRECT
910001	MISC CUST SER/INFO
910111	AMI SERVICE & INFORMATION DIRECT
910900	MISC CUST SER/INFO - INDIRECT
910911	AMI SERVICE & INFORMATION INDIRECT
912001	ECONOMIC DEVELOPMENT RESEARCH
912900	ECONOMIC DEVELOPMENT RESEARCH - INDIRECT
913012	OTH ADVER-SALES
913912	OTH ADVER-SALES - INDIRECT
920100	OTHER GENERAL AND ADMIN SALARIES
920111	AMI ADMIN & GENERAL DIRECT
920900	OTHER GENERAL AND ADMIN SALARIES - INDIRECT
920902	AMS REGULATORY ASSET SALARIES - INDIRECT
920911	AMI ADMIN & GENERAL INDIRECT
921002	EXP-GEN OFFICE EMPL
921003	GEN OFFICE SUPPL/EXP
921004	OPR-GEN OFFICE BLDG
921111	AMI OFFICE SUPPLIES DIRECT
921902	INDIRECT EMPLOYEE OFFICE EXPENSE ALLOCATION
921903	GEN OFFICE SUPPL/EXP - INDIRECT
921904	I/C OPR-GEN OFFICE BLDG - INDIRECT
921905	OFC EQUIP DEPR COST OF SALES OFFSET-INDIRECT (LKS ONLY)
921911	AMI OFFICE SUPPLIES INDIRECT
922001	A/G SAL TRANSFER-CR
922002	OFF SUPP/EXP TRAN-CR
922003	TRIMBLE CTY TRAN-CR
923100	OUTSIDE SERVICES
923101	OUTSIDE SERVICES - AUDIT FEES
923301	OUTSIDE SERVICES - AUDIT FEES - OTHER
923900	OUTSIDE SERVICES - INDIRECT
924100	PROPERTY INSURANCE
924900	PROPERTY INSURANCE - INDIRECT
925001	PUBLIC LIABILITY
925002	WORKERS COMP EXPENSE - BURDENS
925003	AUTO LIABILITY
925004	SAFETY AND INDUSTRIAL HEALTH
925100	OTHER INJURIES AND DAMAGES
925900	OTHER INURIES AND DAMAGES - INDIRECT
925902	WORKERS COMP EXPENSE - BURDENS INDIRECT
926001	TUITION REFUND PLAN
926002	GROUP LIFE INSURANCE EXPENSE - BURDENS
926003	MEDICAL INSURANCE EXPENSE - BURDENS
926004	DENTAL INSURANCE EXPENSE - BURDENS
926005	LONG TERM DISABILITY EXPENSE - BURDENS
926019	OTHER BENEFITS EXPENSE - BURDENS
926100	EMPLOYEE BENEFITS - NON-BURDEN
926101	PENSION SERVICE COST - BURDENS
926102	401K EXPENSE - BURDENS
926105	FASB 112 POST EMPLOYMENT EXPENSE - BURDENS

Oracle Account Set Up Details	
Account Number	**Account Description**
926106	FASB 106 (OPEB) SERVICE COST - BURDENS
926110	EMPLOYEE WELFARE
926116	RETIREMENT INCOME EXPENSE - BURDENS
926194	PENSION NON SERVICE COST - BURDENS - LKS (19)
926195	FASB 106 POST RETIREMENT NON SERVICE COST EXPENSE - BURDENS - LKS (19)
926196	PENSION EXP- VA
926197	PENSION EXP- FERC AND TENN.
926198	PENSION NON SERVICE COST - BURDENS
926199	FASB 106 POST RETIREMENT NON SERVICE COST EXPENSE - BURDENS
926900	EMPLOYEE BENEFITS - NON-BURDEN - INDIRECT
926901	TUITION REFUND PLAN - INDIRECT
926902	GROUP LIFE INSURANCE EXPENSE - BURDENS INDIRECT
926903	MEDICAL INSURANCE EXPENSE - BURDENS INDIRECT
926904	DENTAL INSURANCE EXPENSE - BURDENS INDIRECT
926905	LONG TERM DISABILITY EXPENSE - BURDENS INDIRECT
926906	PENSION EXP- VA - INDIRECT
926907	PENSION EXP- FERC AND TENN. - INDIRECT
926910	EMPLOYEE WELFARE - INDIRECT
926911	PENSION SERVICE COST - BURDENS INDIRECT
926912	401K EXPENSE - BURDENS INDIRECT
926915	FASB 112 POST EMPLOYMENT EXPENSE - BURDENS INDIRECT
926916	FASB 106 (OPEB) SERVICE COST - BURDENS INDIRECT
926919	OTHER BENEFITS EXPENSE - BURDENS INDIRECT
926990	RETIREMENT INCOME EXPENSE - BURDENS INDIRECT
926994	PENSION NON SERVICE COSTS - BURDENS INDIRECT - LKS COS ONLY
926995	ADOPTION ASSISTANCE PROGRAM - INDIRECT
926997	FASB 106 (OPEB) NON SERVICE COSTS - BURDENS INDIRECT - LKS COS ONLY
926998	PENSION NON SERVICE COSTS - BURDENS INDIRECT
926999	FASB 106 (OPEB) NON SERVICE COSTS - BURDENS INDIRECT
927001	ELEC SUPPL W/O CH-DR
927002	OTH ITEMS W/O CH-DR
928001	FORMAL CASES - FERC
928002	REG UPKEEP ASSESSMTS
928003	AMORTIZATION OF RATE CASE EXPENSES
928007	FORMAL CASES - VIRGINIA
928008	FORMAL CASES - KENTUCKY
928902	REG UPKEEP ASSESSMENT - INDIRECT
929001	FRANCHISE REQMTS-CR
929002	ELEC USED-ELEC DEPT
929003	GAS USED-GAS DEPT
929004	ELECTRICITY USED - OTHER DEPARTMENTS
929005	ELECTRICITY USED BY ELECTRIC DEPARTMENT - ODP
929006	KWH SOURCES - ODP - (STAT ONLY)
929007	ODP FREE LIGHTING
930101	GEN PUBLIC INFO EXP
930191	GEN PUBLIC INFO EXP - INDIRECT
930201	MISC CORPORATE EXP
930202	ASSOCIATION DUES
930207	OTHER MISC GEN EXP
930217	MGP EXPENSES
930224	COVID-19 SPECIAL ITEM
930225	COVID-19 OFFSET
930250	BROKER FEES-INDIRECT
930271	MISC CORPORATE EXP - INDIRECT
930272	ASSOCIATION DUES - INDIRECT
930274	RESEARCH AND DEVELOPMENT EXPENSES - INDIRECT
930277	OTHER MISC GEN EXP - INDIRECT
931004	RENTS-CORPORATE HQ
931100	RENTS-OTHER

Oracle Account Set Up Details	
Account Number	**Account Description**
931900	I/C JOINT USE RENT EXPENSE-INDIRECT
931904	RENTS - CORPORATE HQ (INDIRECT)
935101	MTCE-GEN PLANT
935191	MTCE-GEN PLANT - INDIRECT
935401	MTCE-OTH GEN EQ
935402	MAINT. OF NON-BONDABLE GENERAL PLANT
935403	MNTC BONDABLE PROPERTY
935488	MTCE-OTH GEN EQ - INDIRECT
951001	ECR RATE BASE - 2016 PLANS (STAT ONLY)
951002	ECR RATE BASE - PRE-2016 PLANS (STAT ONLY)
951003	ECR RATE OF RETURN - 2016 PLANS (STAT ONLY)
951004	ECR RATE OF RETURN - PRE-2016 PLANS (STAT ONLY)
951005	ECR JURISDICTIONAL FACTOR (STAT ONLY)
951006	ECR - ESTIMATED OPERATING EXPENSES (STAT ONLY)
951101	DSM DCR RECOVERABLE PROGRAM EXPENSE (STAT ONLY)
951102	DSM DRLS - LOST SALES (STAT ONLY)
951103	DSM DSMI - INCENTIVE (STAT ONLY)
951104	DSM RECOVERABLE DCCR PROGRAM EXPENSE (STAT ONLY)
951105	DSM RECOVERABLE DCCR CAPITAL EXPENSE (STAT ONLY)
951106	DSM RECOVERABLE INTEREST ON DCCR CAPITAL (STAT ONLY)
951107	DSM DBA STAT ONLY - (BALANCING ADJUSTMENT)
951201	GLT RATE BASE (STAT ONLY) - DISTR
951202	GLT DEPRECIATION SAVINGS (STAT ONLY) - DISTR
951203	GLT COST OF CAPITAL (STAT ONLY) - DISTR
951204	GLT CHANGE IN YTD AVERAGE RATE BASE, APPLIED TO ALL MONTHS (STAT ONLY) - DISTR
951205	GLT RATE BASE (STAT ONLY) - TRANS
951206	GLT DEPRECIATION SAVINGS (STAT ONLY) - TRANS
951207	GLT COST OF CAPITAL (STAT ONLY) - TRANS
951208	GLT CHANGE IN YTD AVERAGE RATE BASE, APPLIED TO ALL MONTHS (STAT ONLY) - TRANS
951301	ACTUAL MONTHLY COOLING DEGREE DAYS (STAT ONLY)
951302	ACTUAL MONTHLY HEATING DEGREE DAYS (STAT ONLY)
951303	NORMAL MONTHLY COOLING DEGREE DAYS (STAT ONLY)
951304	NORMAL MONTHLY HEATING DEGREE DAYS (STAT ONLY)
951305	ACTUAL MONTHLY AVERAGE TEMPERATURE (STAT ONLY)
951306	NORMAL MONTHLY AVERAGE TEMPERATURE (STAT ONLY)
999999	GL TO PA INTERFACE

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 44 - 807 KAR 5:001 Section 16(7)(n)
Sponsoring Witness: Daniel K. Arbough

Description of Filing Requirement:

The latest twelve (12) months of the monthly managerial reports providing financial results of operations in comparison to the forecast.

Response:

See attached.

Net Income Continuing Operations - Kentucky Utilities Company

November 2019

Month To Date Actual VS Month to Date Budget

	MTD Actual	MTD Budget	Variance
Revenues	142,921,393	142,695,710	225,683
Cost of Revenues	(46,296,340)	(49,316,286)	3,019,946
Electric Margin	96,625,053	93,379,424	3,245,629
O&M	(31,898,605)	(33,682,551)	1,783,946
Other Income & Expenses	(5,322)	255,555	(260,878)
Depreciation	(21,215,454)	(22,838,760)	1,623,306
Property tax	(2,804,181)	(2,932,055)	127,875
Equity in Earnings	-	-	-
Interest	(9,097,017)	(9,809,719)	712,702
Income Tax	(7,825,928)	(5,830,617)	(1,995,311)
Net Income Ongoing Operations	**23,778,546**	**18,541,276**	**5,237,269**
Special Items	-	-	-
Net Income	**23,778,546**	**18,541,276**	**5,237,269**

Net Income Continuing Operations - Kentucky Utilities Company

December 2019

Month To Date Actual VS Month to Date Budget

	MTD Actual	MTD Budget	Variance
Revenues	148,498,721	159,407,313	(10,908,592)
Cost of Revenues	(48,445,779)	(55,005,976)	6,560,197
Electric Margin	100,052,942	104,401,337	(4,348,395)
O&M	(35,652,016)	(30,446,207)	(5,205,809)
Other Income & Expenses	(6,220,724)	118,403	(6,339,127)
Depreciation	(21,568,311)	(23,043,132)	1,474,822
Property tax	(3,035,436)	(2,932,055)	(103,380)
Equity in Earnings	-	-	-
Interest	(9,266,785)	(9,889,267)	622,482
Income Tax	(5,237,577)	(5,929,899)	692,321
Net Income Ongoing Operations	**19,072,093**	**32,279,179**	**(13,207,086)**
Special Items	-	-	-
Net Income	**19,072,093**	**32,279,179**	**(13,207,086)**

Net Income Continuing Operations - Kentucky Utilities Company

January 2020

Month To Date Actual VS Month to Date Budget

	MTD Actual	MTD Budget	Variance
Revenues	152,708,109	174,485,712	(21,777,603)
Cost of Revenues	(49,955,473)	(59,888,652)	9,933,178
Electric Margin	102,752,636	114,597,060	(11,844,425)
O&M	(28,269,681)	(30,285,947)	2,016,266
Other Income & Expenses	(7,437)	(94)	(7,344)
Depreciation	(21,701,027)	(21,652,028)	(48,999)
Property tax	(2,760,886)	(3,007,804)	246,918
Equity in Earnings	-	-	-
Interest	(9,306,288)	(9,374,579)	68,291
Income Tax	(10,001,609)	(12,317,918)	2,316,309
Net Income Ongoing Operations	**30,705,707**	**37,958,689**	**(7,252,982)**
Special Items	-	-	-
Net Income	**30,705,707**	**37,958,689**	**(7,252,982)**

Net Income Continuing Operations - Kentucky Utilities Company

February 2020

Month To Date Actual VS Month to Date Budget

	MTD Actual	MTD Budget	Variance
Revenues	147,534,160	157,386,553	(9,852,393)
Cost of Revenues	(48,146,865)	(54,208,176)	6,061,311
Electric Margin	99,387,295	103,178,377	(3,791,082)
O&M	(29,390,406)	(28,435,550)	(954,856)
Other Income & Expenses	(11,594)	(40,138)	28,543
Depreciation	(21,743,363)	(21,674,479)	(68,885)
Property tax	(2,887,712)	(3,007,804)	120,093
Equity in Earnings	-	-	-
Interest	(9,226,942)	(9,310,001)	83,059
Income Tax	(8,858,890)	(9,930,063)	1,071,173
Net Income Ongoing Operations	**27,268,388**	**30,780,343**	**(3,511,954)**
Special Items	-	-	-
Net Income	**27,268,388**	**30,780,343**	**(3,511,954)**

Net Income Continuing Operations - Kentucky Utilities Company

March 2020

Month To Date Actual VS Month to Date Budget

	MTD Actual	MTD Budget	Variance
Revenues	132,360,310	149,184,047	(16,823,736)
Cost of Revenues	(42,078,682)	(52,060,170)	9,981,488
Electric Margin	90,281,629	97,123,877	(6,842,248)
O&M	(33,300,792)	(33,991,460)	690,668
Other Income & Expenses	(50,588)	(46,022)	(4,566)
Depreciation	(21,798,712)	(21,800,656)	1,944
Property tax	(3,060,662)	(3,007,804)	(52,858)
Equity in Earnings	-	-	-
Interest	(9,270,786)	(9,294,887)	24,101
Income Tax	(1,163,285)	(1,903,536)	740,251
Net Income Ongoing Operations	**21,636,803**	**27,079,510**	**(5,442,707)**
Special Items	-	-	-
Net Income	**21,636,803**	**27,079,510**	**(5,442,707)**

Net Income Continuing Operations - Kentucky Utilities Company

April 2020

Month To Date Actual VS Month to Date Budget

	MTD Actual	MTD Budget	Variance
Revenues	115,343,146	131,472,132	(16,128,985)
Cost of Revenues	(38,104,370)	(45,392,073)	7,287,703
Electric Margin	77,238,777	86,080,059	(8,841,282)
O&M	(35,656,444)	(36,372,981)	716,537
Other Income & Expenses	(48,081)	(40,527)	(7,554)
Depreciation	(21,853,125)	(21,841,454)	(11,671)
Property tax	(3,125,448)	(3,007,804)	(117,643)
Equity in Earnings	-	-	-
Interest	(9,253,637)	(9,306,937)	53,300
Income Tax	(1,666,993)	(3,643,050)	1,976,057
Net Income Ongoing Operations	**5,635,048**	**11,867,306**	**(6,232,257)**
Special Items	-	-	-
Net Income	**5,635,048**	**11,867,306**	**(6,232,257)**

Net Income Continuing Operations - Kentucky Utilities Company

May 2020

Month To Date Actual VS Month to Date Budget

	MTD Actual	MTD Budget	Variance
Revenues	130,011,009	138,391,061	(8,380,052)
Cost of Revenues	(43,261,064)	(48,486,769)	5,225,705
Electric Margin	86,749,945	89,904,291	(3,154,347)
O&M	(28,240,885)	(31,159,092)	2,918,207
Other Income & Expenses	24,118	(27,917)	52,035
Depreciation	(21,945,738)	(21,984,253)	38,516
Property tax	(3,142,836)	(3,007,804)	(135,032)
Equity in Earnings	-	-	-
Interest	(9,249,913)	(9,374,406)	124,493
Income Tax	(5,881,709)	(5,847,690)	(34,019)
Net Income Ongoing Operations	**18,312,981**	**18,503,128**	**(190,147)**
Special Items	-	-	-
Net Income	**18,312,981**	**18,503,128**	**(190,147)**

Net Income Continuing Operations - Kentucky Utilities Company

June 2020

Month To Date Actual VS Month to Date Budget

	MTD Actual	MTD Budget	Variance
Revenues	142,288,630	147,406,181	(5,117,551)
Cost of Revenues	(47,201,234)	(51,342,317)	4,141,083
Electric Margin	95,087,396	96,063,864	(976,468)
O&M	(27,475,295)	(31,838,891)	4,363,596
Other Income & Expenses	1,855,587	(110,038)	1,965,625
Depreciation	(22,022,683)	(22,239,734)	217,051
Property tax	(1,538,889)	(3,007,804)	1,468,916
Equity in Earnings	-	-	-
Interest	(10,392,869)	(9,384,204)	(1,008,666)
Income Tax	(4,202,020)	(4,469,173)	267,153
Net Income Ongoing Operations	**31,311,226**	**25,014,019**	**6,297,207**
Special Items	(2,033,322)	-	(2,033,322)
Net Income	**29,277,905**	**25,014,019**	**4,263,886**

Net Income Continuing Operations - Kentucky Utilities Company

July 2020

Month To Date Actual VS Month to Date Budget

	MTD Actual	MTD Budget	Variance
Revenues	164,696,367	158,985,735	5,710,632
Cost of Revenues	(56,649,935)	(55,609,026)	(1,040,908)
Electric Margin	108,046,432	103,376,709	4,669,723
O&M	(28,101,343)	(32,492,597)	4,391,254
Other Income & Expenses	(735,296)	(1,960)	(733,336)
Depreciation	(22,022,493)	(22,302,225)	279,732
Property tax	(3,100,417)	(3,013,501)	(86,916)
Equity in Earnings	-	-	-
Interest	(10,457,817)	(9,368,373)	(1,089,444)
Income Tax	(10,730,586)	(8,804,314)	(1,926,272)
Net Income Ongoing Operations	**32,898,481**	**27,393,738**	**5,504,742**
Special Items	(251,356)	-	(251,356)
Net Income	**32,647,124**	**27,393,738**	**5,253,386**

Net Income Continuing Operations - Kentucky Utilities Company

August 2020

Month To Date Actual VS Month to Date Budget

	MTD Actual	MTD Budget	Variance
Revenues	152,659,646	158,762,099	(6,102,453)
Cost of Revenues	(53,298,994)	(55,907,465)	2,608,471
Electric Margin	99,360,653	102,854,635	(3,493,982)
O&M	(29,761,038)	(31,516,549)	1,755,511
Other Income & Expenses	1,239,177	193,880	1,045,297
Depreciation	(22,047,848)	(22,329,802)	281,954
Property tax	(3,051,101)	(3,013,501)	(37,600)
Equity in Earnings	0	0	0
Interest	(9,120,520)	(9,801,125)	680,605
Income Tax	(9,631,353)	(8,851,432)	(779,921)
Net Income Ongoing Operations	**26,987,969**	**27,536,105**	**(548,136)**
Special Items	(58,145)	-	(58,145)
Net Income	**26,929,824**	**27,536,105**	**(606,281)**

Net Income Continuing Operations - Kentucky Utilities Company

September 2020

Month To Date Actual VS Month to Date Budget

	MTD Actual	MTD Budget	Variance
Revenues	134,222,250	140,521,660	(6,299,410)
Cost of Revenues	(45,707,106)	(48,591,603)	2,884,497
Electric Margin	88,515,144	91,930,057	(3,414,913)
O&M	(30,505,350)	(33,116,395)	2,611,045
Other Income & Expenses	9,947	149,246	(139,299)
Depreciation	(22,117,251)	(22,418,721)	301,470
Property tax	(3,103,400)	(3,013,501)	(89,899)
Equity in Earnings	-	-	-
Interest	(9,107,444)	(9,075,056)	(32,388)
Income Tax	1,175,683	(1,879,900)	3,055,583
Net Income Ongoing Operations	**24,867,328**	**22,575,729**	**2,291,599**
Special Items	(95,361)	-	(95,361)
Net Income	**24,771,967**	**22,575,729**	**2,196,237**

Net Income Continuing Operations - Kentucky Utilities Company

October 2020

Month To Date Actual VS Month to Date Budget

	MTD Actual	MTD Budget	Variance
Revenues	128,019,310	134,795,696	(6,776,386)
Cost of Revenues	(43,729,054)	(47,108,376)	3,379,322
Electric Margin	84,290,256	87,687,320	(3,397,064)
O&M	(32,526,889)	(34,314,416)	1,787,527
Other Income & Expenses	(291,404)	(27,678)	(263,726)
Depreciation	(22,107,435)	(22,386,072)	278,638
Property tax	(3,083,421)	(3,013,501)	(69,919)
Equity in Earnings	-	-	-
Interest	(9,117,872)	(9,231,073)	113,201
Income Tax	(4,127,361)	(4,444,730)	317,369
Net Income Ongoing Operations	**13,035,873**	**14,269,849**	**(1,233,976)**
Special Items	(78,289)	-	(78,289)
Net Income	**12,957,585**	**14,269,849**	**(1,312,264)**

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.

PPL companies

Performance Report

March 2019

Table of Contents — March 2019

Content	Page
Executive Summary	3
Income Statement: Actual vs. Budget (Month) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	5
Income Statement: Actual vs. Budget (YTD) - LG&E	6
Income Statement: Actual vs. Budget (YTD) - KU	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

Kentucky Regulated Dashboard — March 2019

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	1.56	0.78	1.25	1.02	1.25	1.50
Employee lost-time incidents	0	1	2	1	9	9
DART[1]	0.26	0.78	0.57	0.57	0.58	0.46
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.22	9.06	9.24	9.01	8.50	9.02
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	0.4%	5.0%	1.5%	5.0%	N/A	5.0%
Utility EAF	80.0%	72.2%	90.4%	86.1%	N/A	80.0%
Combined SAIFI	0.05	0.06	0.17	0.18	N/A	0.94
Combined SAIDI (minutes)	5.50	5.19	16.70	16.06	N/A	88.64
Gas Emergency Response Time	31.50	35.00	33.50	35.00	N/A	35.00
GwH Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	907	881	2,899	3,005	10,410	10,410
Commercial	659	592	1,929	1,867	9,282	9,282
Industrial	700	721	2,129	2,182	7,907	7,907
Other	226	196	654	616	2,621	2,621
Retail	2,493	2,390	7,611	7,670	30,220	30,220
Municipals	141	146	435	457	875	875
Off-System Sales	19	36	107	82	260	260
Total	2,653	2,571	8,153	8,209	31,355	31,355
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			0.67%			
Commercial			0.47%			
Industrial			-0.93%			
Other			0.56%			
Total			0.12%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$153	$146	$461	$460	$1,921	$1,921
Gas Margins	$19	$20	$69	$72	$205	$205
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$68	$67	$191	$190	$790	$790
O&M – GAAP View[3]	$74	$74	$214	$213	$885	$885
Capital Expenditures ($ millions)	$91	$113	$236	$264	$1,164	$1,164
Average Utility Capitalization ($ millions)	$9,576	$9,648	$9,576	$9,648	$10,127	$10,127
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,464	3,590	3,464	3,590	3,610	3,610

	YTD		Full Year	
Financial Metrics [4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	10.0%	9.4%	9.2%	9.2%
Effective Depreciation Rate [5]	3.1%	3.1%	3.3%	3.3%
Effective Interest Rate	4.0%	4.0%	4.2%	4.2%
Effective Tax Rate	20.8%	19.7%	19.4%	19.4%
Moody's CFO pre-WC / Debt				
LGE	23.0%	21.5%	21.7%	21.7%
KU	21.8%	20.1%	21.3%	21.3%
LKE Consolidated	14.6%	13.4%	14.8%	14.8%

Variance Explanations

Higher adjusted gross margins, primarily due to higher sales volumes from favorable weather.

(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.

(6) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

Major Developments

FERC conditionally granted the Company's request to remove mitigation in the form of rate depancaking imposed to resolve horizontal market power concerns arising from LG&E/KU's merger in 1998 and subsequent withdrawal from Midcontinent Independent System Operator, Inc. in 2006. The order conditionally grants LG&E/KU's request subject to the implementation of a transition mechanism for certain power supply arrangements.

Net metering reform legislation was passed in Kentucky near the end of the session. The Kentucky House took up the net metering reform bill (SB100) and voted 55-36 to recede from the amendments added to the bill (HFA1), passing it in the same form that arrived from the Senate (the form supported by the Company). It directs the KPSC, which determines all other rates, to consider and set the value of the energy net metering customers put back onto the grid.

Regarding the rate case proceeding, the Company filed post hearing rate case data requests on March 20 and then submitted the post-hearing brief on April 1st. The KPSC intends to issue its Order in the proceedings on or before April 30.

On April 1, the Company closed on $700 million of first mortgage bonds. The bonds priced at T+1.25 (4.257% yield). The $300 million at KU was an addition to the existing $250 million first mortgage bonds series maturing in September 2045, and $400 million was a new issue at LG&E maturing April 2049. The proceeds were used to repay a $200 million term-loan at LG&E, and commercial paper at both LG&E and KU. Additionally, LG&E remarketed $128 million in tax-exempt bonds which priced at 1.85% with a 2 year mandatory put in April 2021.

The KPSC issued an Order that authorized LG&E to establish a regulatory asset for the incremental costs incurred to repair and restore service resulting from the November 2018 Ice Storm. The Company assumed this treatment based on precedent when we closed the books for 2018, so this results in no changes relative to the 2019 Business Plan.

Significant Future Events

The rate case order from the KyPSC is expected by April 30. There are no other significant future events to discuss at this time.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 3 of 243
Arbough

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

March 2019

($ Millions)

	Actual vs. Budget - MTD				Actual vs. PY - MTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 153	$ 146	$ 7	Due primarily to higher sales volumes from load supportive temperatures.	$ 153	$ 144	$ 8	Due primarily to a smaller TCJA surcredit accrual in 2019 than in 2018 and ECR rate base growth.
Gas Margin	19	20	(1)		19	20	(1)	
Total Gross Margin	172	165	7		172	165	7	
O&M	68	67	(1)		68	65	(3)	
Depreciation & Amortization	35	35	1		35	34	(1)	
Taxes, Other than Income	6	6	0		6	6	0	
Other income (expense)	1	(0)	1		1	2	(1)	
EBIT	64	56	8		64	62	2	
Interest Expense	21	21	0		21	19	(2)	
Income from Ongoing Operations before income taxes	43	35	8		43	43	(0)	
Income Tax Expense	9	7	(2)		9	9	(0)	
Net Income (loss) from ongoing operations	**34**	**28**	**6**		**34**	**34**	**(0)**	
Special Item - (Non Operating Income)	0	0	0		0	0	0	
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
Net Income (loss)	$ 34	$ 28	$ 6		$ 34	$ 34	$ (0)	
KY Regulated Financing Costs	(3)	$ (3)	(0)		(3)	$ (3)	0	
KY Regulated Net Income	$ 31	$ 26	$ 6		$ 31	$ 31	$ 0	
Earnings Per Share - Ongoing	$ 0.04	$ 0.03	$ 0.01		$ 0.04	$ 0.04	$ (0.00)	

Note: Schedules may not sum due to rounding.

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

March 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 461	$ 460	$ 1		$ 461	$ 466	$ (5)	Due primarily to lower sales volumes and lower transmission margins, partially offset by a smaller TCJA surcredit accrual in 2019 than in 2018 and ECR rate base growth.
Gas Margin	69	72	(3)		69	69	0	
Total Gross Margin	530	532	(2)		530	535	(5)	
O&M	191	190	(1)		191	181	(11)	Due primarily to increase in contractor labor for line locating, veg. management, and storm restoration.
Depreciation & Amortization	104	106	2		104	100	(4)	
Taxes, Other than Income	17	18	1		17	17	(1)	
Other income (expense)	1	(1)	2		1	(1)	2	
EBIT	218	216	2		218	236	(18)	
Interest Expense	62	63	1		62	56	(6)	Primarily due to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	157	153	4		157	181	(24)	
Income Tax Expense	32	30	(2)		32	39	7	Lower tax expense primarily due to lower pretax income.
Net Income (loss) from ongoing operations	**125**	**123**	**1**		**125**	**142**	**(17)**	
Special Item - (Non Operating Income)	0	0	0		0	0	0	
Discontinued Operations	(0)	0	(0)		(0)	(0)	(0)	
Net Income (loss)	$ 125	$ 123	$ 1		$ 125	$ 142	$ (17)	
KY Regulated Financing Costs	(8)	(8)	(0)		(8)	(9)	1	
KY Regulated Net Income	117	$ 115	$ 1		117	$ 133	$ (16)	
Earnings Per Share - Ongoing	$ 0.16	$ 0.15	$ 0.01		$ 0.16	$ 0.19	$ (0.03)	

Note: Schedules may not sum due to rounding.

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

March 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 169	$ 166	$ 3		$ 169	$ 172	$ (3)	
Gas Margin	69	72	(3)		69	69	0	
Total Gross Margin	238	238	0		238	241	(3)	
O&M	85	82	(4)		85	79	(6)	Due primarily to increase in contractor labor for line locating, veg management, and storm restoration.
Depreciation & Amortization	43	44	1		43	41	(2)	
Taxes, Other than Income	9	9	0		9	9	(0)	
Other income (expense)	(0)	(1)	1		(0)	(2)	1	
EBIT	101	102	(1)		101	111	(10)	
Interest Expense	21	21	0		21	18	(2)	
Income from Ongoing Operations before income taxes	81	81	(1)		81	92	(12)	
Income Tax Expense	17	17	(0)		17	21	4	
Net Income (loss) from ongoing operations	**$ 64**	**$ 65**	**$ (1)**		**$ 64**	**$ 72**	**$ (8)**	

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

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

March 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 292	$ 294	$ (2)		$ 292	$ 294	$ (2)	
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	292	294	(2)		292	294	(2)	
O&M	96	98	2		96	91	(5)	Due primarily to increase in contractor labor for veg management; maintenance materials
Depreciation & Amortization	61	62	1		61	59	(2)	
Taxes, Other than Income	8	9	1		8	8	(0)	
Other income (expense)	1	0	1		1	0	0	
EBIT	127	125	2		127	136	(9)	
Interest Expense	26	26	0		26	25	(2)	
Income from Ongoing Operations before income taxes	101	98	3		101	112	(11)	
Income Tax Expense	21	19	(2)		21	24	3	
Net Income (loss) from ongoing operations	**$ 80**	**$ 79**	**$ 1**		**$ 80**	**$ 88**	**$ (8)**	

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

Margins Actual vs. Budget — March 2019

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year March-19	MTD Budget March-19	Change $	Change %
Base Service Charge	$ 16	$ 16	$ (0)	-1%
Base Energy	84	80	$ 3	4%
Demand Charge	46	45	$ 1	3%
Tax Cuts and Job Act (TCJA)	(8)	(8)	$ 0	-2%
Retail Fuel (Net)	0	(0)	$ 1	-240%
DSM	0	0	$ 0	100%
ECR	15	15	$ 0	1%
Transmission	1	1	$ 1	71%
Purchase Power Demand	(3)	(4)	$ 1	-24%
Off-System Sales	0	0	$ (0)	-73%
Shared Solar Program	0	0	$ (0)	-94%
Other Revenue	2	2	$ 0	1%
Cost of Sales	(1)	(1)	$ 0	-14%
	$ 153	$ 146	$ 7	5%

LKE Gas Margins

	MTD Current Year March-19	MTD Budget March-19	Change $	Change %
Base Service Charge	7	7	$ (0)	0%
Distribution Charge	15	13	$ 2	15%
WNA	(3)	-	$ (3)	0%
Tax Cuts and Job Act (TCJA)	(1)	(1)	$ (0)	7%
DSM	0	0	$ 0	0%
GSC	0	-	$ 0	0%
GLT	0	1	$ (0)	-51%
Other Revenue	0	0	$ 0	12%
Cost of Sales	-	-	$ -	0%
	$ 19	$ 20	$ (1)	-4%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year March-19	YTD Budget March-19	Change $	Change %
Base Service Charge	$ 49	$ 49	$ (0)	-1%
Base Energy	259	265	$ (6)	-2%
Demand Charge	137	135	$ 2	1%
Tax Cuts and Job Act (TCJA)	(24)	(27)	$ 3	-10%
Retail Fuel (Net)	(2)	(1)	$ (1)	96%
DSM	2	1	$ 1	137%
ECR	46	45	$ 1	3%
Transmission	1	3	$ (2)	-67%
Purchase Power Demand	(10)	(13)	$ 3	-21%
Off-System Sales	0	0	$ 0	49%
Shared Solar Program	0	0	$ (0)	-94%
Other Revenue	7	7	$ 0	2%
Cost of Sales	(4)	(4)	$ 1	-16%
	$ 461	$ 460	$ 1	0%

LKE Gas Margins

	YTD Current Year March-19	YTD Budget March-19	Change $	Change %
Base Service Charge	21	21	$ 0	0%
Distribution Charge	52	54	$ (2)	-4%
WNA	(0)	-	$ (0)	0%
Tax Cuts and Job Act (TCJA)	(5)	(5)	$ (0)	0%
DSM	0	0	$ 0	66%
GSC	0	-	$ 0	0%
GLT	1	2	$ (1)	-54%
Other Revenue	1	1	$ 0	3%
Cost of Sales	-	-	$ -	0%
	$ 69	$ 72	$ (3)	-4%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 8 of 243
Arbough

O&M	March 2019		
($ Millions)			
	YTD		
	Actual	Budget	Variance
Chief Operating Officer			
Power Production			
All Other	$ 18.1	$ 19.2	$ 1.1
Maintenance	24.5	25.3	0.7
Outages	7.3	7.2	(0.1)
Power Production	**50.0**	**51.6**	**1.7**
Customer Services			
All Other	$ 22.9	$ 23.3	$ 0.4
Bad Debt Expense	2.0	2.1	0.1
Customer Services	**24.9**	**25.4**	**0.5**
Electric Distribution			
All Other	$ 11.8	$ 10.9	$ (0.9)
Storm Restoration	3.4	1.1	(2.3)
Vegetation Mgmt	5.5	4.8	(0.6)
Electric Distribution	**20.6**	**16.8**	**(3.8)**
Transmission			
All Other	$ 6.1	$ 5.6	$ (0.6)
Storm Restoration	0.2	0.1	(0.1)
Vegetation Mgmt	3.9	2.9	(1.0)
Transmission	**10.2**	**8.6**	**(1.6)**
Energy Supply & Analysis	**$ 3.4**	**$ 3.6**	**$ 0.2**
Gas Distribution	**$ 12.4**	**$ 10.8**	**$ (1.7)**
Project Engineering	**$ 0.1**	**$ 0.1**	**$ 0.0**
Safety & Tech Training	**$ 1.9**	**$ 1.6**	**$ (0.3)**
Environmental	**$ 1.5**	**$ 1.8**	**$ 0.3**
Chief Operating Officer	**$ 0.1**	**$ 0.1**	**$ (0.0)**
Chief Operating Officer Total	**$ 125.0**	**$ 120.3**	**$ (4.7)**
Chief Financial Officer			
Treasurer	**$ 5.3**	**$ 6.2**	**$ 0.9**
Controller	**$ 2.3**	**$ 2.3**	**$ 0.0**
Information Technology	**$ 15.0**	**$ 16.7**	**$ 1.7**
State Reg & Rates	**$ 0.5**	**$ 0.6**	**$ 0.1**
Audit Services	**$ 0.4**	**$ 0.4**	**$ 0.0**
Supply Chain	**$ 1.0**	**$ 1.1**	**$ 0.0**
Other	**$ 0.5**	**$ 0.6**	**$ 0.1**
Chief Financial Officer Total	**$ 25.1**	**$ 27.9**	**$ 2.8**
Communication	**$ 2.4**	**$ 2.8**	**$ 0.4**
Human Resources	**$ 1.7**	**$ 1.9**	**$ 0.2**
General Counsel	**$ 3.3**	**$ 3.9**	**$ 0.5**
Corporate Cost Center	**$ 23.7**	**$ 23.0**	**$ (0.7)**
Non-Utility	**$ 10.0**	**$ 10.5**	**$ 0.5**
Grand Total	**$ 191.3**	**$ 190.5**	**$ (0.9)**

Financing Activities — March 2019

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance
PCB			
Beg Bal	$ 881.1	$ 881.1	$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 4.0**	**$ 4.5**	**$ 0.4**
Rate	**1.82%**	**2.02%**	**0.20%**
FMB/Sr Nts/Loan with PPL			
Beg Bal	$ 4,660.0	$ 4,832.1	$ 172.1
End Bal	4,660.0	4,802.0	142.0
Ave Bal	**$ 4,660.0**	**$ 4,824.6**	**$ 164.60**
Interest Exp	**$ 49.6**	**$ 51.2**	**$ 1.6**
Rate	**4.26%**	**4.25%**	**-0.01%**
Short-term Debt			
Beg Bal	$ 627.0	$ 592.4	$ (34.6)
End Bal	689.1	645.7	(43.5)
Ave Bal [(1)]	**$ 644.7**	**$ 599.6**	**$ (45.0)**
Interest Exp	**$ 4.9**	**$ 4.4**	**$ (0.5)**
Rate	**3.04%**	**2.92%**	**-0.12%**
Unamortized Debt Expense Bonds			
Beg Bal	$ (38.4)	$ (38.1)	$ 0.27
End Bal	(37.3)	(36.9)	0.4
Ave Bal	**$ (37.9)**	**$ (37.5)**	**$ 0.3**
Total End Bal	**$ 6,192.9**	**$ 6,291.8**	**$ 98.9**
Total Average Bal	**$ 6,147.9**	**$ 6,267.8**	**$ 119.9**
Total Expense Excl I/C [(2)]	**$ 61.6**	**$ 62.9**	**$ 1.3**
Rate	**3.98%**	**3.99%**	**0.01%**

[(1)] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
[(2)] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[(3)]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 187		$ 188	
LG&E	700	469		231	$ 0
KU	598	233	$ 198	167	0
TOTAL	$ 1,673	$ 889	$ 198	$ 586	$ 0

[(3)] LG&E borrowed amount includes commercial paper issuances and $200M Term Loan. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Balance Sheet - LKE Consolidated — March 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 22	$ 14	$ 27	$ 8	
Accounts Receivable (Trade)	393	438	424	(45)	Primarily due to timing of actuals
Inventory	219	205	212	14	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	27	9	12	18	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018
Prepayments and other current assets	78	67	69	11	Primarily due to refined coal at LGE not being included in the budget due to having no contract in place at the time, offset by other prelim survey charges, prepayments and accounts receivable from associated companies
Total Current Assets	740	734	745	6	
Property, Plant, and Equipment	12,705	12,814	12,135	(108)	
Intangible Assets	126	76	84	51	Reclassification of operating leases from Property, Plant and Equipment
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	857	794	793	62	
Goodwill	997	997	997	0	
Other Long-term Assets	84	94	79	(10)	Lower due to a decrease in prepaid pension primarily due to negative return on investments versus budget and partially offset by an increase in the discount rate and other actuarial updates, lower Cane Run 7 LTPC and Brown 6 LTSA assets; partially offset by increase in other preliminary survey charges
Total Assets	**$ 15,510**	**$ 15,510**	**$ 14,834**	**$ 0**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 295	$ 292	$ 301	$ 3	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	63	59	59	3	
Derivative Liability	4	4	4	0	
Accrued Taxes	34	25	73	9	
Regulatory Liabilities Current	40	32	63	7	
Other Current Liabilities	268	282	257	(14)	
Total Current Liabilities	704	694	758	10	
Debt - Affiliated Company	837	869	637	(31)	
Debt [1]	5,356	5,423	5,074	(68)	
Total Debt	6,193	6,292	5,711	(99)	
Deferred Tax Liabilities	999	986	882	13	
Investment Tax Credit	125	125	128	0	
Accum Provision for Pension & Related Benefits	259	239	265	21	
Asset Retirement Obligation	214	213	249	1	
Regulatory Liabilities Non Current	2,033	2,005	2,027	28	
Derivative Liability	17	13	18	3	
Other Liabilities	175	170	158	5	
Total Deferred Credits and Other Liabilities	3,822	3,751	3,728	71	
Equity	4,791	4,772	4,637	19	
Total Liabilities and Equity	**$ 15,510**	**$ 15,510**	**$ 14,834**	**$ 0**	

[1] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 11 of 243
Arbough

Balance Sheet - LG&E

March 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 9	$ 5	$ 14	$ 4	
Accounts Receivable (Trade)	178	205	188	(27)	Primarily due to timing of actuals
Inventory	95	85	95	9	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	23	8	10	15	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018
Prepayments and other current assets	72	46	56	26	Primarily due to refined coal not being included in the budget due to having no contract in place at the time
Total Current Assets	377	349	363	28	
Property, Plant, and Equipment	5,632	5,699	5,351	(67)	
Intangible Assets	26	6	6	20	Reclassification of operating leases from Property, Plant and Equipment
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	433	398	406	35	
Goodwill	0	0	0	0	
Other Long-term Assets	20	38	26	(18)	Lower due to a decrease in prepaid pension primarily due to negative return on investments versus budget and partially offset by an increase in the discount rate and other actuarial updates, lower Cane Run 7 LTPC and Brown 6 LTSA assets; partially offset by increase in other preliminary survey charges
Total Assets	**$ 6,489**	**$ 6,491**	**$ 6,153**	**$ (2)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 176	$ 161	$ 191	$ 15	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	30	28	28	2	
Derivative Liability	4	4	4	0	
Accrued Taxes	14	8	24	5	
Regulatory Liabilities Current	10	13	29	(3)	
Other Current Liabilities	90	87	75	3	
Total Current Liabilities	324	301	352	23	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,078	2,101	1,945	(23)	
Total Debt	2,078	2,101	1,945	(23)	
Deferred Tax Liabilities	644	642	582	3	
Investment Tax Credit	34	34	35	0	
Accum Provision for Pension & Related Benefits	10	0	1	10	
Asset Retirement Obligation	85	91	93	(6)	
Regulatory Liabilities Non Current	871	865	867	6	
Derivative Liability	17	13	18	3	
Other Liabilities	95	93	85	1	
Total Deferred Credits and Other Liabilities	1,755	1,738	1,680	17	
Equity	2,332	2,351	2,176	(19)	
Total Liabilities and Equity	**$ 6,489**	**$ 6,491**	**$ 6,153**	**$ (2)**	

[1] Includes all ST and LT debt.

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

Balance Sheet - KU

March 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 13	$ 5	$ 11	$ 8	
Accounts Receivable (Trade)	215	232	235	(18)	
Inventory	124	120	117	4	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	5	2	2	3	
Prepayments and other current assets	32	47	41	(15)	Primarily due to lower than anticipated refined coal accounts receivable, other prelim survey charges, and accounts receivable from associated companies
Total Current Assets	389	406	407	(17)	
Property, Plant, and Equipment	7,059	7,100	6,775	(41)	
Intangible Assets	41	12	13	29	Reclassification of operating leases from Property, Plant and Equipment
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	419	397	385	22	
Goodwill	0	0	0	0	
Other Long-term Assets	66	90	66	(24)	Lower due to a decrease in prepaid pension primarily due to negative return on investments versus budget and partially offset by an increase in the discount rate and other actuarial updates, lower Cane Run 7 LTPC and Brown 6 LTSA assets; partially offset by increase in other preliminary survey charges
Total Assets	**$ 7,974**	**$ 8,005**	**$ 7,646**	**$ (31)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 165	$ 172	$ 163	$ (7)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	32	31	31	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	21	18	33	4	
Regulatory Liabilities Current	30	20	34	10	Primarliy due to the lower than budgeted Municipals true-up due to the lower than budgeted rate base
Other Current Liabilities	134	144	139	(10)	
Total Current Liabilities	383	384	400	(2)	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,553	2,597	2,405	(44)	
Total Debt	2,553	2,597	2,405	(44)	
Deferred Tax Liabilities	754	760	696	(5)	
Investment Tax Credit	91	91	93	0	
Accum Provision for Pension & Related Benefits	1	0	0	1	
Asset Retirement Obligation	129	122	157	7	
Regulatory Liabilities Non Current	1,098	1,080	1,094	19	
Derivative Liability	0	0	0	0	
Other Liabilities	61	55	43	6	
Total Deferred Credits and Other Liabilities	2,135	2,107	2,083	28	
Equity	2,904	2,916	2,758	(12)	
Total Liabilities and Equity	**$ 7,974**	**$ 8,005**	**$ 7,646**	**$ (31)**	

[1] Includes all ST and LT debt.

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

Performance Report

April 2019

Table of Contents — April 2019

Content	Page
Executive Summary	3
Income Statement: Actual vs. Budget (Month) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	5
Income Statement: Actual vs. Budget (YTD) - LG&E	6
Income Statement: Actual vs. Budget (YTD) - KU	7
Income Statement: Forecast vs. Budget (Full Year) - LKE Consolidated	8
Margins Actual vs. Budget	9
O&M	10
Financing Activities	11
Balance Sheet - LKE Consolidated	12
Balance Sheet - LG&E	13
Balance Sheet - KU	14

Kentucky Regulated Dashboard — April 2019

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	1.13	4.93	1.22	1.92	1.25	1.50
Employee lost-time incidents	0	0	2	1	8	9
DART[1]	0.38	0.00	0.52	0.44	0.58	0.46
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.34	9.03	9.26	9.01	8.50	9.02
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	4.0%	5.0%	2.0%	5.0%	N/A	5.0%
Utility EAF	68.2%	62.6%	85.0%	80.2%	N/A	80.0%
Combined SAIFI	0.09	0.09	0.26	0.27	N/A	0.94
Combined SAIDI (minutes)	7.86	7.22	24.53	23.27	N/A	88.64
Gas Emergency Response Time	34.50	35.00	33.80	35.00	N/A	35.00
GwH Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	592	671	3,492	3,676	10,304	10,410
Commercial	583	568	2,512	2,435	7,969	7,907
Industrial	722	707	2,852	2,889	9,229	9,282
Other	200	182	854	797	2,660	2,621
Retail	2,097	2,128	9,708	9,797	30,162	30,220
Municipals	120	133	555	591	852	875
Off-System Sales	14	15	121	98	284	260
Total	2,231	2,277	10,384	10,486	31,298	31,355
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			0.24%			
Commercial			1.38%			
Industrial			-0.86%			
Other			0.61%			
Total			0.24%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$129	$133	$590	$593	$1,879	$1,921
Gas Margins	$13	$14	$82	$86	$203	$205
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$68	$70	$260	$261	$786	$790
O&M – GAAP View[3]	$75	$77	$289	$290	$883	$885
Capital Expenditures ($ millions)	$104	$117	$340	$381	$1,161	$1,164
Average Utility Capitalization ($ millions)	$9,628	$9,705	$9,628	$9,705	$10,051	$10,127
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,453	3,603	3,453	3,603	3,602	3,610

	YTD		Full Year	
Financial Metrics [4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	9.9%	9.3%	9.7%	9.2%
Effective Depreciation Rate [5]	3.1%	3.1%	3.4%	3.3%
Effective Interest Rate	4.0%	4.0%	4.1%	4.2%
Effective Tax Rate	21.1%	19.9%	17.1%	19.4%
Moody's CFO pre-WC / Debt				
LGE	22.5%	21.3%	22.4%	21.7%
KU	21.3%	20.0%	22.1%	21.3%
LKE Consolidated	14.4%	13.4%	15.0%	14.8%

Variance Explanations

Lower MTD & YTD adjusted gross margins primarily due to lower sales volumes from non-load supportive temperatures.

(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.

(6) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

Major Developments

On April 30th, the KPSC authorized a combined revenue increase of $187 million for KU and LG&E, inclusive of the elimination of a $110 million bill credit associated with the Tax Cuts and Jobs Act. New rates took effect on May 1st. In its decision, the Commission ruled on open issues and approved the settlement among the parties, including a 9.725% return on equity.

FERC was onsite recently conducting interviews regarding the Company's Open Access Transmission Tariff (OATT) operational audit. The auditors preliminarily indicated they did not identify any issues during the audit; however, they will be issuing more data requests to review and validate information provided, and to look more in-depth at certain areas. The auditors noted on several occasions that the Company appeared to have a strong compliance program and culture, and were appreciative of our responsiveness and transparency.

LKE recently received the following safety awards:
• London Crew Center employees won both the Edison Electric Safety Achievement Award and the Kentucky Governor's Safety and Health Award for completing 256,481 hours (nearly 9 ½ years) without a lost-time incident.
• Maysville Operations Center employees won the Edison Electric Safety Achievement Award for 500,002 hours (or nearly 10 years) without a lost-time incident.
• LKE employees won the American Gas Association Accident Prevention Award for Safety Excellence for having the lowest Days Away, Restricted or Transferred (DART) rate of 0.46 in 2018 among peer companies and groups.

The Company has completed its installation of 20 public-accessible electric vehicle charging stations across the LG&E and KU service territories, as part of its program approved by the KPSC.

LKE recently completed the consolidation of the LG&E and KU electric distribution control centers into a single new facility in Simpsonville, Kentucky. The center allows for the centralization of personnel which will include a unified team that will efficiently operate in one location with our field operations. Other benefits include the streamlining of processes and a new formal training program.

Significant Future Events

There are no significant future events to note at this time.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 16 of 243
Arbough

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

April 2019

($ Millions)

	Actual vs. Budget - MTD				Actual vs. PY - MTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 129	$ 133	$ (4)		$ 129	$ 131	$ (2)	
Gas Margin	13	14	(1)		13	13	(0)	
Total Gross Margin	142	147	(5)		142	144	(2)	
O&M	68	70	2		68	66	(3)	
Depreciation & Amortization	34	35	1		34	34	(1)	
Taxes, Other than Income	6	6	0		6	6	(0)	
Other income (expense)	0	(0)	0		0	(3)	3	
EBIT	33	36	(2)		33	36	(2)	
Interest Expense	22	21	(0)		22	19	(3)	
Income from Ongoing Operations before income taxes	12	14	(2)		12	17	(5)	
Income Tax Expense	2	3	0		2	2	(0)	
Net Income (loss) from ongoing operations	**9**	**11**	**(2)**		**9**	**15**	**(5)**	
Special Item - (Non Operating Income)	0	0	0		0	(9)	9	In 2018, due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes.
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
Net Income (loss)	$ 9	$ 11	$ (2)		$ 9	$ 5	$ 4	
KY Regulated Financing Costs	(3)	$ (3)	(0)		(3)	$ (3)	0	
KY Regulated Net Income	$ 7	$ 9	$ (2)		$ 7	$ 2	$ 4	
Earnings Per Share - Ongoing	$ 0.01	$ 0.01	$ (0.00)		$ 0.01	$ 0.02	$ (0.01)	

Note: Schedules may not sum due to rounding.

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

April 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 590	$ 593	$ (3)		$ 590	$ 597	$ (7)	Due primarily to lower sales volumes and lower transmission margins, partially offset by ECR rate base growth and a favorable TCJA surcredit timing difference.
Gas Margin	82	86	(4)		82	82	0	
Total Gross Margin	672	679	(7)		672	679	(7)	
O&M	260	261	1		260	247	(13)	Due primarily to increase in contractor labor for line locating, veg. management, and storm restoration and an increase in repair expenses in 2019 at the Trimble County Generating Station including, FGD, Coal Feeder, and Mill Repairs.
Depreciation & Amortization	139	142	3		139	134	(5)	Due to larger plant in service balance.
Taxes, Other than Income	23	24	1		23	22	(1)	
Other income (expense)	1	(1)	2		1	(4)	5	Due primarily to decrease in donations and a decrease in pension non service cost burdens due to a 50bps increase in the discount rate and layers of prior service cost that were fully amortized in 2018 (and thus have no amortization in 2019).
EBIT	252	251	0		252	272	(20)	
Interest Expense	83	84	1		83	75	(9)	Primarily due to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	168	167	1		168	197	(29)	
Income Tax Expense	34	33	(2)		34	41	7	Lower tax expense primarily due to lower pre-tax income.
Net Income (loss) from ongoing operations	**134**	**135**	**(1)**		**134**	**156**	**(22)**	
Special Item - (Non Operating Income)	0	0	0		0	(9)	9	In 2018, due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes.
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
Net Income (loss)	$ 134	$ 135	$ (1)		$ 134	$ 147	$ (13)	
KY Regulated Financing Costs	(11)	(11)	(0)		(11)	(12)	1	
KY Regulated Net Income	123	$ 124	$ (1)		123	$ 135	$ (12)	
Earnings Per Share - Ongoing	$ 0.17	$ 0.17	$ 0.00		$ 0.17	$ 0.21	$ (0.04)	

Note: Schedules may not sum due to rounding.

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

April 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 221	$ 217	$ 3		$ 221	$ 224	$ (3)	
Gas Margin	82	86	(4)		82	82	0	
Total Gross Margin	303	304	(1)		303	306	(3)	
O&M	118	114	(4)		118	109	(9)	Due primarily to increase in contractor labor for line locating, veg. management, and storm restoration and an increase in repair expenses in 2019 at the Trimble County Generating Station including, FGD, Coal Feeder, and Mill Repairs.
Depreciation & Amortization	57	58	2		57	55	(2)	
Taxes, Other than Income	12	12	0		12	11	(1)	
Other income (expense)	(0)	(2)	1		(0)	(3)	3	
EBIT	116	118	(2)		116	127	(11)	
Interest Expense	28	28	(0)		28	25	(3)	
Income from Ongoing Operations before income taxes	88	90	(2)		88	103	(14)	
Income Tax Expense	19	18	(1)		19	22	3	
Net Income (loss) from ongoing operations	**$ 70**	**$ 72**	**$ (3)**		**$ 70**	**$ 80**	**$ (11)**	

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

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

April 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 370	$ 376	$ (6)	Due primarily to lower than budgeted sales volumes.	$ 370	$ 374	$ (4)	
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	370	376	(6)		370	374	(4)	
O&M	130	134	4		130	125	(6)	Due primarily to increase in contractor labor for line locating, veg. management, and storm restoration and an increase in repair expenses in 2019 at the Trimble County Generating Station including, FGD, Coal Feeder, and Mill Repairs.
Depreciation & Amortization	82	83	1		82	79	(2)	
Taxes, Other than Income	11	12	1		11	11	(0)	
Other income (expense)	1	0	1		1	(1)	2	
EBIT	148	147	1		148	158	(10)	
Interest Expense	35	35	(0)		35	33	(2)	
Income from Ongoing Operations before income taxes	112	112	1		112	125	(13)	
Income Tax Expense	24	21	(3)		24	26	2	
Net Income (loss) from ongoing operations	**$ 89**	**$ 91**	**$ (2)**		**$ 89**	**$ 99**	**$ (10)**	

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 — April 2019

($ Millions)

	Forecast vs. Budget - Full Year			
	Q1 Forecast	**Budget**	**Variance**	**Comments**
Gross Margin:				
Electric Margin	$ 1,879	$ 1,921	$ (42)	Lower electric margins due primarily to differences in actual vs. budgeted rate case revenue and removal of revenue challenge, partially offset by a change in purchased power demand assumptions.
Gas Margin	203	205	(2)	
Total Gross Margin	2,082	2,126	(44)	
O&M	786	790	4	
Depreciation & Amortization	436	448	12	Due to lower plant in service balance.
Taxes, Other than Income	71	72	1	
Other income (expense)	2	0	2	
EBIT	792	817	(25)	
Interest Expense	260	269	9	Due to lower debt balances and lower forecasted interest rates.
Income from Ongoing Operations before income taxes	532	547	(16)	
Income Tax Expense	91	106	16	Primarily related to a recycling credit recognized in June 2019 in the forecast and lower pre-tax income.
Net Income (loss) from ongoing operations	**441**	**441**	**0**	
Special Item - (Non Operating Income)	0	0	0	
Discontinued Operations	(0)	0	(0)	
Net Income (loss)	$ 441	$ 441	$ 0	
KY Regulated Financing Costs	(32)	(32)	(0)	
KY Regulated Net Income	$ 409	$ 409	$ 0	
Earnings Per Share - Ongoing	$ 0.55	$ 0.55	$ 0.00	

Note: Schedules may not sum due to rounding.

Margins Actual vs. Budget — April 2019

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year April-19	MTD Budget April-19	Change $	Change %
Base Service Charge	$ 16	$ 16	$ (0)	-1%
Base Energy	62	66	$ (4)	-6%
Demand Charge	46	45	$ 1	2%
Tax Cuts and Job Act (TCJA)	(7)	(7)	$ 1	-11%
Retail Fuel (Net)	(0)	(0)	$ 0	-32%
DSM	0	0	$ 0	125%
ECR	15	15	$ (0)	-1%
Transmission	0	0	$ 0	28%
Purchase Power Demand	(4)	(4)	$ (0)	5%
Off-System Sales	(0)	0	$ (0)	-109%
Shared Solar Program	0	0	$ (0)	-94%
Other Revenue	2	2	$ (0)	-4%
Cost of Sales	(2)	(1)	$ (1)	66%
	$ 130	$ 133	$ (3)	-3%

LKE Gas Margins

	MTD Current Year April-19	MTD Budget April-19	Change $	Change %
Base Service Charge	$ 7	$ 7	$ 0	0%
Distribution Charge	5	7	$ (1)	-20%
WNA	0	-	$ 0	0%
Tax Cuts and Job Act (TCJA)	(0)	(1)	$ 0	-26%
DSM	0	0	$ 0	17%
GSC	0	-	$ 0	0%
GLT	0	1	$ (0)	-48%
Other Revenue	0	0	$ 0	5%
Cost of Sales	-	-	$ -	0%
	$ 13	$ 14	$ (1)	-8%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year April-19	YTD Budget April-19	Change $	Change %
Base Service Charge	$ 65	$ 65	$ (0)	-1%
Base Energy	321	332	$ (10)	-3%
Demand Charge	183	180	$ 2	1%
Tax Cuts and Job Act (TCJA)	(31)	(34)	$ 3	-10%
Retail Fuel (Net)	(2)	(1)	$ (1)	65%
DSM	2	1	$ 1	134%
ECR	61	60	$ 1	2%
Transmission	1	3	$ (2)	-57%
Purchase Power Demand	(14)	(17)	$ 3	-15%
Off-System Sales	0	0	$ 0	28%
Shared Solar Program	0	0	$ (0)	-94%
Other Revenue	9	9	$ 0	3%
Cost of Sales	(5)	(5)	$ 0	-1%
	$ 590	$ 593	$ (2)	0%

LKE Gas Margins

	YTD Current Year April-19	YTD Budget April-19	Change $	Change %
Base Service Charge	$ 27	$ 27	$ 0	0%
Distribution Charge	57	61	$ (4)	-6%
WNA	0	-	$ 0	0%
Tax Cuts and Job Act (TCJA)	(6)	(6)	$ 0	-3%
DSM	0	0	$ 0	54%
GSC	0	-	$ 0	0%
GLT	1	3	$ (2)	-53%
Other Revenue	1	1	$ 0	9%
Cost of Sales	-	-	$ -	0%
	$ 82	$ 86	$ (4)	-5%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 22 of 243
Arbough

O&M			April 2019
($ Millions)			
	YTD		
	Actual	Budget	Variance
Chief Operating Officer			
Power Production			
All Other	$ 23.1	$ 24.4	$ 1.3
Maintenance	32.9	33.8	0.8
Outages	18.3	17.8	(0.5)
Power Production	**74.4**	**76.1**	**1.7**
Customer Services			
All Other	$ 30.5	$ 31.3	$ 0.8
Bad Debt Expense	2.6	2.4	(0.2)
Customer Services	**33.1**	**33.7**	**0.6**
Electric Distribution			
All Other	$ 15.5	$ 14.7	$ (0.8)
Storm Restoration	3.8	1.7	(2.1)
Vegetation Mgmt	7.3	6.4	(0.9)
Electric Distribution	**26.6**	**22.9**	**(3.7)**
Transmission			
All Other	$ 8.0	$ 7.6	$ (0.4)
Storm Restoration	0.2	0.1	(0.1)
Vegetation Mgmt	4.5	3.9	(0.6)
Transmission	**12.8**	**11.7**	**(1.1)**
Energy Supply & Analysis	**$ 4.4**	**$ 4.7**	**$ 0.3**
Gas Distribution	**$ 17.1**	**$ 14.7**	**$ (2.4)**
Project Engineering	**$ 0.1**	**$ 0.2**	**$ 0.0**
Safety & Tech Training	**$ 2.4**	**$ 2.2**	**$ (0.2)**
Environmental	**$ 1.9**	**$ 2.3**	**$ 0.4**
Chief Operating Officer	**$ 0.2**	**$ 0.2**	**$ (0.0)**
Chief Operating Officer Total	**$ 172.9**	**$ 168.4**	**$ (4.5)**
Chief Financial Officer			
Treasurer	**$ 8.2**	**$ 8.6**	**$ 0.4**
Controller	**$ 3.0**	**$ 3.1**	**$ 0.1**
Information Technology	**$ 20.0**	**$ 22.3**	**$ 2.2**
State Reg & Rates	**$ 0.7**	**$ 0.8**	**$ 0.1**
Audit Services	**$ 0.5**	**$ 0.6**	**$ 0.0**
Supply Chain	**$ 1.3**	**$ 1.4**	**$ 0.0**
Other	**$ 0.6**	**$ 0.7**	**$ 0.1**
Chief Financial Officer Total	**$ 34.5**	**$ 37.4**	**$ 2.9**
Communication	**$ 2.8**	**$ 3.7**	**$ 0.9**
Human Resources	**$ 2.3**	**$ 2.6**	**$ 0.2**
General Counsel	**$ 4.2**	**$ 5.2**	**$ 1.0**
Corporate Cost Center	**$ 31.2**	**$ 30.7**	**$ (0.4)**
Non-Utility	**$ 11.8**	**$ 12.6**	**$ 0.8**
Grand Total	**$ 259.8**	**$ 260.7**	**$ 0.9**

Financing Activities — April 2019

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance	Full Year Forecast	Budget	Variance
PCB						
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	**$ 881.1**	**$ 881.1**	**$ 0.0**	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 5.5**	**$ 6.1**	**$ 0.6**	**$ 17.9**	**$ 20.2**	**$ 2.3**
Rate	**1.86%**	**2.06%**	**0.20%**	**2.00%**	**2.26%**	**0.26%**
FMB/Sr Nts/Loan with PPL						
Beg Bal	$ 4,660.0	$ 4,832.1	$ 172.1	$ 4,660.0	$ 4,832.1	$ 172.1
End Bal	5,160.0	4,802.0	(358.0)	5,282.7	5,347.7	65.0
Ave Bal	**$ 4,760.0**	**$ 4,820.1**	**$ 60.07**	**$ 5,005.9**	**$ 5,161.4**	**$ 155.54**
Interest Exp	**$ 68.1**	**$ 68.2**	**$ 0.1**	**$ 216.6**	**$ 225.1**	**$ 8.6**
Rate	**4.29%**	**4.25%**	**-0.05%**	**4.27%**	**4.30%**	**0.04%**
Short-term Debt						
Beg Bal	$ 627.0	$ 592.4	$ (34.6)	$ 627.0	$ 592.4	$ (34.6)
End Bal	232.1	689.0	456.9	394.1	395.4	1.3
Ave Bal [1]	**$ 537.6**	**$ 617.5**	**$ 79.9**	**$ 445.3**	**$ 372.7**	**$ (72.7)**
Interest Exp	**$ 5.6**	**$ 6.1**	**$ 0.5**	**$ 13.6**	**$ 12.2**	**$ (1.4)**
Rate	**3.12%**	**2.96%**	**-0.16%**	**3.02%**	**3.24%**	**0.21%**
Unamortized Debt Expense Bonds						
Beg Bal	$ (38.4)	$ (38.1)	$ 0.27	$ (38.4)	$ (38.1)	$ 0.27
End Bal	(39.3)	(37.2)	2.0	(38.1)	(43.6)	(5.6)
Ave Bal	**$ (38.1)**	**$ (37.5)**	**$ 0.7**	**$ (38.7)**	**$ (41.8)**	**$ (3.2)**
Total End Bal	**$ 6,233.9**	**$ 6,334.8**	**$ 100.9**	**$ 6,519.7**	**$ 6,580.5**	**$ 60.8**
Total Average Bal	**$ 6,140.6**	**$ 6,281.2**	**$ 140.6**	**$ 6,293.7**	**$ 6,373.3**	**$ 79.7**
Total Expense Excl I/C [2]	**$ 83.2**	**$ 84.1**	**$ 0.9**	**$ 259.9**	**$ 269.2**	**$ 9.3**
Rate	**4.04%**	**3.99%**	**-0.04%**	**4.05%**	**4.14%**	**0.09%**

[1] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
[2] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[3]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 212		$ 163	
LG&E	700	220		480	$ 56
KU	598	(0)	$ 198	400	0
TOTAL	$ 1,673	$ 432	$ 198	$ 1,043	$ 56

[3] LG&E borrowed amount includes commercial paper issuances and $200M Term Loan. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 24 of 243
Arbough

Balance Sheet - LKE Consolidated

April 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 15	$ 14	$ 21	$ 1	
Accounts Receivable (Trade)	347	393	383	(45)	Primarily due to timing of actuals.
Inventory	230	210	225	20	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	24	10	11	15	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018.
Prepayments and other current assets	82	76	81	5	
Total Current Assets	698	703	721	(5)	
Property, Plant, and Equipment	12,756	12,875	12,193	(119)	
Intangible Assets	125	75	83	50	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	856	795	795	61	
Goodwill	997	997	997	0	
Other Long-term Assets	87	87	80	0	
Total Assets	**$ 15,520**	**$ 15,533**	**$ 14,870**	**$ (13)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 304	$ 285	$ 316	$ 19	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	63	59	59	4	
Derivative Liability	4	4	4	0	
Accrued Taxes	28	26	44	1	
Regulatory Liabilities Current	32	27	63	4	
Other Current Liabilities	247	273	248	(26)	
Total Current Liabilities	678	674	733	4	
Debt - Affiliated Company	862	873	662	(11)	
Debt [(1)]	5,372	5,461	5,092	(90)	
Total Debt	6,234	6,335	5,754	(101)	
Deferred Tax Liabilities	999	987	891	12	
Investment Tax Credit	125	125	128	0	
Accum Provision for Pension & Related Benefits	260	238	269	22	
Asset Retirement Obligation	209	209	252	1	
Regulatory Liabilities Non Current	2,027	1,998	2,025	29	
Derivative Liability	16	13	17	3	
Other Liabilities	172	170	158	2	
Total Deferred Credits and Other Liabilities	3,808	3,739	3,740	69	
Equity	4,800	4,785	4,642	16	
Total Liabilities and Equity	**$ 15,520**	**$ 15,533**	**$ 14,870**	**$ (13)**	

[(1)] Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E **April 2019**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 6	$ 5	$ 8	$ 1	
Accounts Receivable (Trade)	155	178	169	(22)	Primarily due to timing of actuals.
Inventory	101	87	99	14	Primarily higher than budgeted coal inventory due the inventory built up for Ghent before the Stacker/Reclaimer and Barge Unloader outages, and higher gas stored underground due to slightly lower gas distribution.
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	21	10	10	12	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018.
Prepayments and other current assets	61	48	59	13	Primarily due to lower than anticipated refined coal accounts receivable, other prelim survey charges, and accounts receivable from associated companies.
Total Current Assets	344	327	344	17	
Property, Plant, and Equipment	5,654	5,731	5,382	(78)	
Intangible Assets	25	6	6	19	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	431	397	404	34	
Goodwill	0	0	0	0	
Other Long-term Assets	21	36	25	(15)	Lower due to a decrease in prepaid pension primarily due to negative return on investments versus budget and partially offset by an increase in the discount rate and other actuarial updates along with burdens of approximately $3.8M recorded through March 2019 which should be reflected in Accum Provision for Pension & Related Benefits (will be corrected in the second quarter); partially offset by higher Cane Run 7 LTPC and Brown 6 LTSA assets and increase in other preliminary survey charges.
Total Assets	**$ 6,476**	**$ 6,498**	**$ 6,162**	**$ (22)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 177	$ 158	$ 198	$ 19	Primarily due to refined coal not being included in the budget due to having no contract in place at the time.
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	30	28	28	2	
Derivative Liability	4	4	4	0	
Accrued Taxes	16	8	20	8	
Regulatory Liabilities Current	7	9	28	(3)	
Other Current Liabilities	77	81	71	(5)	
Total Current Liabilities	311	290	349	22	
Debt - Affiliated Company	56	0	0	56	Due to unbudgeted Money Pool loan with KU.
Debt [(1)]	2,025	2,116	1,950	(92)	
Total Debt	2,081	2,116	1,950	(36)	
Deferred Tax Liabilities	644	641	582	3	
Investment Tax Credit	34	34	35	0	
Accum Provision for Pension & Related Benefits	10	0	1	10	Increase primarily due to negative return on investments versus budget, partially offset by an increase in the discount rate and other actuarial updates. Additionally, burdens of approximately $3.8M recorded through March 2019 were inadvertently reflected in other long-term assets in actuals but should be netted with pension liability. Will be corrected in the second quarter.
Asset Retirement Obligation	83	90	92	(7)	
Regulatory Liabilities Non Current	867	863	866	3	
Derivative Liability	16	13	17	3	
Other Liabilities	93	93	85	0	
Total Deferred Credits and Other Liabilities	1,747	1,734	1,677	13	
Equity	2,338	2,358	2,185	(21)	
Total Liabilities and Equity	**$ 6,476**	**$ 6,498**	**$ 6,162**	**$ (22)**	

[(1)] Includes all ST and LT debt.

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

Balance Sheet - KU

April 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 9	$ 5	$ 12	$ 4	
Accounts Receivable (Trade)	192	215	213	(22)	Primarily due to timing of actuals.
Inventory	129	123	126	6	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	3	0	1	3	
Prepayments and other current assets	92	52	49	39	Primarily due to an unbudgeted Money Pool loan from LGE partially offset by lower than anticipated refined coal accounts receivable, other prelim survey charges, and accounts receivable from associated companies.
Total Current Assets	425	395	402	29	
Property, Plant, and Equipment	7,088	7,130	6,802	(41)	
Intangible Assets	41	12	13	29	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	420	398	389	21	
Goodwill	0	0	0	0	
Other Long-term Assets	68	86	67	(17)	Lower due to a decrease in prepaid pension primarily due to negative return on investments versus budget and partially offset by an increase in the discount rate and other actuarial updates; partially offset by higher Cane Run 7 LTPC and Brown 6 LTSA assets and increase in other preliminary survey charges.
Total Assets	**$ 8,043**	**$ 8,022**	**$ 7,673**	**$ 21**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 175	$ 170	$ 179	$ 5	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	33	31	31	2	
Derivative Liability	0	0	0	0	
Accrued Taxes	17	14	22	2	
Regulatory Liabilities Current	25	18	34	7	
Other Current Liabilities	129	142	135	(14)	Primarily due to ARO reclassification from current to non-current in actuals versus the budget which assumed a static balance as of June 2018.
Total Current Liabilities	378	375	401	2	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,622	2,620	2,418	2	
Total Debt	2,622	2,620	2,418	2	
Deferred Tax Liabilities	754	760	696	(5)	
Investment Tax Credit	91	91	93	0	
Accum Provision for Pension & Related Benefits	1	0	0	1	
Asset Retirement Obligation	126	119	160	7	
Regulatory Liabilities Non Current	1,098	1,075	1,094	23	
Derivative Liability	0	0	0	0	
Other Liabilities	59	54	42	5	
Total Deferred Credits and Other Liabilities	2,130	2,099	2,085	31	
Equity	2,913	2,928	2,769	(15)	
Total Liabilities and Equity	**$ 8,043**	**$ 8,022**	**$ 7,673**	**$ 21**	

[1] Includes all ST and LT debt.

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

PPL companies

Performance Report

May 2019

Table of Contents	May 2019

Content	Page

Executive Summary	3
Income Statement: Actual vs. Budget (Month) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	5
Income Statement: Actual vs. Budget (YTD) - LG&E	6
Income Statement: Actual vs. Budget (YTD) - KU	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

Kentucky Regulated Dashboard — May 2019

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	2.27	1.10	1.45	1.55	1.25	1.50
Employee lost-time incidents	1	0	3	1	8	9
DART[1]	0.97	0.00	0.62	0.35	0.58	0.46
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.06	9.06	9.22	9.02	8.50	9.02
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	6.8%	5.0%	3.0%	5.0%	N/A	5.0%
Utility EAF	84.0%	86.7%	84.8%	81.5%	N/A	80.0%
Combined SAIFI	0.10	0.08	0.36	0.35	N/A	0.94
Combined SAIDI (minutes)	11.78	8.42	36.14	31.69	N/A	88.64
Gas Emergency Response Time	31.20	35.00	33.30	35.00	N/A	35.00
GwH Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	779	703	4,271	4,379	10,304	10,410
Commercial	674	678	3,185	3,113	7,969	7,907
Industrial	740	876	3,592	3,765	9,229	9,282
Other	233	237	1,087	1,034	2,660	2,621
Retail	2,426	2,494	12,135	12,291	30,162	30,220
Municipals	32	32	587	623	852	875
Off-System Sales	24	25	145	122	284	260
Total	2,483	2,551	12,867	13,037	31,298	31,355
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			-0.30%			
Commercial			1.35%			
Industrial			-1.50%			
Other			0.49%			
Total			-0.16%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$157	$153	$747	$746	$1,879	$1,921
Gas Margins	$12	$13	$94	$99	$203	$205
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$58	$64	$318	$325	$786	$790
O&M – GAAP View[3]	$66	$72	$355	$361	$883	$885
Capital Expenditures ($ millions)	$92	$94	$433	$475	$1,161	$1,164
Average Utility Capitalization ($ millions)	$9,680	$9,764	$9,680	$9,764	$10,051	$10,127
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,449	3,609	3,449	3,609	3,602	3,610

	YTD		Full Year	
Financial Metrics [4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	9.9%	9.1%	9.7%	9.2%
Effective Depreciation Rate [5]	3.2%	3.1%	3.4%	3.3%
Effective Interest Rate	4.0%	4.0%	4.1%	4.2%
Effective Tax Rate	20.8%	20.0%	17.1%	19.4%
Moody's CFO pre-WC / Debt				
LGE	22.6%	21.2%	22.4%	21.7%
KU	21.4%	19.8%	22.1%	21.3%
LKE Consolidated	14.4%	13.3%	15.0%	14.8%

Variance Explanations

Lower MTD & YTD O&M, primarily related to higher labor and burdens recorded to capital and reg assets as well as open positions, and timing of other costs related to generation, IT and General Counsel.
Lower YTD depreciation primarily due to lower than budgeted gross plant in service.

(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.

(6) Excludes goodwill and other purchase accounting adjustments.

Note: Schedules may not sum due to rounding.

Major Developments

The remaining coal plant structures and stacks of the Cane Run plant were recently demolished. After 61 years, the coal plant generated its last megawatt of power on June 16, 2015. Cane Run is the second of six retired coal-fired generating plants that has been demolished throughout the service territory.

The Tennessee Public Utility Commission ("TPUC") approved KU's petition requesting permission to abandon its service area in the state and withdrawal its tariff for electric service after having acquired the four remaining residential properties served in the state. As a result, KU is no longer under TPUC's jurisdiction.

LG&E's Advanced Meter Opt-In pilot program recently reached its customer limit of 10,000, while KU is currently at 8,225 on its 10,000 limit. The Companies continue to see a strong customer response to education materials the Companies began using when the KPSC approved an expansion of this pilot program. Customer acceptance and use of the digital capabilities of the Advanced Meters will be an important factor in gaining full approval of system-wide Advanced Meters in the future.

Two parties recently filed appeals of the KPSC's Final Order in our rate case – the Attorney General on grounds that the Commission did not articulate sufficient findings of fact to support its decision on increases to the basic service charge, and the Metropolitan Housing Coalition on grounds that its dismissal from the case prevented it from examining witnesses regarding the basic service charge. We do not believe these filings have merit, but they will progress through the Franklin Circuit Court, and perhaps further appeals.

Significant Future Events

There are no significant future events to note at this time.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 30 of 243
Arbough

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

May 2019

($ Millions)

	Actual vs. Budget - MTD				Actual vs. PY - MTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 157	$ 153	$ 4		$ 157	$ 155	$ 2	
Gas Margin	12	13	(1)		12	10	2	
Total Gross Margin	169	166	3		169	165	4	
O&M	58	64	6	Due primarily to higher labor and burdens recorded to capital and reg assets as well as open positions, and timing of other costs related to generation, IT and General Counsel.	58	59	1	
Depreciation & Amortization	36	38	2		36	34	(2)	
Taxes, Other than Income	6	6	0		6	5	(0)	
Equity in Earnings	0	0	0		0	(0)	0	
Other income (expense)	0	0	0		0	(0)	1	
EBIT	70	58	12		70	67	3	
Interest Expense	22	23	2		22	19	(2)	
Income from Ongoing Operations before income taxes	48	34	13		48	47	0	
Income Tax Expense	7	7	(1)		7	9	1	
Net Income (loss) from ongoing operations	**40**	**28**	**13**		**40**	**39**	**2**	
Special Item - (Non Operating Income)	0	0	0		0	0	0	
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
Net Income (loss)	$ 40	$ 28	$ 13		$ 40	$ 39	$ 2	
KY Regulated Financing Costs	(3)	$ (3)	(0)		(3)	$ (3)	0	
KY Regulated Net Income	$ 38	$ 25	$ 13		$ 38	$ 36	$ 2	
Earnings Per Share - Ongoing	$ 0.05	$ 0.03	$ 0.02		$ 0.05	$ 0.05	$ 0.00	

Note: Schedules may not sum due to rounding.

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

May 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 747	$ 746	$ 1		$ 747	$ 752	$ (5)	Due primarily to lower sales volumes and lower transmission margins, partially offset by ECR rate base growth and an increase in KPSC base rate revenues effective May 1, 2019.
Gas Margin	94	99	(5)	Due primarily to the allocation of budgeted gas volumes between Q1 and Q4 and lower than budgeted GLT rate base.	94	92	2	
Total Gross Margin	841	845	(3)		841	844	(3)	
O&M	318	325	7	Due to lower labor and burdens, HW/SW maintenance, insurance savings and timing of legal consultants offset by increased in-line inspections, line locating, storm restoration and veg. management costs.	318	306	(12)	Due primarily to increase in contractor labor for line locating, veg. management, and storm restoration and an increase in repair expenses in 2019 at the Trimble County Generating Station including, FGD, Coal Feeder, and Mill Repairs.
Depreciation & Amortization	175	179	5	Due primarily to lower than anticipated plant in service.	175	168	(7)	Due primarily to larger plant in service balance.
Taxes, Other than Income	29	30	1		29	27	(1)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	1	(1)	3		1	(4)	6	Due primarily to due to shifting the majority of donations from the Company to the LG&E and KU Foundation and a decrease in pension non service cost burdens due to a 50bps increase in the discount rate and layers of prior service cost that were fully amortized in 2018 (and thus have no amortization in 2019).
EBIT	321	309	12		321	339	(18)	
Interest Expense	105	108	3		105	94	(11)	Primarily due to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	216	202	15		216	245	(29)	
Income Tax Expense	42	39	(3)		42	50	8	Lower tax expense primarily due to lower pre-tax income.
Net Income (loss) from ongoing operations	**175**	**163**	**12**		**175**	**195**	**(21)**	
Special Item - (Non Operating Income)	0	0	0		0	(9)	9	In 2018, due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes.
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
Net Income (loss)	$ 175	$ 163	$ 12		$ 175	$ 186	$ (11)	
KY Regulated Financing Costs	(14)	(14)	(0)		(14)	(15)	2	
KY Regulated Net Income	161	$ 149	$ 12		161	$ 171	$ (10)	
Earnings Per Share - Ongoing	$ 0.22	$ 0.20	$ 0.02		$ 0.22	$ 0.26	$ (0.04)	

Note: Schedules may not sum due to rounding.

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

May 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 285	$ 279	$ 6	Due primarily to favorable demand revenues and lower than budgeted purchased power demand costs.	$ 285	$ 287	$ (2)	
Gas Margin	94	99	(5)	Due primarily to the allocation of budgeted gas volumes between Q1 and Q4 and lower than budgeted GLT rate base.	94	92	2	
Total Gross Margin	379	378	2		379	379	(0)	
O&M	145	143	(2)		145	136	(9)	Due primarily to increase in contractor labor for line locating, veg. management, and storm restoration and an increase in repair expenses in 2019 at the Trimble County Generating Station including, FGD, Coal Feeder, and Mill Repairs.
Depreciation & Amortization	71	73	2		71	68	(3)	
Taxes, Other than Income	15	15	0		15	14	(1)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(0)	(2)	1		(0)	(4)	4	
EBIT	148	145	3		148	158	(10)	
Interest Expense	35	36	1		35	31	(4)	
Income from Ongoing Operations before income taxes	113	109	4		113	127	(14)	
Income Tax Expense	25	22	(2)		25	28	3	
Net Income (loss) from ongoing operations	**$ 88**	**$ 86**	**$ 2**		**$ 88**	**$ 99**	**$ (10)**	

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

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

May 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 462	$ 467	$ (5)	Due primarily to lower than budgeted sales volumes.	$ 462	$ 465	$ (3)	
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	462	467	(5)		462	465	(3)	
O&M	158	167	10	Lower labor due to open positions, reclass of refined coal, projects pulled forward, lower FGD, Boiler, Generator and CT Turbine maintenance.	158	156	(2)	
Depreciation & Amortization	103	105	3		103	99	(4)	
Taxes, Other than Income	14	15	1		14	13	(1)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	2	0	1		2	(1)	2	
EBIT	189	180	9		189	196	(7)	
Interest Expense	45	45	0		45	41	(3)	
Income from Ongoing Operations before income taxes	145	135	10		145	155	(10)	
Income Tax Expense	32	27	(5)	Primarily due to higher pre-tax income and difference in effective tax rate used in actuals versus business plan for Q1 due to excess deferreds, coal credit and permanent difference estimates.	32	34	2	
Net Income (loss) from ongoing operations	**$ 113**	**$ 108**	**$ 5**		**$ 113**	**$ 121**	**$ (8)**	

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

Margins Actual vs. Budget — May 2019

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year May-19	MTD Budget May-19	Change $	Change %
Base Service Charge	$ 19	$ 17	$ 1	8%
Base Energy	71	77	$ (6)	-8%
Demand Charge	53	45	$ 8	17%
Tax Cuts and Job Act (TCJA)	0	-	$ 0	0%
Retail Fuel (Net)	0	(0)	$ 0	-178%
DSM	0	0	$ (0)	-68%
ECR	16	16	$ (1)	-6%
Transmission	0	0	$ 0	212%
Purchase Power Demand	(3)	(3)	$ 1	-24%
Off-System Sales	0	0	$ 0	80%
Shared Solar Program	0	0	$ (0)	-94%
Other Revenue	3	2	$ 1	30%
Cost of Sales	(2)	(2)	$ (0)	18%
	$ 157	$ 153	$ 4	3%

LKE Gas Margins

	MTD Current Year May-19	MTD Budget May-19	Change $	Change %
Base Service Charge	$ 8	$ 8	$ 1	8%
Distribution Charge	3	4	$ (1)	-23%
WNA	0	-	$ 0	0%
Tax Cuts and Job Act (TCJA)	0	-	$ 0	0%
DSM	-	0	$ (0)	-100%
GSC	0	-	$ 0	0%
GLT	0	1	$ (0)	-44%
Other Revenue	0	0	$ 0	4%
Cost of Sales	-	-	$ -	0%
	$ 12	$ 13	$ (1)	-5%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year May-19	YTD Budget May-19	Change $	Change %
Base Service Charge	$ 84	$ 83	$ 1	1%
Base Energy	392	408	$ (16)	-4%
Demand Charge	235	226	$ 10	4%
Tax Cuts and Job Act (TCJA)	(31)	(34)	$ 4	-11%
Retail Fuel (Net)	(1)	(1)	$ (0)	16%
DSM	2	1	$ 1	94%
ECR	76	76	$ 0	0%
Transmission	2	3	$ (2)	-50%
Purchase Power Demand	(17)	(20)	$ 3	-16%
Off-System Sales	0	0	$ 0	36%
Shared Solar Program	0	0	$ (0)	-94%
Other Revenue	12	11	$ 1	6%
Cost of Sales	(7)	(7)	$ (0)	3%
	$ 747	$ 746	$ 1	0%

LKE Gas Margins

	YTD Current Year May-19	YTD Budget May-19	Change $	Change %
Base Service Charge	$ 36	$ 35	$ 1	2%
Distribution Charge	61	65	$ (5)	-7%
WNA	0	-	$ 0	0%
Tax Cuts and Job Act (TCJA)	(5)	(6)	$ 0	-3%
DSM	0	0	$ 0	23%
GSC	0	-	$ 0	0%
GLT	2	4	$ (2)	-51%
Other Revenue	1	1	$ 0	2%
Cost of Sales	-	-	$ -	0%
	$ 94	$ 99	$ (5)	-5%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 35 of 243
Arbough

O&M			May 2019
($ Millions)			
	YTD		
	Actual	Budget	Variance
Chief Operating Officer			
Power Production			
All Other	$ 27.1	$ 31.2	$ 4.1
Maintenance	39.4	42.5	3.1
Outages	21.0	20.2	(0.9)
Power Production	**87.6**	**93.8**	**6.2**
Customer Services			
All Other	$ 38.5	$ 39.5	$ 1.0
Bad Debt Expense	2.5	2.5	0.0
Customer Services	**41.0**	**42.1**	**1.1**
Electric Distribution			
All Other	$ 19.7	$ 18.6	$ (1.1)
Storm Restoration	4.3	2.2	(2.1)
Vegetation Mgmt	9.2	8.6	(0.7)
Electric Distribution	**33.2**	**29.3**	**(3.9)**
Transmission			
All Other	$ 9.8	$ 9.7	$ (0.1)
Storm Restoration	0.2	0.2	(0.0)
Vegetation Mgmt	5.2	4.9	(0.3)
Transmission	**15.2**	**14.7**	**(0.5)**
Energy Supply & Analysis	**$ 5.4**	**$ 5.8**	**$ 0.4**
Gas Distribution	**$ 21.5**	**$ 18.6**	**$ (2.9)**
Project Engineering	**$ 0.2**	**$ 0.2**	**$ 0.0**
Safety & Tech Training	**$ 2.9**	**$ 2.8**	**$ (0.1)**
Environmental	**$ 2.4**	**$ 3.0**	**$ 0.5**
Chief Operating Officer	**$ 0.2**	**$ 0.2**	**$ (0.0)**
Chief Operating Officer Total	**$ 209.6**	**$ 210.5**	**$ 0.9**
Chief Financial Officer			
Treasurer	**$ 9.9**	**$ 10.7**	**$ 0.8**
Controller	**$ 3.8**	**$ 3.9**	**$ 0.1**
Information Technology	**$ 24.9**	**$ 28.2**	**$ 3.3**
State Reg & Rates	**$ 0.9**	**$ 1.1**	**$ 0.2**
Audit Services	**$ 0.7**	**$ 0.7**	**$ 0.0**
Supply Chain	**$ 1.7**	**$ 1.7**	**$ 0.1**
Other	**$ 0.9**	**$ 0.9**	**$ 0.1**
Chief Financial Officer Total	**$ 42.7**	**$ 47.3**	**$ 4.6**
Communication	**$ 3.9**	**$ 4.5**	**$ 0.6**
Human Resources	**$ 2.9**	**$ 3.2**	**$ 0.3**
General Counsel	**$ 5.6**	**$ 6.8**	**$ 1.2**
Corporate Cost Center	**$ 37.6**	**$ 37.9**	**$ 0.4**
Non-Utility	**$ 15.5**	**$ 14.7**	**$ (0.8)**
Grand Total	**$ 317.8**	**$ 324.9**	**$ 7.0**

Financing Activities — May 2019

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance	Full Year Forecast	Budget	Variance
PCB						
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	**$ 881.1**	**$ 881.1**	**$ 0.0**	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 6.9**	**$ 7.7**	**$ 0.8**	**$ 17.9**	**$ 20.2**	**$ 2.3**
Rate	**1.88%**	**2.09%**	**0.21%**	**2.00%**	**2.26%**	**0.26%**
FMB/Sr Nts/Loan with PPL						
Beg Bal	$ 4,660.0	$ 4,832.1	$ 172.1	$ 4,660.0	$ 4,832.1	$ 172.1
End Bal	5,160.0	5,402.0	242.0	5,282.7	5,347.7	65.0
Ave Bal	**$ 4,826.7**	**$ 4,917.1**	**$ 90.4**	**$ 5,005.9**	**$ 5,161.4**	**$ 155.5**
Interest Exp	**$ 86.7**	**$ 88.0**	**$ 1.3**	**$ 216.6**	**$ 225.1**	**$ 8.6**
Rate	**4.31%**	**4.29%**	**-0.02%**	**4.27%**	**4.30%**	**0.04%**
Short-term Debt						
Beg Bal	$ 627.0	$ 592.4	$ (34.6)	$ 627.0	$ 592.4	$ (34.6)
End Bal	290.7	150.0	(140.7)	394.1	395.4	1.3
Ave Bal [1]	**$ 480.5**	**$ 539.6**	**$ 59.1**	**$ 445.3**	**$ 372.7**	**$ (72.7)**
Interest Exp	**$ 6.4**	**$ 7.3**	**$ 0.8**	**$ 13.6**	**$ 12.2**	**$ (1.4)**
Rate	**3.18%**	**3.21%**	**0.02%**	**3.02%**	**3.24%**	**0.21%**
Unamortized Debt Expense Bonds						
Beg Bal	$ (38.4)	$ (38.1)	$ 0.3	$ (38.4)	$ (38.1)	$ 0.3
End Bal	(39.5)	(44.7)	(5.2)	(38.1)	(43.6)	(5.6)
Ave Bal	**$ (38.4)**	**$ (38.7)**	**$ (0.3)**	**$ (38.7)**	**$ (41.8)**	**$ (3.2)**
Total End Bal	**$ 6,292.2**	**$ 6,388.3**	**$ 96.1**	**$ 6,519.7**	**$ 6,580.5**	**$ 60.8**
Total Average Bal	**$ 6,149.8**	**$ 6,299.0**	**$ 149.2**	**$ 6,293.7**	**$ 6,373.3**	**$ 79.7**
Total Expense Excl I/C [2]	**$ 105.0**	**$ 107.6**	**$ 2.6**	**$ 259.9**	**$ 269.2**	**$ 9.3**
Rate	**4.07%**	**4.07%**	**0.00%**	**4.05%**	**4.14%**	**0.09%**

[1] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
[2] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[3]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 218		$ 157	
LG&E	500	73		427	$ 12
KU	598	-	$ 198	400	0
TOTAL	$ 1,473	$ 291	$ 198	$ 984	$ 12

[3] LG&E borrowed amount represent commercial paper issuances. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Balance Sheet - LKE Consolidated

May 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 10	$ 14	$ 14	$ (4)	
Accounts Receivable (Trade)	355	392	382	(37)	
Inventory	226	210	231	15	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	25	11	10	14	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018.
Prepayments and other current assets	87	73	83	13	Primarily due to refined coal at LGE not being included in the budget due to having no contract in place at the time, other prelim survey charges, and accounts receivable from associated companies.
Total Current Assets	703	701	721	1	
Property, Plant, and Equipment	12,792	12,911	12,239	(119)	
Intangible Assets	124	74	83	49	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	861	795	797	66	
Goodwill	997	997	997	0	
Other Long-term Assets	78	86	81	(8)	
Total Assets	**$ 15,555**	**$ 15,566**	**$ 14,918**	**$ (10)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 273	$ 271	$ 306	$ 2	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	63	59	59	4	
Derivative Liability	5	4	4	1	
Accrued Taxes	40	41	61	(0)	
Regulatory Liabilities Current	24	23	67	1	
Other Current Liabilities	217	237	214	(20)	
Total Current Liabilities	623	635	711	(12)	
Debt - Affiliated Company	868	891	661	(23)	
Debt [1]	5,425	5,497	5,129	(73)	
Total Debt	6,292	6,388	5,790	(96)	
Deferred Tax Liabilities	994	985	889	9	
Investment Tax Credit	125	124	128	0	
Accum Provision for Pension & Related Benefits	260	237	270	23	
Asset Retirement Obligation	204	205	250	(1)	
Regulatory Liabilities Non Current	2,027	1,996	2,025	31	
Derivative Liability	18	13	17	5	
Other Liabilities	172	169	157	3	
Total Deferred Credits and Other Liabilities	3,799	3,729	3,736	70	
Equity	4,841	4,813	4,681	28	
Total Liabilities and Equity	**$ 15,555**	**$ 15,566**	**$ 14,918**	**$ (10)**	

[1] Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E

May 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 4	$ 5	$ 6	$ (1)	
Accounts Receivable (Trade)	160	176	167	(16)	
Inventory	96	86	102	11	Primarily higher gas stored underground due to lower than budgeted average inventory price for gas withdrawal from storage.
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	21	11	10	10	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018.
Prepayments and other current assets	63	46	48	16	Primarily due to refined coal not being included in the budget due to having no contract in place at the time, other prelim survey charges, and accounts receivable from associated companies.
Total Current Assets	344	324	332	20	
Property, Plant, and Equipment	5,671	5,754	5,405	(83)	
Intangible Assets	25	6	6	19	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	435	396	405	39	Primarily due to increase in pension regulatory asset related to actuarial updates, increase in interest rate swap regulatory asset due to lower interest rates and increase related to unbudgeted 2018 winter storm regulatory asset.
Goodwill	0	0	0	0	
Other Long-term Assets	14	37	25	(23)	Lower due to a decrease in prepaid pension primarily due to negative return on investments versus budget and partially offset by an increase in the discount rate and other actuarial updates along with burdens of approximately $3.8M recorded through March 2019 which should be reflected in Accum Provision for Pension & Related Benefits (will be corrected in the second quarter); partially offset by other prelim survey charges,
Total Assets	**$ 6,489**	**$ 6,517**	**$ 6,173**	**$ (28)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 161	$ 154	$ 170	$ 7	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	30	28	28	2	
Derivative Liability	5	4	4	1	
Accrued Taxes	25	16	29	9	
Regulatory Liabilities Current	5	7	31	(2)	
Other Current Liabilities	75	75	62	0	
Total Current Liabilities	300	284	325	16	
Debt - Affiliated Company	12	0	0	12	Due to unbudgeted Money Pool loan with KU.
Debt [1]	2,077	2,129	1,968	(52)	
Total Debt	2,089	2,129	1,968	(40)	
Deferred Tax Liabilities	644	641	582	3	
Investment Tax Credit	34	34	35	0	
Accum Provision for Pension & Related Benefits	6	0	1	6	
Asset Retirement Obligation	81	89	91	(8)	
Regulatory Liabilities Non Current	868	863	866	5	
Derivative Liability	18	13	17	5	
Other Liabilities	93	93	86	0	
Total Deferred Credits and Other Liabilities	1,744	1,732	1,677	12	
Equity	2,356	2,372	2,203	(16)	
Total Liabilities and Equity	**$ 6,489**	**$ 6,517**	**$ 6,173**	**$ (28)**	

[1] Includes all ST and LT debt.

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

Balance Sheet - KU

May 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 6	$ 5	$ 8	$ 1	
Accounts Receivable (Trade)	196	216	215	(20)	
Inventory	129	125	130	4	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	4	0	0	4	
Prepayments and other current assets	49	52	51	(2)	
Total Current Assets	383	397	403	(14)	
Property, Plant, and Equipment	7,107	7,144	6,826	(37)	
Intangible Assets	41	12	13	29	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	423	399	390	24	
Goodwill	0	0	0	0	
Other Long-term Assets	61	85	67	(24)	Lower due to a decrease in prepaid pension primarily due to negative return on investments versus budget and partially offset by an increase in the discount rate and other actuarial updates; partially offset by other prelim survey charges,
Total Assets	**$ 8,016**	**$ 8,038**	**$ 7,699**	**$ (22)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 150	$ 168	$ 176	$ (18)	Primarily due to lower than anticipated accounts payable reg, fuel, and refined coal and accounts payable to associated companies.
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	33	31	31	2	
Derivative Liability	0	0	0	0	
Accrued Taxes	26	23	32	3	
Regulatory Liabilities Current	19	16	36	3	
Other Current Liabilities	105	118	113	(13)	Primarily due to ARO reclassification from current to non-current in actuals versus the budget which assumed a static balance as of June 2018.
Total Current Liabilities	333	355	387	(22)	
Debt - Affiliated Company	0	0	0	0	
Debt [(1)]	2,622	2,643	2,437	(21)	
Total Debt	2,622	2,643	2,437	(21)	
Deferred Tax Liabilities	754	760	696	(5)	
Investment Tax Credit	91	91	93	0	
Accum Provision for Pension & Related Benefits	(1)	0	0	(1)	
Asset Retirement Obligation	123	116	158	7	
Regulatory Liabilities Non Current	1,097	1,074	1,094	23	
Derivative Liability	0	0	0	0	
Other Liabilities	59	54	42	5	
Total Deferred Credits and Other Liabilities	2,124	2,094	2,083	30	
Equity	2,937	2,945	2,792	(8)	
Total Liabilities and Equity	**$ 8,016**	**$ 8,038**	**$ 7,699**	**$ (22)**	

[(1)] Includes all ST and LT debt.

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

Performance Report

June 2019

Table of Contents	June 2019

Content	Page

Executive Summary	3
Income Statement: Actual vs. Budget (Month) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	5
Income Statement: Actual vs. Budget (YTD) - LG&E	6
Income Statement: Actual vs. Budget (YTD) - KU	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

Kentucky Regulated Dashboard — June 2019

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	1.54	1.01	1.46	1.46	1.25	1.50
Employee lost-time incidents	0	1	3	2	8	9
DART[1]	0.77	0.34	0.64	0.35	0.58	0.46
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.10	8.96	9.20	9.01	8.50	9.02
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	1.6%	5.0%	2.8%	5.0%	N/A	5.0%
Utility EAF	94.4%	87.3%	86.4%	82.5%	N/A	80.0%
Combined SAIFI	0.11	0.12	0.47	0.47	N/A	0.94
Combined SAIDI (minutes)	11.98	12.58	48.00	44.27	N/A	88.64
Gas Emergency Response Time	30.50	35.00	32.90	35.00	N/A	35.00
GwH Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	831	822	5,102	5,201	10,304	10,410
Commercial	688	713	3,873	3,826	7,969	7,907
Industrial	717	833	4,308	4,598	9,229	9,282
Other	229	234	1,316	1,268	2,660	2,621
Retail	2,464	2,601	14,599	14,892	30,162	30,220
Municipals	34	36	621	659	852	875
Off-System Sales	18	20	163	143	284	260
Total	2,517	2,657	15,384	15,694	31,298	31,355
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			0.54%			
Commercial			-0.63%			
Industrial			-0.69%			
Other			-0.30%			
Total			-0.22%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$161	$162	$908	$908	$1,879	$1,921
Gas Margins	$12	$12	$106	$111	$203	$205
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$59	$62	$376	$387	$786	$790
O&M – GAAP View[3]	$67	$70	$422	$431	$883	$885
Capital Expenditures ($ millions)	$89	$103	$522	$578	$1,161	$1,164
Average Utility Capitalization ($ millions)	$9,729	$9,820	$9,729	$9,820	$10,051	$10,127
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,448	3,612	3,448	3,612	3,602	3,610

	YTD		Full Year	
Financial Metrics [4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	9.8%	8.9%	9.7%	9.2%
Effective Depreciation Rate [5]	3.2%	3.1%	3.4%	3.3%
Effective Interest Rate	4.0%	4.1%	4.1%	4.2%
Effective Tax Rate	17.8%	20.0%	17.1%	19.4%
Moody's CFO pre-WC / Debt				
LGE	23.3%	21.2%	22.4%	21.7%
KU	21.8%	20.2%	22.1%	21.3%
LKE Consolidated	14.8%	13.5%	15.0%	14.8%

Variance Explanations

Lower YTD adjusted gross margins, primarily due to lower sales volumes from weather.

Lower YTD O&M primarily related to higher labor and burdens recorded to capital and regulatory assets as well as open positions, and timing of other costs related to generation, IT and General Counsel. These costs are somewhat offset by higher gas in-line inspection and line locating costs, as well as storm restoration costs.

(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.

Major Developments

The Company has been recognized nationally for several awards across our lines of business:
• The Company won another J.D. Power award as KU ranked first (with an index score of 763) among the mid-sized utilities in the Midwest region of the 2019 Electric Utility Residential Customer Satisfaction study. This represents the fourth year in a row KU has received this honor.
• The Company has received national recognition by the United States Department of Defense for its commitment to the National Guard and Reserve, being named one of fifteen winners of the 2019 Secretary of Defense Employer Support Freedom Award.
• For the third consecutive year, the Company received the ESGR (Employer Support of the Guard and Reserve) Pro Patria Award — the United States Defense Department's highest state-level award for providing support to employees serving in the Kentucky National Guard and Reserve.
• LKE was once again a top performer and earned 11 communications awards in various categories during the recent Utility Communicators International conference.
• LKE was one of 14 Interactive Voice Responses ("IVRs") selected to receive the 2019 Gold Stethoscope Award by IVR Doctors and Market Strategies International.

Old Dominion Power (KU's operational unit in Virginia) filed its rate review application with the Virginia State Corporation Commission seeking an increase of about $13 million (18 percent) in its base rates. If approved, the new rates will become effective April 12, 2020.

KU's Advanced Meter Opt-In pilot program recently joined LG&E in reaching its approved customer limit of 10,000. Efforts continue on adding additional customer tools and monitoring results.

In an effort to move forward with the Bullitt County Pipeline project and purchase the final 15% of easements necessary for construction, LG&E will be initiating condemnation proceedings that will exercise its right to eminent domain. When the remaining easements are acquired and necessary permits received, construction is expected to take six to nine months.

KU signed a contract with Maker's Mark for the installation of a 190kW ground mounted solar array. This represents LKE's second Business Solar project, following a 33.6kW roof-mount array for the Archdiocese of Louisville.

Significant Future Events

There are no significant events to report at this time.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 43 of 243
Arbough

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

June 2019

($ Millions)

	Actual vs. Budget - MTD				Actual vs. PY - MTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 161	$ 162	$ (2)		$ 161	$ 162	$ (1)	
Gas Margin	12	12	0		12	10	2	
Total Gross Margin	172	174	(2)		172	172	1	
O&M	59	62	3		59	62	4	
Depreciation & Amortization	36	38	2		36	34	(3)	
Taxes, Other than Income	6	6	0		6	6	(0)	
Other income (expense)	0	0	(0)		0	2	(2)	
EBIT	72	69	3		72	72	0	
Interest Expense	22	23	1		22	19	(3)	
Income from Ongoing Operations before income taxes	50	46	4		50	52	(3)	
Income Tax Expense	(6)	9	15	Primarily due to the recording of a $22M state recycling credit ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019 partially offset by higher pre-tax income.	(6)	10	17	Primarily due to the recording of a $22M state recycling credit ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019 partially offset by higher pre-tax income.
Net Income (loss) from ongoing operations	**56**	**37**	**19**		**56**	**42**	**14**	
Special Item - (Non Operating Income)	0	0	0		0	(0)	0	
Discontinued Operations	(0)	0	(0)		(0)	0	(0)	
Net Income (loss)	$ 56	$ 37	$ 19		$ 56	$ 42	$ 14	
KY Regulated Financing Costs	(3)	$ (3)	(0)		(3)	$ (3)	0	
KY Regulated Net Income	$ 53	$ 34	$ 19		$ 53	$ 39	$ 14	
Earnings Per Share - Ongoing	$ 0.07	$ 0.05	$ 0.03		$ 0.07	$ 0.06	$ 0.02	

Note: Schedules may not sum due to rounding.

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

June 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 908	$ 908	$ (1)		$ 908	$ 914	$ (7)	Due primarily to lower sales volumes, lower transmission margins and the departure of 8 municipal customers, partially offset by ECR rate base growth, the termination of the TCJA surcredit and an increase in KPSC base rate revenues effective May 1, 2019.
Gas Margin	106	111	(4)		106	102	5	Due primarily to the termination of the TCJA surcredit and an increase in KPSC base rate revenues effective May 1, 2019.
Total Gross Margin	1,014	1,019	(5)		1,014	1016	(2)	
O&M	376	387	10	Due primarily to higher labor and burdens recorded to capital and regulatory assets as well as open positions, and timing of other costs related to generation, IT and General Counsel. These costs are somewhat offset by higher gas in-line inspection and line locating costs, as well as storm restoration costs.	376	368	(8)	Due primarily to increase in contractor labor for line locating, veg. management, and storm restoration and an increase in repair expenses in 2019 at the Trimble County Generating Station including, FGD, Coal Feeder, and Mill Repairs.
Depreciation & Amortization	211	217	6	Due primarily to lower than anticipated plant in service.	211	201	(10)	Due primarily to larger plant in service balance.
Taxes, Other than Income	34	36	2		34	33	(1)	
Other income (expense)	1	(1)	2		1	(3)	4	
EBIT	393	378	15		393	411	(18)	
Interest Expense	127	130	3		127	113	(14)	Primarily due to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	266	247	19		266	297	(31)	
Income Tax Expense	35	48	13	Due primarily to the recording of a $22M state recycling credit ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019 partially offset by higher pre-tax income.	35	60	25	Due primarily to the recording of a $22M state recycling credit ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019 partially offset by higher pre-tax income.
Net Income (loss) from ongoing operations	**231**	**199**	**31**		**231**	**237**	**(7)**	
Special Item - (Non Operating Income)	0	0	0		0	(9)	9	In 2018, due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes.
Discontinued Operations	(0)	0	(0)		(0)	(0)	(0)	
Net Income (loss)	$ 231	$ 199	$ 31		$ 231	$ 228	$ 3	
KY Regulated Financing Costs	(16)	(16)	(0)		(16)	(18)	2	
KY Regulated Net Income	214	$ 183	$ 31		214	$ 210	$ 5	
Earnings Per Share - Ongoing	$ 0.29	$ 0.24	$ 0.05		$ 0.29	$ 0.31	$ (0.02)	

Note: Schedules may not sum due to rounding.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 45 of 243
Arbough

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

June 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 351	$ 346	$ 5	Due primarily to favorable demand revenues and lower purchased power demand costs due to OVEC not collecting for prepayment of debt.	$ 351	$ 355	$ (4)	
Gas Margin	106	111	(4)		106	102	5	Due primarily to the termination of the TCJA surcredit and an increase in KPSC base rate revenues effective May 1, 2019.
Total Gross Margin	457	457	1		457	457	0	
O&M	173	171	(2)		173	163	(10)	Due primarily to increase in contractor labor for line locating, veg. management, and storm restoration and an increase in repair expenses in 2019 at the Trimble County Generating Station including, FGD, Coal Feeder, and Mill Repairs.
Depreciation & Amortization	86	89	2		86	82	(4)	
Taxes, Other than Income	18	18	0		18	17	(1)	
Other income (expense)	(1)	(2)	1		(1)	(3)	3	
EBIT	180	177	3		180	191	(12)	
Interest Expense	43	44	1		43	37	(5)	Primarily due to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	137	133	4		137	154	(17)	
Income Tax Expense	29	27	(2)		29	32	4	
Net Income (loss) from ongoing operations	**$ 108**	**$ 106**	**$ 3**		**$ 108**	**$ 121**	**$ (13)**	

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

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

June 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 556	$ 562	$ (6)	Due primarily to lower sales volumes in the first quarter of 2019 driven by mild winter temperatures.	$ 556	$ 559	$ (3)	
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	556	562	(6)		556	559	(3)	
O&M	186	198	13	Due primarily to higher labor and burdens recorded to capital and regulatory assets as well as open positions, and timing of other costs related to generation, IT and General Counsel. These costs are somewhat offset by storm restoration costs.	186	188	2	
Depreciation & Amortization	124	128	4		124	119	(5)	Due primarily to larger plant in service balance.
Taxes, Other than Income	17	18	1		17	16	(1)	
Other income (expense)	2	1	1		2	(0)	2	
EBIT	232	219	13		232	236	(4)	
Interest Expense	54	55	0		54	50	(5)	Primarily due to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	178	164	14		178	187	(9)	
Income Tax Expense	36	32	(4)		36	38	2	
Net Income (loss) from ongoing operations	**$ 142**	**$ 132**	**$ 10**		**$ 142**	**$ 148**	**$ (7)**	

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

Margins Actual vs. Budget — June 2019

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year June-19	MTD Budget June-19	Change $	Change %
Base Service Charge	$ 19	$ 17	$ 1	9%
Base Energy	74	84	$ (10)	-12%
Demand Charge	52	47	$ 6	12%
Tax Cuts and Job Act (TCJA)	(0)	-	$ (0)	0%
Retail Fuel (Net)	(1)	(0)	$ (1)	268%
DSM	0	0	$ (0)	-67%
ECR	18	17	$ 1	6%
Transmission	0	0	$ 0	38%
Purchase Power Demand	(2)	(3)	$ 1	-33%
Off-System Sales	0	0	$ 0	872%
Shared Solar Program	0	0	$ (0)	-94%
Other Revenue	3	2	$ 1	32%
Cost of Sales	(3)	(2)	$ (1)	88%
	$ 161	$ 162	$ (1)	-1%

LKE Gas Margins

	MTD Current Year June-19	MTD Budget June-19	Change $	Change %
Base Service Charge	$ 8	$ 8	$ 1	7%
Distribution Charge	3	3	$ (0)	-7%
WNA	0	-	$ 0	0%
Tax Cuts and Job Act (TCJA)	0	-	$ 0	0%
DSM	-	0	$ (0)	-100%
GSC	0	-	$ 0	0%
GLT	0	1	$ (0)	-37%
Other Revenue	0	0	$ (0)	-4%
Cost of Sales	-	-	$ -	0%
	$ 12	$ 12	$ 0	3%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year June-19	YTD Budget June-19	Change $	Change %
Base Service Charge	$ 102	$ 100	$ 3	3%
Base Energy	466	493	$ (26)	-5%
Demand Charge	288	272	$ 16	6%
Tax Cuts and Job Act (TCJA)	(31)	(34)	$ 4	-11%
Retail Fuel (Net)	(2)	(2)	$ (1)	58%
DSM	2	1	$ 1	67%
ECR	94	93	$ 1	1%
Transmission	2	3	$ (1)	-45%
Purchase Power Demand	(19)	(24)	$ 4	-19%
Off-System Sales	1	0	$ 0	146%
Shared Solar Program	0	0	$ (0)	-94%
Other Revenue	14	13	$ 1	10%
Cost of Sales	(10)	(8)	$ (2)	19%
	$ 908	$ 908	$ (1)	0%

LKE Gas Margins

	YTD Current Year June-19	YTD Budget June-19	Change $	Change %
Base Service Charge	$ 44	$ 42	$ 1	3%
Distribution Charge	64	68	$ (5)	-7%
WNA	0	-	$ 0	0%
Tax Cuts and Job Act (TCJA)	(5)	(6)	$ 0	-3%
DSM	0	0	$ 0	2%
GSC	1	-	$ 1	0%
GLT	2	4	$ (2)	-49%
Other Revenue	1	1	$ 0	1%
Cost of Sales	-	-	$ -	0%
	$ 106	$ 111	$ (4)	-4%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 48 of 243
Arbough

O&M	June 2019		
($ Millions)			
	YTD		
	Actual	Budget	Variance
Chief Operating Officer			
Power Production			
All Other	$ 32.6	$ 37.3	$ 4.8
Maintenance	47.7	51.2	3.5
Outages	20.4	20.2	(0.2)
Power Production	**100.6**	**108.8**	**8.1**
Customer Services			
All Other	$ 46.3	$ 47.7	$ 1.3
Bad Debt Expense	2.9	3.0	0.0
Customer Services	**49.3**	**50.6**	**1.4**
Electric Distribution			
All Other	$ 23.5	$ 22.4	$ (1.1)
Storm Restoration	6.0	3.0	(3.0)
Vegetation Mgmt	11.4	10.7	(0.7)
Electric Distribution	**40.8**	**36.1**	**(4.7)**
Transmission			
All Other	$ 11.3	$ 11.5	$ 0.2
Storm Restoration	0.2	0.2	(0.1)
Vegetation Mgmt	7.1	6.8	(0.3)
Transmission	**18.6**	**18.5**	**(0.1)**
Energy Supply & Analysis	**$ 6.4**	**$ 6.8**	**$ 0.4**
Gas Distribution	**$ 25.9**	**$ 22.3**	**$ (3.6)**
Project Engineering	**$ 0.2**	**$ 0.2**	**$ 0.0**
Safety & Tech Training	**$ 3.4**	**$ 3.5**	**$ 0.1**
Environmental	**$ 2.9**	**$ 3.5**	**$ 0.6**
Chief Operating Officer	**$ 0.3**	**$ 0.2**	**$ (0.0)**
Chief Operating Officer Total	**$ 248.5**	**$ 250.6**	**$ 2.1**
Chief Financial Officer			
Treasurer	**$ 11.8**	**$ 12.7**	**$ 0.9**
Controller	**$ 4.6**	**$ 4.6**	**$ 0.0**
Information Technology	**$ 29.8**	**$ 33.1**	**$ 3.4**
State Reg & Rates	**$ 1.1**	**$ 1.2**	**$ 0.2**
Audit Services	**$ 0.8**	**$ 0.8**	**$ 0.0**
Supply Chain	**$ 2.0**	**$ 2.0**	**$ 0.0**
Other	**$ 1.0**	**$ 1.1**	**$ 0.1**
Chief Financial Officer Total	**$ 51.1**	**$ 55.7**	**$ 4.6**
Communication	**$ 4.9**	**$ 5.4**	**$ 0.5**
Human Resources	**$ 3.5**	**$ 3.9**	**$ 0.3**
General Counsel	**$ 7.3**	**$ 8.7**	**$ 1.4**
Corporate Cost Center	**$ 43.3**	**$ 45.4**	**$ 2.2**
Non-Utility	**$ 18.0**	**$ 17.1**	**$ (0.9)**
Grand Total	**$ 376.5**	**$ 386.6**	**$ 10.2**

Financing Activities — June 2019

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance
PCB			
Beg Bal	$ 881.1	$ 881.1	$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 8.3**	**$ 9.4**	**$ 1.1**
Rate	**1.88%**	**2.12%**	**0.24%**
FMB/Sr Nts/Loan with PPL			
Beg Bal	$ 4,660.0	$ 4,832.1	$ 172.1
End Bal	5,160.0	5,402.0	242.0
Ave Bal	**$ 4,874.3**	**$ 4,986.3**	**$ 112.0**
Interest Exp	**$ 105.2**	**$ 107.7**	**$ 2.4**
Rate	**4.32%**	**4.32%**	**0.00%**
Short-term Debt			
Beg Bal	$ 627.0	$ 592.4	$ (34.6)
End Bal	298.8	149.6	(149.2)
Ave Bal [(1)]	**$ 447.2**	**$ 483.9**	**$ 36.7**
Interest Exp	**$ 7.3**	**$ 7.8**	**$ 0.5**
Rate	**3.23%**	**3.19%**	**-0.04%**
Unamortized Debt Expense Bonds			
Beg Bal	$ (38.4)	$ (38.1)	$ 0.3
End Bal	(39.4)	(45.2)	(5.8)
Ave Bal	**$ (38.5)**	**$ (39.6)**	**$ (1.1)**
Total End Bal	**$ 6,300.4**	**$ 6,387.4**	**$ 87.0**
Total Average Bal	**$ 6,164.0**	**$ 6,311.7**	**$ 147.7**
Total Expense Excl I/C [(2)]	**$ 127.2**	**$ 130.5**	**$ 3.2**
Rate	**4.10%**	**4.11%**	**0.01%**

[(1)] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
[(2)] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[(3)]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 203		$ 172	
LG&E	500	96		404	$ -
KU	598	-	$ 198	400	-
TOTAL	$ 1,473	$ 299	$ 198	$ 976	$ -

[(3)] LG&E borrowed amount represent commercial paper issuances. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Balance Sheet - LKE Consolidated — June 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 32	$ 14	$ 39	$ 18	Increase primarily due to timing of cash receipts at the utilities.
Accounts Receivable (Trade)	382	410	402	(29)	
Inventory	228	212	229	16	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	26	11	11	15	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018.
Prepayments and other current assets	93	72	73	21	Primarily due to refined coal at LGE not being included in the budget due to having no contract in place at the time, other prelim survey charges, and accounts receivable from associated companies.
Total Current Assets	762	720	754	42	
Property, Plant, and Equipment	12,809	12,955	12,270	(146)	
Intangible Assets	124	74	82	50	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	857	794	793	63	
Goodwill	997	997	997	0	
Other Long-term Assets	81	87	73	(6)	
Total Assets	**$ 15,630**	**$ 15,628**	**$ 14,970**	**$ 2**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 290	$ 279	$ 274	$ 12	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	63	59	59	4	
Derivative Liability	5	4	4	1	
Accrued Taxes	38	38	41	(0)	
Regulatory Liabilities Current	17	23	71	(6)	
Other Current Liabilities	255	256	239	(1)	
Total Current Liabilities	668	659	688	9	
Debt - Affiliated Company	853	891	749	(39)	
Debt [1]	5,448	5,496	5,176	(48)	
Total Debt	6,300	6,387	5,925	(87)	
Deferred Tax Liabilities	1,020	1,026	878	(5)	
Investment Tax Credit	124	124	127	0	
Accum Provision for Pension & Related Benefits	264	237	259	27	Increase primarily due to negative return on investments versus budget and the impact of updated demographics from the 1/1/19 census, partially offset by an increase in the discount rate and other actuarial updates.
Asset Retirement Obligation	175	198	248	(23)	Decrease primarily due to higher RWIP spend on AROs along with revaluations since the budget was completed.
Regulatory Liabilities Non Current	2,024	1,987	2,055	37	
Derivative Liability	18	12	17	6	
Other Liabilities	158	165	140	(7)	
Total Deferred Credits and Other Liabilities	3,784	3,749	3,725	34	
Equity	4,878	4,832	4,632	46	
Total Liabilities and Equity	**$ 15,630**	**$ 15,628**	**$ 14,970**	**$ 2**	

[1] Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E **June 2019**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 9	$ 5	$ 19	$ 4	
Accounts Receivable (Trade)	171	184	176	(13)	
Inventory	100	90	101	10	Primarily higher gas stored underground due to lower than budgeted average inventory price for gas withdrawal from storage, combined with higher coal inventory due to lower than budgeted usage
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	21	11	11	10	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018.
Prepayments and other current assets	67	45	44	22	Primarily due to refined coal not being included in the budget due to having no contract in place at the time, other prelim survey charges, and accounts receivable from associated companies.
Total Current Assets	369	335	351	33	
Property, Plant, and Equipment	5,671	5,778	5,431	(108)	
Intangible Assets	25	6	6	19	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	432	395	405	37	Primarily due to increase in pension regulatory asset related to actuarial updates, increase in interest rate swap regulatory asset due to lower interest rates and increase related to unbudgeted 2018 winter storm regulatory asset.
Goodwill	0	0	0	0	
Other Long-term Assets	14	38	22	(24)	Lower primarily due to negative return on investments versus budget and the impact of updated demographics from the 1/1/19 census, partially offset by an increase in the discount rate and other actuarial updates; partially offset by other prelim survey charges.
Total Assets	**$ 6,511**	**$ 6,553**	**$ 6,215**	**$ (42)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 168	$ 158	$ 153	$ 9	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	28	28	2	
Derivative Liability	5	4	4	1	
Accrued Taxes	19	13	23	6	
Regulatory Liabilities Current	4	8	34	(4)	
Other Current Liabilities	86	80	72	6	
Total Current Liabilities	313	292	314	20	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,100	2,132	1,991	(32)	
Total Debt	2,100	2,132	1,991	(32)	
Deferred Tax Liabilities	663	659	581	3	
Investment Tax Credit	34	34	35	0	
Accum Provision for Pension & Related Benefits	8	0	0	8	
Asset Retirement Obligation	63	87	96	(24)	Decrease primarily due to higher RWIP spend on AROs along with revaluations since the budget was completed.
Regulatory Liabilities Non Current	864	860	879	4	
Derivative Liability	18	12	17	6	
Other Liabilities	89	91	81	(3)	
Total Deferred Credits and Other Liabilities	1,738	1,743	1,688	(5)	
Equity	2,360	2,386	2,222	(26)	
Total Liabilities and Equity	**$ 6,511**	**$ 6,553**	**$ 6,215**	**$ (42)**	

[1] Includes all ST and LT debt.

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

Balance Sheet - KU

June 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 23	$ 5	$ 20	$ 18	Increase primarily due to timing of cash receipts.
Accounts Receivable (Trade)	210	226	225	(15)	
Inventory	128	122	129	6	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	4	0	0	4	
Prepayments and other current assets	39	51	47	(12)	Primarily due to lower liquidated damages/warranty claims receivable, other prelim survey charges and accounts receivable from associated companies.
Total Current Assets	405	404	420	1	
Property, Plant, and Equipment	7,122	7,162	6,830	(40)	
Intangible Assets	42	12	12	29	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	422	400	386	22	
Goodwill	0	0	0	0	
Other Long-term Assets	66	87	74	(21)	Lower primarily due to negative return on investments versus budget and the impact of updated demographics from the 1/1/19 census, partially offset by an increase in the discount rate and other actuarial updates; lower Cane Run 7 LTPC and Brown 6 LTSA assets and key man life insurance; partially offset by other prelim survey charges.
Total Assets	**$ 8,057**	**$ 8,065**	**$ 7,723**	**$ (8)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 162	$ 168	$ 163	$ (6)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	33	31	31	2	
Derivative Liability	0	0	0	0	
Accrued Taxes	22	18	23	4	
Regulatory Liabilities Current	13	16	37	(3)	
Other Current Liabilities	126	127	118	(0)	
Total Current Liabilities	356	359	372	(3)	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,622	2,639	2,461	(16)	
Total Debt	2,622	2,639	2,461	(16)	
Deferred Tax Liabilities	775	780	690	(5)	
Investment Tax Credit	91	91	93	0	
Accum Provision for Pension & Related Benefits	(0)	0	0	(0)	
Asset Retirement Obligation	112	111	153	1	
Regulatory Liabilities Non Current	1,097	1,068	1,112	29	
Derivative Liability	0	0	0	0	
Other Liabilities	50	52	36	(2)	
Total Deferred Credits and Other Liabilities	2,124	2,102	2,083	23	
Equity	2,954	2,965	2,807	(11)	
Total Liabilities and Equity	**$ 8,057**	**$ 8,065**	**$ 7,723**	**$ (8)**	

[1] Includes all ST and LT debt.

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

PPL companies

Performance Report

July 2019

Table of Contents — July 2019

Content	Page
Executive Summary	3
Income Statement: Actual vs. Budget (Month) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	5
Income Statement: Actual vs. Budget (YTD) - LG&E	6
Income Statement: Actual vs. Budget (YTD) - KU	7
Income Statement: Forecast vs. Budget (Full Year) - LKE Consolidated	8
Margins Actual vs. Budget	9
O&M	10
Financing Activities	11
Balance Sheet - LKE Consolidated	12
Balance Sheet - LG&E	13
Balance Sheet - KU	14

Kentucky Regulated Dashboard — July 2019

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	0.79	1.17	1.37	1.42	1.25	1.50
Employee lost-time incidents	0	0	3	2	7	9
DART[1]	0.40	0.39	0.61	0.36	0.58	0.46
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.19	9.12	9.20	9.03	8.50	9.02
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	1.6%	5.0%	2.8%	5.0%	N/A	5.0%
Utility EAF	94.4%	87.3%	86.4%	82.5%	N/A	80.0%
Combined SAIFI	0.14	0.12	0.61	0.59	N/A	0.94
Combined SAIDI (minutes)	11.35	12.84	59.35	57.12	N/A	88.64
Gas Emergency Response Time	29.90	35.00	32.50	35.00	N/A	35.00
GwH Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	1,182	1,040	6,284	6,241	10,326	10,410
Commercial	818	764	4,691	4,590	8,001	7,907
Industrial	761	798	5,069	5,395	8,856	9,282
Other	252	258	1,568	1,526	2,715	2,621
Retail	3,014	2,860	17,613	17,752	29,899	30,220
Municipals	39	41	660	700	826	875
Off-System Sales	43	23	206	165	281	260
Total	3,096	2,924	18,480	18,618	31,006	31,355
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			1.05%			
Commercial			0.00%			
Industrial			-1.07%			
Other			-0.56%			
Total			-0.01%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$189	$180	$1,097	$1,088	$1,870	$1,921
Gas Margins	$11	$11	$118	$122	$202	$205
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$59	$67	$435	$454	$783	$790
O&M – GAAP View[3]	$67	$77	$489	$508	$880	$885
Capital Expenditures ($ millions)	$77	$99	$599	$678	$1,201	$1,164
Average Utility Capitalization ($ millions)	$9,776	$9,872	$9,776	$9,872	$10,063	$10,127
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,443	3,611	3,443	3,611	3,590	3,610

	YTD		Full Year	
Financial Metrics [4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	10.1%	9.0%	9.5%	9.2%
Effective Depreciation Rate [5]	3.2%	3.2%	3.4%	3.3%
Effective Interest Rate	4.1%	4.1%	4.1%	4.2%
Effective Tax Rate	17.9%	19.9%	16.5%	19.4%
Moody's CFO pre-WC / Debt				
LGE	24.1%	21.6%	22.5%	21.7%
KU	22.3%	20.7%	21.6%	21.3%
LKE Consolidated	15.3%	13.8%	14.7%	14.8%

Variance Explanations

Higher MTD adjusted gross margins, primarily due to higher sales volumes from weather.
Higher YTD adjusted gross margins, primarily due to lower purchased power demand costs and other offsetting margin components.
Lower MTD and YTD O&M primarily related to higher labor and burdens recorded to capital and regulatory assets as well as open positions, and timing of other costs.
Lower YTD depreciation primarily due to lower than budgeted gross plant in service.

(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.

Major Developments

LKE celebrated a special milestone as it held a ribbon-cutting ceremony for its new community solar facility in Simpsonville. The nearly 1,400 panel array recently became fully operational and began producing solar energy. The newly completed array is the first of eight 500-kilowatt Solar Share sections planned for the facility, with construction of each section to be completed as each becomes fully subscribed. Ford Motor Company and other participating businesses, as well as various public officials attended the ceremony.

LG&E recently filed 10 condemnation actions against 11 property owners in Bullitt County to gain the remaining easements for the construction of a new gas pipeline. In addition, Bernheim Forest filed a complaint with the KPSC challenging the certificate of public convenience and necessity for the pipeline as awarded to LG&E in its 2016 rate case. The KPSC has not issued an order to answer the complaint but established a case number and acknowledged receipt of the complaint.

The recently elected leadership team of IBEW 2100 has taken office. However, we understand a formal challenge to the election process has been sustained. As such, the Company anticipates a new election will be conducted by the union in the coming weeks.

The KPSC opened an administrative case regarding implementation of the Net Metering statute that was passed in March by the Kentucky legislature. The statue directed the KPSC, which determines all other rates, to consider and set the value of the energy net metering customers put back onto the grid. The purpose of the proceeding is to invite comments from utilities and stakeholders to develop a record which the KPSC can draw upon as it considers issues of implementation of the statue as each utility brings forward a case involving net metering tariffs (LG&E and KU intend to file such a tariff in its next rate case). Written comments are to be filed no later than September 20, 2019, and a public comment hearing will be held on October 1, 2019. The statue takes effect January 1, 2020.

Significant Future Events

There are no significant future events at this time.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 56 of 243
Arbough

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

July 2019

($ Millions)

	Actual vs. Budget - MTD				Actual vs. PY - MTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 189	$ 180	$ 9	Primarily due to higher sales volumes from weather.	$ 189	$ 170	$ 19	Primarily due to the expiration of the TCJA surcredit and higher KPSC base rate revenues effective May 1, 2019.
Gas Margin	11	11	0		11	9	2	
Total Gross Margin	201	191	10		201	179	21	
O&M	59	67	9	Primarily due to favorable labor and burdens related to more labor charged to capital and regulatory assets as well as open positions, favorable storm expenses, favorability from delay of process water system in-service, reclassification of refined coal income, timing of expenses for maintenace and gas in-line inspections.	59	66	7	Primarily due to July 2018 major storm
Depreciation & Amortization	37	38	2		37	34	(3)	
Taxes, Other than Income	6	6	0		6	6	(0)	
Other income (expense)	0	0	0		0	(1)	1	
EBIT	100	80	20		100	73	26	
Interest Expense	22	23	1		22	20	(2)	
Income from Ongoing Operations before income taxes	78	57	21		78	54	24	
Income Tax Expense	16	11	(5)	Primarily due to higher pre-tax income.	16	11	(5)	Primarily due to higher pre-tax income.
Net Income (loss) from ongoing operations	**62**	**46**	**16**		**62**	**43**	**19**	
Special Item - (Non Operating Income)	0	0	0		0	0	0	
Discontinued Operations	(0)	0	(0)		(0)	0	(0)	
Net Income (loss)	$ 62	$ 46	$ 16		$ 62	$ 43	$ 19	
KY Regulated Financing Costs	(3)	$ (3)	(0)		(3)	$ (3)	0	
KY Regulated Net Income	$ 59	$ 43	$ 16		$ 59	$ 40	$ 19	
Earnings Per Share - Ongoing	$ 0.08	$ 0.06	$ 0.02		$ 0.08	$ 0.06	$ 0.02	

Note: Schedules may not sum due to rounding.

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

July 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 1,097	$ 1,088	$ 9	Due primarily to favorable demand revenues and lower purchased power demand costs due to OVEC not collecting for prepayment of debt.	$ 1,097	$ 1,084	$ 13	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019, the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes, lower transmission margins and the departure of 8 municipal customers.
Gas Margin	118	122	(4)		118	111	7	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Total Gross Margin	1,214	1,210	5		1,214	1195	19	
O&M	435	454	19	Due primarily to favorable labor and burdens related to more labor charged to capital and regulatory outage asset as well as open positions, favorability from delay of process water system in-service, reclassification of refined coal income, timing of expenses for generation maintenance, software/hardware maintenance contracts and outside counsel, and O&M pull-forwards offset by higher storm expenses, line locating expenses, and timing of vegetation management,	435	434	(1)	
Depreciation & Amortization	247	256	8	Due primarily to lower than anticipated plant in service.	247	235	(13)	Due primarily to larger plant in service balance.
Taxes, Other than Income	40	42	2		40	39	(2)	
Other income (expense)	2	(1)	2		2	(4)	5	Due primarily to decrease in donations and a decrease in pension non-service costs
EBIT	493	457	36		493	484	9	
Interest Expense	149	153	4		149	133	(16)	Primarily due to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	344	304	40		344	351	(7)	
Income Tax Expense	51	59	8	Due primarily to the recording of a $22M state recycling credit ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019 partially offset by higher pre-tax income.	51	71	20	Due primarily to the recording of a $22M state recycling credit ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019 and lower pre-tax income.
Net Income (loss) from ongoing operations	**293**	**245**	**48**		**293**	**280**	**13**	
Special Item - (Non Operating Income)	0	0	0		0	(9)	9	In 2018, due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes.
Discontinued Operations	(0)	0	(0)		(0)	0	(0)	
Net Income (loss)	$ 293	$ 245	$ 48		$ 293	$ 271	$ 22	
KY Regulated Financing Costs	(19)	(19)	(0)		(19)	(21)	2	
KY Regulated Net Income	274	$ 226	$ 48		274	$ 250	$ 24	
Earnings Per Share - Ongoing	$ 0.37	$ 0.30	$ 0.07		$ 0.37	$ 0.37	$ 0.00	

Note: Schedules may not sum due to rounding.

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

July 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 433	$ 422	$ 11	Due primarily to favorable demand revenues and lower purchased power demand costs due to OVEC not collecting for prepayment of debt.	$ 433	$ 428	$ 5	Due primarily to the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes and lower transmission margins.
Gas Margin	118	122	(4)		118	111	7	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Total Gross Margin	551	544	7		551	539	12	
O&M	199	203	4		199	193	(7)	Due primarily to increase in contractor labor for line locating, veg. management, and an increase in repair expenses in 2019 at the Trimble County Generating Station including, FGD, Coal Feeder, and Mill Repairs offset by decrease in contractor labor for storm restoration.
Depreciation & Amortization	101	104	3		101	96	(6)	Due primarily to larger plant in service balance.
Taxes, Other than Income	21	21	1		21	20	(1)	
Other income (expense)	(1)	(2)	1		(1)	(4)	3	
EBIT	229	213	15		229	227	2	
Interest Expense	50	52	2		50	44	(6)	Primarily due to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	178	161	17		178	183	(5)	
Income Tax Expense	39	34	(5)	Primarily due to higher pre-tax income.	39	40	0	
Net Income (loss) from ongoing operations	**$ 139**	**$ 127**	**$ 12**		**$ 139**	**$ 143**	**$ (4)**	

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

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

July 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 663	$ 666	$ (3)		$ 663	$ 656	$ 7	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019, the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes, lower transmission margins and the departure of 8 municipal customers.
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	663	666	(3)		663	656	7	
O&M	216	232	16	Due primarily to higher labor and burdens recorded to capital and regulatory assets as well as open positions, and timing of other costs related to generation, IT and General Counsel. These costs are somewhat offset by storm restoration costs.	216	222	6	Due primarily to lower labor burdens (Pension & Medical), refined coal reg asset and timing of other costs related to generation, IT, Communications (Advertising) and Veg management.
Depreciation & Amortization	145	151	5	Due primarily to lower plant in service balance.	145	139	(6)	Due primarily to larger plant in service balance.
Taxes, Other than Income	19	20	1		19	19	(1)	
Other income (expense)	2	1	1		2	(0)	3	
EBIT	285	264	21		285	276	9	
Interest Expense	64	64	1		64	58	(6)	Primarily due to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	221	200	22		221	218	3	
Income Tax Expense	47	41	(6)	Primarily due to higher pre-tax income.	47	46	(1)	
Net Income (loss) from ongoing operations	**$ 175**	**$ 159**	**$ 16**		**$ 175**	**$ 172**	**$ 3**	

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 — July 2019

($ Millions)

	Forecast vs. Budget - Full Year			
	Q2 Forecast	**Budget**	**Variance**	**Comments**
Gross Margin:				
Electric Margin	$ 1,870	$ 1,921	$ (51)	Lower electric margins due primarily to differences in actual vs. budgeted rate case revenue and removal of revenue challenge, partially offset by a change in purchased power demand assumptions.
Gas Margin	202	205	(3)	
Total Gross Margin	2,073	2,126	(54)	
O&M	783	790	7	Due primarily to delay in process water system in-service, reclassification of coal income and lower hardware/software maintenance contracts partially offset by an increase in line locating.
Depreciation & Amortization	433	448	15	Due primarily to lower than anticipated plant in service balance.
Taxes, Other than Income	70	72	2	
Other income (expense)	2	0	2	
EBIT	789	817	(28)	
Interest Expense	261	269	9	Due to lower average debt balances and lower forecasted interest rates.
Income from Ongoing Operations before income taxes	528	547	(19)	
Income Tax Expense	87	106	19	Primarily related to a recycling credit recognized in June 2019 in the forecast and lower pre-tax income.
Net Income (loss) from ongoing operations	**441**	**441**	**(0)**	
Special Item - (Non Operating Income)	0	0	0	
Discontinued Operations	(0)	0	(0)	
Net Income (loss)	$ 441	$ 441	$ (0)	
KY Regulated Financing Costs	(32)	(32)	(0)	
KY Regulated Net Income	$ 409	$ 409	$ (0)	
Earnings Per Share - Ongoing	$ 0.55	$ 0.55	$ 0.01	

Note: Schedules may not sum due to rounding.

Margins Actual vs. Budget — July 2019

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year July-19	MTD Budget July-19	Change $	Change %
Base Service Charge	$ 19	$ 17	$ 1	8%
Base Energy	99	100	$ (1)	-1%
Demand Charge	55	48	$ 6	13%
Tax Cuts and Job Act (TCJA)	0	-	$ 0	0%
Retail Fuel (Net)	1	(0)	$ 1	-451%
DSM	0	0	$ (0)	-66%
ECR	17	17	$ 0	1%
Transmission	1	0	$ 0	46%
Purchase Power Demand	(2)	(3)	$ 1	-30%
Off-System Sales	(0)	0	$ (0)	-566%
Shared Solar Program	0	0	$ (0)	-94%
Other Revenue	3	2	$ 1	42%
Cost of Sales	(2)	(2)	$ (0)	2%
	$ 189	$ 180	$ 9	5%

LKE Gas Margins

	MTD Current Year July-19	MTD Budget July-19	Change $	Change %
Base Service Charge	$ 8	$ 8	$ 0	4%
Distribution Charge	3	3	$ (0)	-4%
WNA	0	-	$ 0	0%
Tax Cuts and Job Act (TCJA)	0	-	$ 0	0%
DSM	-	0	$ (0)	-100%
GSC	0	-	$ 0	0%
GLT	0	1	$ (0)	-35%
Other Revenue	0	0	$ 0	129%
Cost of Sales	-	-	$ -	0%
	$ 11	$ 11	$ 0	0%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year July-19	YTD Budget July-19	Change $	Change %
Base Service Charge	$ 121	$ 117	$ 4	3%
Base Energy	565	593	$ (28)	-5%
Demand Charge	343	321	$ 22	7%
Tax Cuts and Job Act (TCJA)	(31)	(34)	$ 4	-11%
Retail Fuel (Net)	(2)	(2)	$ 0	-15%
DSM	2	2	$ 1	48%
ECR	111	110	$ 1	1%
Transmission	2	4	$ (1)	-35%
Purchase Power Demand	(21)	(27)	$ 5	-20%
Off-System Sales	0	0	$ 0	45%
Shared Solar Program	0	0	$ (0)	-94%
Other Revenue	18	15	$ 2	15%
Cost of Sales	(12)	(10)	$ (2)	16%
	$ 1,097	$ 1,088	$ 9	1%

LKE Gas Margins

	YTD Current Year July-19	YTD Budget July-19	Change $	Change %
Base Service Charge	$ 51	$ 50	$ 2	3%
Distribution Charge	67	71	$ (5)	-7%
WNA	0	-	$ 0	0%
Tax Cuts and Job Act (TCJA)	(5)	(6)	$ 0	-4%
DSM	0	0	$ (0)	-12%
GSC	1	-	$ 1	0%
GLT	3	5	$ (2)	-47%
Other Revenue	1	1	$ 0	12%
Cost of Sales	-	-	$ -	0%
	$ 118	$ 122	$ (4)	-4%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 62 of 243
Arbough

O&M							July 2019
($ Millions)	Actual vs. Budget - YTD			Forecast vs. Budget - Full Year			
	Actual	Budget	Variance	Q2 Forecast	Budget	Variance	
Chief Operating Officer							
Power Production							
All Other	$ 38.1	$ 44.3	$ 6.2	$ 74.1	$ 78.0	$ 3.8	
Maintenance	55.3	59.6	4.3	99.4	101.7	2.3	
Outages	20.5	20.3	(0.2)	35.9	39.2	3.3	
Power Production	**113.9**	**124.3**	**10.4**	**209.4**	**218.9**	**9.5**	
Customer Services							
All Other	$ 54.3	$ 56.2	$ 1.9	$ 98.1	$ 98.1	$ 0.0	
Bad Debt Expense	3.6	3.7	0.1	7.6	7.6	(0.0)	
Customer Services	**57.9**	**60.0**	**2.1**	**105.7**	**105.8**	**0.0**	
Electric Distribution							
All Other	$ 27.4	$ 26.4	$ (0.9)	$ 45.8	$ 44.9	$ (0.8)	
Storm Restoration	6.2	4.8	(1.4)	9.4	6.5	(3.0)	
Vegetation Mgmt	13.8	12.9	(0.9)	25.6	25.6	0.0	
Electric Distribution	**47.4**	**44.1**	**(3.3)**	**80.8**	**77.0**	**(3.8)**	
Transmission							
All Other	$ 13.4	$ 13.8	$ 0.3	$ 23.3	$ 23.7	$ 0.4	
Storm Restoration	0.3	0.2	(0.1)	0.4	0.4	(0.1)	
Vegetation Mgmt	9.0	8.7	(0.3)	15.2	15.0	(0.2)	
Transmission	**22.7**	**22.7**	**(0.1)**	**38.9**	**39.0**	**0.1**	
Energy Supply & Analysis	**$ 7.5**	**$ 7.9**	**$ 0.5**	**$ 12.8**	**$ 13.1**	**$ 0.3**	
Gas Distribution	**$ 30.4**	**$ 28.9**	**$ (1.5)**	**$ 59.6**	**$ 56.2**	**$ (3.5)**	
Project Engineering	**$ 0.3**	**$ 0.3**	**$ 0.0**	**$ 0.5**	**$ 0.5**	**$ 0.0**	
Safety & Tech Training	**$ 3.9**	**$ 4.2**	**$ 0.3**	**$ 6.9**	**$ 6.9**	**$ (0.0)**	
Environmental	**$ 3.4**	**$ 4.1**	**$ 0.8**	**$ 6.3**	**$ 7.0**	**$ 0.7**	
Chief Operating Officer	**$ 0.3**	**$ 0.3**	**$ (0.0)**	**$ 0.5**	**$ 0.5**	**$ (0.0)**	
Chief Operating Officer Total	**$ 287.5**	**$ 296.6**	**$ 9.1**	**$ 521.4**	**$ 524.8**	**$ 3.4**	
Chief Financial Officer							
Treasurer	**$ 13.9**	**$ 14.9**	**$ 1.0**	**$ 23.8**	**$ 25.2**	**$ 1.4**	
Controller	**$ 5.4**	**$ 5.5**	**$ 0.1**	**$ 9.0**	**$ 9.3**	**$ 0.2**	
Information Technology	**$ 35.2**	**$ 38.7**	**$ 3.5**	**$ 63.4**	**$ 64.7**	**$ 1.3**	
State Reg & Rates	**$ 1.2**	**$ 1.4**	**$ 0.2**	**$ 2.3**	**$ 2.4**	**$ 0.1**	
Audit Services	**$ 1.0**	**$ 1.0**	**$ 0.0**	**$ 1.7**	**$ 1.7**	**$ (0.0)**	
Supply Chain	**$ 2.3**	**$ 2.4**	**$ 0.1**	**$ 4.0**	**$ 4.1**	**$ 0.1**	
Other	**$ 1.1**	**$ 1.3**	**$ 0.2**	**$ 2.1**	**$ 2.2**	**$ 0.2**	
Chief Financial Officer Total	**$ 60.1**	**$ 65.2**	**$ 5.1**	**$ 106.3**	**$ 109.6**	**$ 3.3**	
Communication	**$ 5.7**	**$ 6.2**	**$ 0.5**	**$ 9.6**	**$ 10.2**	**$ 0.6**	
Human Resources	**$ 4.0**	**$ 4.5**	**$ 0.5**	**$ 7.7**	**$ 7.7**	**$ 0.0**	
General Counsel	**$ 8.1**	**$ 9.8**	**$ 1.7**	**$ 17.7**	**$ 17.9**	**$ 0.2**	
Corporate Cost Center	**$ 50.0**	**$ 52.7**	**$ 2.7**	**$ 86.0**	**$ 89.5**	**$ 3.5**	
Non-Utility	**$ 19.8**	**$ 19.1**	**$ (0.8)**	**$ 34.2**	**$ 30.3**	**$ (3.9)**	
Grand Total	**$ 435.3**	**$ 454.1**	**$ 18.8**	**$ 782.9**	**$ 790.1**	**$ 7.2**	

Financing Activities — July 2019

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance	Full Year Forecast	Budget	Variance
PCB						
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	**$ 881.1**	**$ 881.1**	**$ 0.0**	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 9.7**	**$ 11.1**	**$ 1.4**	**$ 17.3**	**$ 20.2**	**$ 2.9**
Rate	**1.88%**	**2.15%**	**0.27%**	**1.94%**	**2.26%**	**0.32%**
FMB/Sr Nts/Loan with PPL						
Beg Bal	$ 4,660.0	$ 4,832.1	$ 172.1	$ 4,660.0	$ 4,832.1	$ 172.1
End Bal	5,160.0	5,402.0	242.0	5,322.9	5,347.7	24.7
Ave Bal	**$ 4,895.7**	**$ 5,038.3**	**$ 142.6**	**$ 5,025.5**	**$ 5,161.4**	**$ 135.9**
Interest Exp	**$ 123.8**	**$ 127.4**	**$ 3.6**	**$ 217.9**	**$ 225.1**	**$ 7.2**
Rate	**4.33%**	**4.33%**	**0.00%**	**4.28%**	**4.30%**	**0.03%**
Short-term Debt						
Beg Bal	$ 627.0	$ 592.4	$ (34.6)	$ 627.0	$ 592.4	$ (34.6)
End Bal	258.3	141.5	(116.8)	438.3	395.4	(42.9)
Ave Bal [1]	**$ 420.8**	**$ 441.1**	**$ 20.3**	**$ 410.3**	**$ 372.7**	**$ (37.6)**
Interest Exp	**$ 8.1**	**$ 8.3**	**$ 0.2**	**$ 12.6**	**$ 12.2**	**$ (0.4)**
Rate	**3.26%**	**3.18%**	**-0.08%**	**3.03%**	**3.24%**	**0.21%**
Unamortized Debt Expense Bonds						
Beg Bal	$ (38.4)	$ (38.1)	$ 0.3	$ (38.4)	$ (38.1)	$ 0.3
End Bal	(39.1)	(44.7)	(5.7)	(38.2)	(43.6)	(5.4)
Ave Bal	**$ (38.2)**	**$ (40.2)**	**$ (2.0)**	**$ (38.8)**	**$ (41.8)**	**$ (3.1)**
Total End Bal	**$ 6,260.3**	**$ 6,379.7**	**$ 119.4**	**$ 6,604.1**	**$ 6,580.5**	**$ (23.6)**
Total Average Bal	**$ 6,159.3**	**$ 6,320.2**	**$ 160.9**	**$ 6,278.1**	**$ 6,373.3**	**$ 95.3**
Total Expense Excl I/C [2]	**$ 149.0**	**$ 153.4**	**$ 4.4**	**$ 260.7**	**$ 269.2**	**$ 8.5**
Rate	**4.12%**	**4.13%**	**0.01%**	**4.07%**	**4.14%**	**0.07%**

[1] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
[2] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[3]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 196		$ 179	
LG&E	500	62		438	$ 18
KU	598	-	$ 198	400	-
TOTAL	$ 1,473	$ 258	$ 198	$ 1,017	$ 18

[3] LG&E borrowed amount represent commercial paper issuances. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Balance Sheet - LKE Consolidated

July 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 23	$ 14	$ 20	$ 9	
Accounts Receivable (Trade)	422	441	416	(18)	
Inventory	226	216	234	10	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	25	11	10	15	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018.
Prepayments and other current assets	96	75	77	21	Primarily due to refined coal at LGE not being included in the budget due to having no contract in place at the time, partially offset by lower other prelim survey charges.
Total Current Assets	793	756	757	37	
Property, Plant, and Equipment	12,834	12,996	12,318	(162)	
Intangible Assets	122	73	81	49	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	852	794	792	59	
Goodwill	997	997	997	0	
Other Long-term Assets	88	89	73	(1)	
Total Assets	**$ 15,687**	**$ 15,705**	**$ 15,020**	**$ (18)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 293	$ 285	$ 301	$ 8	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	62	59	59	3	
Derivative Liability	5	4	4	1	
Accrued Taxes	60	58	60	2	
Regulatory Liabilities Current	27	26	76	1	
Other Current Liabilities	262	277	241	(14)	
Total Current Liabilities	709	709	741	0	
Debt - Affiliated Company	846	891	746	(44)	
Debt [1]	5,414	5,489	5,137	(75)	
Total Debt	6,260	6,380	5,883	(119)	
Deferred Tax Liabilities	1,017	1,023	876	(6)	
Investment Tax Credit	124	124	127	0	
Accum Provision for Pension & Related Benefits	264	236	262	28	Increase primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census, partially offset by an increase in the discount rate and other actuarial updates.
Asset Retirement Obligation	172	193	244	(21)	Decrease primarily due to higher RWIP spend on AROs along with revaluations since the budget was completed.
Regulatory Liabilities Non Current	2,027	1,986	2,055	40	
Derivative Liability	18	12	16	6	
Other Liabilities	157	164	141	(7)	
Total Deferred Credits and Other Liabilities	3,778	3,738	3,721	39	
Equity	4,940	4,878	4,675	61	
Total Liabilities and Equity	**$ 15,687**	**$ 15,705**	**$ 15,020**	**$ (18)**	

[1] Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E

July 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 6	$ 5	$ 9	$ 1	
Accounts Receivable (Trade)	194	199	178	(6)	
Inventory	100	97	103	3	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	21	10	10	10	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018.
Prepayments and other current assets	69	47	51	22	Primarily due to refined coal not being included in the budget due to having no contract in place at the time, partially offset by other prelim survey charges, accounts receivable from associated companies and other current assets.
Total Current Assets	389	358	351	31	
Property, Plant, and Equipment	5,681	5,802	5,451	(121)	
Intangible Assets	25	6	6	19	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	426	394	404	32	
Goodwill	0	0	0	0	
Other Long-term Assets	20	40	22	(20)	Lower primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census along with the revaluation of the LG&E union plan due to the settlement which increased the prepaid, partially offset by an increase in the discount rate and other actuarial updates; partially offset by other prelim survey charges.
Total Assets	**$ 6,541**	**$ 6,600**	**$ 6,235**	**$ (59)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 164	$ 162	$ 171	$ 1	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	28	29	2	
Derivative Liability	5	4	4	1	
Accrued Taxes	33	23	34	9	
Regulatory Liabilities Current	10	10	34	0	
Other Current Liabilities	87	88	69	(1)	
Total Current Liabilities	329	315	341	13	
Debt - Affiliated Company	18	0	0	18	Higher due to intercompany borrowings with KU.
Debt [1]	2,066	2,136	1,965	(70)	
Total Debt	2,084	2,136	1,965	(52)	
Deferred Tax Liabilities	663	659	581	3	
Investment Tax Credit	34	34	35	0	
Accum Provision for Pension & Related Benefits	7	0	0	7	
Asset Retirement Obligation	61	85	93	(24)	Decrease primarily due to higher RWIP spend on AROs along with revaluations since the budget was completed.
Regulatory Liabilities Non Current	866	860	878	6	
Derivative Liability	18	12	16	6	
Other Liabilities	89	91	82	(2)	
Total Deferred Credits and Other Liabilities	1,738	1,741	1,685	(4)	
Equity	2,391	2,408	2,244	(16)	
Total Liabilities and Equity	**$ 6,541**	**$ 6,600**	**$ 6,235**	**$ (59)**	

[1] Includes all ST and LT debt.

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

Balance Sheet - KU

July 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 17	$ 5	$ 11	$ 12	Increase primarily due to timing of cash receipts.
Accounts Receivable (Trade)	229	241	237	(12)	
Inventory	126	119	131	7	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	5	0	0	4	
Prepayments and other current assets	59	53	45	6	
Total Current Assets	435	418	424	17	
Property, Plant, and Equipment	7,138	7,179	6,857	(42)	
Intangible Assets	41	12	12	29	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	423	400	386	23	
Goodwill	0	0	0	0	
Other Long-term Assets	64	88	74	(24)	Lower primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census, partially offset by an increase in the discount rate and other actuarial updates; partially offset by other prelim survey charges.
Total Assets	**$ 8,101**	**$ 8,097**	**$ 7,754**	**$ 3**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 162	$ 168	$ 165	$ (6)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	31	31	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	36	30	33	6	
Regulatory Liabilities Current	18	16	41	1	
Other Current Liabilities	125	136	123	(11)	
Total Current Liabilities	371	381	393	(10)	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,623	2,628	2,448	(5)	
Total Debt	2,623	2,628	2,448	(5)	
Deferred Tax Liabilities	775	780	690	(5)	
Investment Tax Credit	90	90	93	0	
Accum Provision for Pension & Related Benefits	(3)	0	0	(3)	
Asset Retirement Obligation	110	107	150	3	
Regulatory Liabilities Non Current	1,098	1,068	1,113	30	
Derivative Liability	0	0	0	0	
Other Liabilities	50	52	37	(2)	
Total Deferred Credits and Other Liabilities	2,120	2,097	2,082	23	
Equity	2,987	2,992	2,831	(5)	
Total Liabilities and Equity	**$ 8,101**	**$ 8,097**	**$ 7,754**	**$ 3**	

[1] Includes all ST and LT debt.

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

PPL companies

Performance Report

August 2019

Table of Contents	August 2019

Content	Page

Executive Summary	3
Income Statement: Actual vs. Budget (Month) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	5
Income Statement: Actual vs. Budget (YTD) - LG&E	6
Income Statement: Actual vs. Budget (YTD) - KU	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

Kentucky Regulated Dashboard — August 2019

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	0.81	1.05	1.28	1.36	1.25	1.50
Employee lost-time incidents	0	0	3	2	6	9
DART[1]	0.27	0.26	0.56	0.34	0.58	0.46
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.10	9.02	9.19	9.03	8.50	9.02
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	1.4%	5.0%	2.6%	5.0%	N/A	5.0%
Utility EAF	97.4%	88.8%	89.0%	83.4%	N/A	80.0%
Combined SAIFI	0.11	0.09	0.71	0.69	N/A	0.94
Combined SAIDI (minutes)	10.79	8.07	68.19	65.18	N/A	88.64
Gas Emergency Response Time	34.10	35.00	32.70	35.00	N/A	35.00
GwH Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	1,071	1,052	7,355	7,293	10,326	10,410
Commercial	815	757	5,507	5,347	8,001	7,907
Industrial	757	834	5,827	6,230	8,856	9,282
Other	268	259	1,836	1,785	2,715	2,621
Retail	2,912	2,902	20,524	20,655	29,899	30,220
Municipals	38	41	698	741	826	875
Off-System Sales	15	15	221	180	281	260
Total	2,964	2,958	21,444	21,575	31,006	31,355
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			1.17%			
Commercial			0.51%			
Industrial			-1.30%			
Other			-0.47%			
Total			0.11%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$182	$182	$1,279	$1,270	$1,870	$1,921
Gas Margins	$11	$11	$129	$133	$202	$205
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$60	$66	$496	$520	$783	$790
O&M – GAAP View[3]	$69	$75	$557	$583	$880	$885
Capital Expenditures ($ millions)	$87	$99	$686	$776	$1,201	$1,164
Average Utility Capitalization ($ millions)	$9,824	$9,925	$9,824	$9,925	$10,063	$10,127
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,448	3,613	3,448	3,613	3,590	3,610

	YTD		Full Year	
Financial Metrics [4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	10.2%	9.0%	9.5%	9.2%
Effective Depreciation Rate [5]	3.3%	3.2%	3.4%	3.3%
Effective Interest Rate	4.1%	4.1%	4.1%	4.2%
Effective Tax Rate	18.1%	19.7%	16.5%	19.4%
Moody's CFO pre-WC / Debt				
LGE	25.5%	22.0%	22.5%	21.7%
KU	24.7%	21.2%	21.6%	21.3%
LKE Consolidated	16.8%	14.1%	14.7%	14.8%

Variance Explanations

Higher YTD adjusted gross margins, primarily due to lower purchased power demand costs and other offsetting margin components.

Lower MTD and YTD O&M primarily related to higher labor and burdens recorded to capital and regulatory assets as well as open positions, and timing of other costs.

(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.

Major Developments

The Company deployed around 260 support personnel to help with Hurricane Dorian restoration efforts. A majority of the crews provided assistance to Dominion and South Carolina Gas and Electric.

LKE received approval from the KPSC for the installation of the 190 kW ground mount solar array at Maker's Mark in Loretto, KY. This will be the first Business Solar installation in the KU service territory. Construction began September 1 with completion expected by the end of the year.

Local newspaper Business First honored the Company with a Partners in Philanthropy Award for being an outstanding corporate citizen. LKE achieved a fourth place ranking [same as last year] in the large-company category. LKE has been ranked among the top five business philanthropists in the region each year since it began competing for the designation in 2012.

LKE was also recognized by Site Selection magazine as a top ten utility in the area of economic development. The Company has received this honor seven times since 2010.

LKE filed a notice of intent to submit an updated Gas Line Tracker plan at the end of September. The filing will ask for approval of costs associated with replacing portions of certain gas pipelines and conducting in-line inspections.

Virginia State Corporation Commission (VSCC) staff were on site the weeks of August 12 and September 16 as part of its procedures for the Virginia rate case.

Significant Future Events

A public comment hearing has been scheduled for October 2, and the formal hearing will be held January 22.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 70 of 243
Arbough

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

August 2019

($ Millions)

	Actual vs. Budget - MTD				Actual vs. PY - MTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 182	$ 182	$ (0)		$ 182	$ 171	$ 11	Primarily due to the expiration of the TCJA surcredit and higher KPSC base rate revenues effective May 1, 2019.
Gas Margin	11	11	0		11	10	2	
Total Gross Margin	193	193	(0)		193	180	13	
O&M	60	66	6	Due primarily to favorable labor and burdens related to more labor charged to capital and regulatory assets as well as open positions, favorability from delay of process water system in-service, reclassification of refined coal income, offset by timing of expenses for generation related maintenance and gas in-line inspections.	60	63	3	
Depreciation & Amortization	37	38	2		37	34	(3)	
Taxes, Other than Income	6	6	0		6	6	(0)	
Other income (expense)	(0)	0	(0)		(0)	0	(0)	
EBIT	90	83	7		90	78	12	
Interest Expense	22	23	1		22	20	(2)	
Income from Ongoing Operations before income taxes	68	60	8		68	58	10	
Income Tax Expense	15	12	(3)		15	12	(3)	
Net Income (loss) from ongoing operations	**54**	**48**	**5**		**54**	**46**	**8**	
Special Item - (Non Operating Income)	0	0	0		0	0	0	
Discontinued Operations	(0)	0	(0)		(0)	(0)	(0)	
Net Income (loss)	$ 54	$ 48	$ 5		$ 54	$ 46	$ 8	
KY Regulated Financing Costs	(3)	$ (3)	(0)		(3)	$ (3)	(0)	
KY Regulated Net Income	$ 51	$ 46	$ 5		$ 51	$ 44	$ 8	
Earnings Per Share - Ongoing	$ 0.07	$ 0.06	$ 0.01		$ 0.07	$ 0.06	$ 0.01	

Note: Schedules may not sum due to rounding.

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

August 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 1,279	$ 1,270	$ 9	Due primarily to favorable demand revenues and lower purchased power demand costs.	$ 1,279	$ 1,255	$ 24	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019, the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes, lower transmission margins and the departure of 8 municipal customers.
Gas Margin	129	133	(4)		129	121	8	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Total Gross Margin	1,407	1,403	5		1,407	1375	32	
O&M	496	520	24	Due primarily to favorable labor and burdens related to more labor charged to capital and regulatory outage asset as well as open positions, favorability from delay of process water system in-service, reclassification of refined coal income, timing of expenses for generation maintenance, software/hardware maintenance contracts and outside counsel, and timing of O&M offset by higher storm expenses, line locating/in-line inspection expenses, and timing of vegetation management.	496	497	2	
Depreciation & Amortization	284	294	10	Due primarily to lower than anticipated plant in service.	284	269	(15)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	46	48	2		46	44	(2)	
Other income (expense)	1	(1)	2		1	(4)	5	Due primarily to the timing of Foundation contributions and a decrease in pension non-service costs.
EBIT	583	540	43		583	562	21	
Interest Expense	171	176	6	Due primarily to lower interest rates and lower debt balances.	171	152	(18)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	412	364	48		412	409	3	
Income Tax Expense	66	71	5	Due primarily to the recording of a $22M state recycling credit ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019 partially offset by higher pre-tax income.	66	83	17	Due primarily to the recording of a $22M state recycling credit ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019.
Net Income (loss) from ongoing operations	**347**	**293**	**53**		**347**	**326**	**20**	
Special Item - (Non Operating Income)	0	0	0		0	(9)	9	In 2018, due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes.
Discontinued Operations	(0)	0	(0)		(0)	0	(0)	
Net Income (loss)	$ 347	$ 293	$ 53		$ 347	$ 317	$ 29	
KY Regulated Financing Costs	(22)	(22)	(0)		(22)	(23)	2	
KY Regulated Net Income	325	$ 272	$ 53		325	$ 294	$ 31	
Earnings Per Share - Ongoing	$ 0.44	$ 0.36	$ 0.08		$ 0.44	$ 0.43	$ 0.01	

Note: Schedules may not sum due to rounding.

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

August 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 511	$ 499	$ 12	Due primarily to favorable demand revenues and lower purchased power demand costs.	$ 511	$ 501	$ 10	Due primarily to the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes and lower transmission margins.
Gas Margin	129	133	(4)		129	121	8	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Total Gross Margin	639	632	8		639	621	18	
O&M	228	235	7	Due primarily to favorable labor and burdens related to more labor charged to capital and regulatory outage asset as well as open positions, favorability from delay of process water system in-service, reclassification of refined coal income, timing of expenses for generation maintenance, software/hardware maintenance contracts and outside counsel, and timing of O&M expenses offset by higher storm expenses, line locating/in-line inspection expenses, and timing of vegetation management.	228	221	(7)	Due primarily to increase in contractor labor for line locating, veg. management, and an increase in repair expenses in 2019 at the Trimble County Generating Station including, FGD, Coal Feeder, and Mill Repairs offset by decrease in contractor labor for storm restoration.
Depreciation & Amortization	117	120	3		117	109	(7)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	24	25	1		24	23	(1)	
Other income (expense)	(1)	(2)	1		(1)	(4)	3	
EBIT	270	251	19		270	264	6	
Interest Expense	58	60	2		58	50	(7)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	212	191	21		212	214	(1)	
Income Tax Expense	48	42	(7)	Due primarily due to higher pre-tax income.	48	47	(1)	
Net Income (loss) from ongoing operations	**$ 164**	**$ 150**	**$ 15**		**$ 164**	**$ 166**	**$ (2)**	

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

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

August 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 768	$ 771	$ (3)		$ 768	$ 754	$ 14	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019, the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes, lower transmission margins and the departure of 8 municipal customers.
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	768	771	(3)		768	754	14	
O&M	246	264	18	Due primarily to favorable labor and burdens related to more labor charged to capital and regulatory outage asset as well as open positions, favorability from delay of process water system in-service, reclassification of refined coal income, timing of expenses for generation maintenance, software/hardware maintenance contracts and outside counsel, and timing of O&M expenses offset by higher storm expenses, and timing of vegetation management.	246	255	9	Due primarily to lower labor burdens (Pension & Medical), refined coal reg asset and timing of other costs related to generation, IT, Communications (Advertising) and storm restoration.
Depreciation & Amortization	167	173	7	Due primarily to lower plant in service balance.	167	159	(8)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	22	23	1		22	21	(1)	
Other income (expense)	2	1	1		2	(0)	3	
EBIT	336	311	24		336	318	17	
Interest Expense	73	74	1		73	66	(7)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	263	238	25		263	252	11	
Income Tax Expense	57	50	(7)	Due primarily to higher pre-tax income.	57	54	(3)	
Net Income (loss) from ongoing operations	**$ 206**	**$ 188**	**$ 18**		**$ 206**	**$ 198**	**$ 8**	

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

Margins Actual vs. Budget — August 2019

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year August-19	MTD Budget August-19	Change $	Change %
Base Service Charge	$ 19	$ 17	$ 2	9%
Base Energy	93	101	$ (8)	-8%
Demand Charge	54	50	$ 5	10%
Tax Cuts and Job Act (TCJA)	(0)	-	$ (0)	0%
Retail Fuel (Net)	(0)	(0)	$ (0)	30%
DSM	0	0	$ (0)	-67%
ECR	16	17	$ (0)	-3%
Transmission	0	0	$ (0)	-12%
Purchase Power Demand	(2)	(4)	$ 2	-40%
Off-System Sales	0	0	$ 0	25%
Shared Solar Program	0	0	$ (0)	-89%
Other Revenue	3	3	$ 1	28%
Cost of Sales	(2)	(2)	$ 0	-3%
	$ 182	$ 182	$ (0)	0%

LKE Gas Margins

	MTD Current Year August-19	MTD Budget August-19	Change $	Change %
Base Service Charge	$ 8	$ 8	$ 0	6%
Distribution Charge	3	3	$ (0)	-5%
WNA	0	-	$ 0	0%
Tax Cuts and Job Act (TCJA)	0	-	$ 0	0%
DSM	-	0	$ (0)	-100%
GSC	(0)	-	$ (0)	0%
GLT	1	1	$ (0)	-30%
Other Revenue	0	0	$ (0)	-13%
Cost of Sales	-	-	$ -	0%
	$ 11	$ 11	$ 0	0%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year August-19	YTD Budget August-19	Change $	Change %
Base Service Charge	$ 140	$ 134	$ 6	4%
Base Energy	658	693	$ (36)	-5%
Demand Charge	397	370	$ 27	7%
Tax Cuts and Job Act (TCJA)	(31)	(34)	$ 4	-11%
Retail Fuel (Net)	(2)	(2)	$ 0	-9%
DSM	2	2	$ 1	34%
ECR	128	127	$ 1	1%
Transmission	3	4	$ (1)	-33%
Purchase Power Demand	(24)	(31)	$ 7	-22%
Off-System Sales	1	0	$ 0	43%
Shared Solar Program	0	0	$ (0)	-93%
Other Revenue	21	18	$ 3	17%
Cost of Sales	(14)	(12)	$ (2)	13%
	$ 1,279	$ 1,270	$ 9	1%

LKE Gas Margins

	YTD Current Year August-19	YTD Budget August-19	Change $	Change %
Base Service Charge	$ 59	$ 58	$ 2	3%
Distribution Charge	69	74	$ (5)	-7%
WNA	0	-	$ 0	0%
Tax Cuts and Job Act (TCJA)	(5)	(6)	$ 0	-4%
DSM	0	0	$ (0)	-23%
GSC	1	-	$ 1	0%
GLT	3	6	$ (3)	-45%
Other Revenue	1	1	$ 0	10%
Cost of Sales	-	-	$ -	0%
	$ 129	$ 133	$ (4)	-3%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 75 of 243
Arbough

O&M	August 2019		
($ Millions)			
	Actual vs. Budget - YTD		
	Actual	Budget	Variance
Chief Operating Officer			
Power Production			
All Other	$ 43.9	$ 51.4	$ 7.5
Maintenance	63.7	67.6	3.9
Outages	20.7	20.4	(0.3)
Power Production	**128.3**	**139.4**	**11.1**
Customer Services			
All Other	$ 62.9	$ 64.9	$ 2.0
Bad Debt Expense	4.2	4.9	0.7
Customer Services	**67.1**	**69.7**	**2.6**
Electric Distribution			
All Other	$ 31.0	$ 30.3	$ (0.7)
Storm Restoration	6.8	5.5	(1.3)
Vegetation Mgmt	16.3	15.0	(1.3)
Electric Distribution	**54.1**	**50.8**	**(3.3)**
Transmission			
All Other	$ 15.2	$ 15.9	$ 0.6
Storm Restoration	0.3	0.2	(0.1)
Vegetation Mgmt	10.8	10.0	(0.8)
Transmission	**26.3**	**26.2**	**(0.2)**
Energy Supply & Analysis	**$ 8.4**	**$ 9.0**	**$ 0.5**
Gas Distribution	**$ 35.1**	**$ 35.7**	**$ 0.6**
Project Engineering	**$ 0.3**	**$ 0.3**	**$ 0.0**
Safety & Tech Training	**$ 4.4**	**$ 4.8**	**$ 0.3**
Environmental	**$ 3.9**	**$ 4.7**	**$ 0.8**
Chief Operating Officer	**$ 0.3**	**$ 0.3**	**$ (0.0)**
Chief Operating Officer Total	**$ 328.3**	**$ 340.9**	**$ 12.6**
Chief Financial Officer			
Treasurer	**$ 15.8**	**$ 17.0**	**$ 1.2**
Controller	**$ 6.1**	**$ 6.3**	**$ 0.2**
Information Technology	**$ 40.3**	**$ 44.1**	**$ 3.8**
State Reg & Rates	**$ 1.4**	**$ 1.6**	**$ 0.2**
Audit Services	**$ 1.1**	**$ 1.2**	**$ 0.0**
Supply Chain	**$ 2.7**	**$ 2.8**	**$ 0.1**
Other	**$ 1.3**	**$ 1.5**	**$ 0.3**
Chief Financial Officer Total	**$ 68.7**	**$ 74.5**	**$ 5.8**
Communication	**$ 6.3**	**$ 7.0**	**$ 0.7**
Human Resources	**$ 4.6**	**$ 5.1**	**$ 0.5**
General Counsel	**$ 9.3**	**$ 11.4**	**$ 2.1**
Corporate Cost Center	**$ 56.9**	**$ 59.9**	**$ 3.0**
Non-Utility	**$ 21.5**	**$ 21.2**	**$ (0.3)**
Grand Total	**$ 495.6**	**$ 520.0**	**$ 24.4**

Financing Activities — August 2019

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance
PCB			
Beg Bal	$ 881.1	$ 881.1	$ 0.0
End Bal	841.1	881.1	40.0
Ave Bal	**$ 876.6**	**$ 881.1**	**$ 4.44**
Interest Exp	**$ 11.0**	**$ 12.8**	**$ 1.8**
Rate	**1.88%**	**2.17%**	**0.29%**
FMB/Sr Nts/Loan with PPL			
Beg Bal	$ 4,660.0	$ 4,832.1	$ 172.1
End Bal	5,160.0	5,402.0	242.0
Ave Bal	**$ 4,937.8**	**$ 5,078.7**	**$ 140.9**
Interest Exp	**$ 142.3**	**$ 147.0**	**$ 4.7**
Rate	**4.32%**	**4.34%**	**0.02%**
Short-term Debt			
Beg Bal	$ 627.0	$ 592.4	$ (34.6)
End Bal	226.0	129.1	(96.9)
Ave Bal [(1)]	**$ 398.1**	**$ 406.4**	**$ 8.3**
Interest Exp	**$ 8.8**	**$ 8.7**	**$ (0.1)**
Rate	**3.27%**	**3.18%**	**-0.09%**
Unamortized Debt Expense Bonds			
Beg Bal	$ (38.4)	$ (38.1)	$ 0.3
End Bal	(38.7)	(44.8)	(6.1)
Ave Bal	**$ (38.6)**	**$ (40.7)**	**$ (2.1)**
Total End Bal	**$ 6,188.4**	**$ 6,367.4**	**$ 179.0**
Total Average Bal	**$ 6,173.9**	**$ 6,325.4**	**$ 151.5**
Total Expense Excl I/C [(2)]	**$ 170.6**	**$ 176.3**	**$ 5.7**
Rate	**4.12%**	**4.15%**	**0.03%**

[(1)] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
[(2)] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[(3)]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 199		$ 176	
LG&E	500	27		473	$ 62
KU	598	-	$ 198	400	-
TOTAL	$ 1,473	$ 226	$ 198	$ 1,049	$ 62

[(3)] LG&E borrowed amount represent commercial paper issuances. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Balance Sheet - LKE Consolidated

August 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 21	$ 30	$ 27	$ (9)	
Accounts Receivable (Trade)	416	454	399	(39)	
Inventory	232	218	243	14	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	25	10	10	15	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018.
Prepayments and other current assets	95	72	74	24	Primarily due to refined coal at LGE not being included in the budget due to having no contract in place at the time, partially offset by lower other prelim survey charges.
Total Current Assets	789	784	753	5	
Property, Plant, and Equipment	12,865	13,035	12,365	(170)	
Intangible Assets	120	72	80	48	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	857	793	793	64	
Goodwill	997	997	997	0	
Other Long-term Assets	89	90	74	(2)	
Total Assets	**$ 15,717**	**$ 15,773**	**$ 15,064**	**$ (55)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 289	$ 288	$ 298	$ 1	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	62	59	60	3	
Derivative Liability	5	4	4	1	
Accrued Taxes	81	79	80	2	
Regulatory Liabilities Current	33	26	75	7	
Other Current Liabilities	291	296	273	(5)	
Total Current Liabilities	761	752	790	9	
Debt - Affiliated Company	849	890	751	(41)	
Debt [(1)]	5,339	5,477	5,090	(138)	
Total Debt	6,188	6,367	5,840	(179)	
Deferred Tax Liabilities	1,015	1,020	874	(5)	
Investment Tax Credit	124	124	127	0	
Accum Provision for Pension & Related Benefits	264	235	263	29	Increase primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census, partially offset by an increase in the discount rate and other actuarial updates.
Asset Retirement Obligation	166	186	237	(20)	Decrease primarily due to higher RWIP spend on AROs along with revaluations since the budget was completed.
Regulatory Liabilities Non Current	2,027	1,986	2,054	41	
Derivative Liability	22	12	16	10	Increase primarily due to change in mark-to-market value.
Other Liabilities	157	164	142	(7)	
Total Deferred Credits and Other Liabilities	3,774	3,726	3,712	48	
Equity	4,993	4,927	4,721	66	
Total Liabilities and Equity	**$ 15,717**	**$ 15,773**	**$ 15,064**	**$ (55)**	

[(1)] Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E

August 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 7	$ 5	$ 11	$ 2	
Accounts Receivable (Trade)	188	206	171	(18)	
Inventory	110	104	112	7	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	20	10	10	10	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018.
Prepayments and other current assets	73	45	51	27	Primarily due to refined coal not being included in the budget due to having no contract in place at the time, partially offset by other prelim survey charges, accounts receivable from associated companies and other current assets.
Total Current Assets	398	370	355	28	
Property, Plant, and Equipment	5,698	5,826	5,474	(128)	
Intangible Assets	24	6	6	18	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	429	393	404	36	
Goodwill	0	0	0	0	
Other Long-term Assets	20	41	22	(21)	Lower primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census along with the revaluation of the LG&E union plan due to the settlement which increased the prepaid, partially offset by an increase in the discount rate and other actuarial updates; partially offset by other prelim survey charges.
Total Assets	**$ 6,570**	**$ 6,637**	**$ 6,262**	**$ (67)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 170	$ 165	$ 164	$ 5	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	28	29	2	
Derivative Liability	5	4	4	1	
Accrued Taxes	43	34	44	9	
Regulatory Liabilities Current	12	10	33	2	
Other Current Liabilities	99	94	85	5	
Total Current Liabilities	360	335	359	25	
Debt - Affiliated Company	62	0	0	62	Higher due to intercompany borrowings with KU.
Debt [1]	1,991	2,134	1,952	(143)	
Total Debt	2,053	2,134	1,952	(81)	
Deferred Tax Liabilities	663	659	581	4	
Investment Tax Credit	34	33	35	0	
Accum Provision for Pension & Related Benefits	7	0	0	7	
Asset Retirement Obligation	59	83	91	(24)	Decrease primarily due to higher RWIP spend on AROs along with revaluations since the budget was completed.
Regulatory Liabilities Non Current	867	858	878	9	
Derivative Liability	22	12	16	10	Increase primarily due to change in mark-to-market value.
Other Liabilities	89	91	82	(2)	
Total Deferred Credits and Other Liabilities	1,740	1,737	1,683	3	
Equity	2,416	2,430	2,267	(14)	
Total Liabilities and Equity	**$ 6,570**	**$ 6,637**	**$ 6,262**	**$ (67)**	

[1] Includes all ST and LT debt.

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

Balance Sheet - KU **August 2019**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 14	$ 21	$ 15	$ (7)	
Accounts Receivable (Trade)	228	248	228	(20)	
Inventory	122	114	131	7	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	5	0	0	5	
Prepayments and other current assets	103	51	44	51	Primarily due higher receivables from associated companies partially offset by other prelim survey charges.
Total Current Assets	471	435	418	36	
Property, Plant, and Equipment	7,151	7,194	6,881	(42)	
Intangible Assets	40	12	12	28	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	424	400	387	24	
Goodwill	0	0	0	0	
Other Long-term Assets	65	89	75	(24)	Lower primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census, partially offset by an increase in the discount rate and other actuarial updates; partially offset by other prelim survey charges.
Total Assets	**$ 8,151**	**$ 8,131**	**$ 7,773**	**$ 21**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 153	$ 166	$ 176	$ (13)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	31	31	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	47	42	45	5	
Regulatory Liabilities Current	20	16	42	5	
Other Current Liabilities	142	145	134	(3)	
Total Current Liabilities	393	399	428	(7)	
Debt - Affiliated Company	0	0	0	0	
Debt [(1)]	2,623	2,618	2,413	5	
Total Debt	2,623	2,618	2,413	5	
Deferred Tax Liabilities	777	780	690	(3)	
Investment Tax Credit	90	90	92	0	
Accum Provision for Pension & Related Benefits	(3)	0	0	(3)	
Asset Retirement Obligation	107	103	146	4	
Regulatory Liabilities Non Current	1,098	1,069	1,112	28	
Derivative Liability	0	0	0	0	
Other Liabilities	49	51	37	(2)	
Total Deferred Credits and Other Liabilities	2,118	2,093	2,076	25	
Equity	3,018	3,020	2,856	(2)	
Total Liabilities and Equity	**$ 8,151**	**$ 8,131**	**$ 7,773**	**$ 21**	

[(1)] Includes all ST and LT debt.

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

PPL companies

Performance Report

September 2019

Table of Contents	September 2019

Content	Page

Executive Summary	3
Income Statement: Actual vs. Budget (Month) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	5
Income Statement: Actual vs. Budget (YTD) - LG&E	6
Income Statement: Actual vs. Budget (YTD) - KU	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

Kentucky Regulated Dashboard — September 2019

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	1.13	0.38	1.27	1.26	1.25	1.50
Employee lost-time incidents	1	0	5	2	7	9
DART[1]	0.38	0.00	0.54	0.31	0.58	0.46
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.12	9.05	9.18	9.03	8.50	9.02
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	1.1%	5.0%	2.4%	5.0%	N/A	5.0%
Utility EAF	92.7%	83.5%	89.4%	83.4%	N/A	80.0%
Combined SAIFI	0.06	0.06	0.78	0.75	N/A	0.94
Combined SAIDI (minutes)	5.98	6.09	74.19	71.27	N/A	88.64
Gas Emergency Response Time	31.40	35.00	32.60	35.00	N/A	35.00
GwH Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	910	816	8,266	8,109	10,653	10,410
Commercial	723	651	6,229	5,998	8,143	7,907
Industrial	775	716	6,601	6,945	8,774	9,282
Other	254	213	2,090	1,998	2,756	2,621
Retail	2,662	2,395	23,186	23,050	30,327	30,220
Municipals	36	34	735	775	831	875
Off-System Sales	28	25	249	205	318	260
Total	2,725	2,455	24,169	24,030	31,476	31,355
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			0.79%			
Commercial			-0.08%			
Industrial			-0.68%			
Other			-0.96%			
Total			-0.04%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$167	$161	$1,446	$1,431	$1,903	$1,921
Gas Margins	$11	$11	$140	$145	$202	$205
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$61	$70	$557	$591	$768	$790
O&M – GAAP View[3]	$70	$79	$627	$662	$862	$885
Capital Expenditures ($ millions)	$105	$96	$791	$872	$1,185	$1,164
Average Utility Capitalization ($ millions)	$9,869	$9,973	$9,869	$9,973	$10,038	$10,127
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,461	3,613	3,461	3,613	3,575	3,610

	YTD		Full Year	
Financial Metrics [4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	10.3%	9.1%	10.0%	9.2%
Effective Depreciation Rate [5]	3.3%	3.2%	3.4%	3.3%
Effective Interest Rate	4.1%	4.1%	4.1%	4.2%
Effective Tax Rate	18.1%	19.7%	17.4%	19.4%
Moody's CFO pre-WC / Debt				
LGE	24.6%	21.3%	24.3%	21.7%
KU	24.4%	20.7%	24.2%	21.3%
LKE Consolidated	16.7%	14.1%	16.4%	14.8%

Variance Explanations

Higher MTD adjusted gross margins, primarily due to higher sales volumes from weather.

Higher YTD adjusted gross margins due to higher sales volumes of $13 million, primarily from weather, partially offset by other net margin components of $2 million.

Lower MTD O&M, primarily related to $4 million favorability on timing of gas in-line inspections, $2 million favorability from timing of other costs, and higher labor and burdens recorded to capital and regulatory assets, as well as open positions.

Lower YTD O&M, primarily related to $8 million higher labor and burdens recorded to capital and regulatory assets, as well as open positions, $7 million favorability from delay of process water systems and generation maintenance, $2 million in lower hardware/software maintenance, $2 million in lower insurance and legal consulting expenses, and timing of other costs.

(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.

Major Developments

KU's Pineville Substation Construction and Maintenance employees won the Edison Electric Safety Achievement Award for 500,000 hours (or 24 years) without a lost-time incident.

In late September, FERC auditors returned for additional on-site interviews regarding the Company's Open Access Transmission Tariff (OATT) operational audit. FERC audit staff indicated they have not identified any findings of non-compliance and LKE controls and processes appear to be working appropriately. The auditors expect to provide a draft audit report to LKE in January 2020.

Both LG&E and Bernheim filed its reply brief to the KPSC regarding the Bullitt County pipeline case. LG&E took the position that Bernheim lacks standing to bring the complaint and otherwise fails to meet the statutory requirements to file a complaint. The Company is now waiting on a decision from the KPSC.

Virginia State Corporation Commission staff were on site again in September as part of its procedures for the Virginia rate case. Consistent with its August visit, the staff reviewed the Company's accounting, forecasting and budgeting processes since the case is for the 12 month period ending March 31, 2021, based on adjustments to calendar year 2018. A public comment hearing was also held on October 2. The Company is also working on various data requests from the Attorney General.

LG&E and KU filed an updated Gas Line Tracker plan with the KPSC. The filing will ask for approval of costs associated with replacing portions of certain gas pipelines and conducting in-line inspections. The procedural schedule calls for initial data requests to be due October 18th, and Company responses submitted by November 1st.

The Company is working on data requests regarding our IRP filing with the KPSC. LKE has received data requests from the Commission Staff, the Attorney General, and the Sierra Club.

Significant Future Events

The formal hearing for the Virginia rate case will be held January 22.

Regarding the gas line tracker case, supplemental requests for information are due November 15th, and Company responses must be filed by December 6th.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 83 of 243
Arbough

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

September 2019

($ Millions)

	Actual vs. Budget - MTD				Actual vs. PY - MTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 167	$ 161	$ 6	Primarily due to higher sales volumes from weather.	$ 167	$ 157	$ 10	Primarily due to higher sales volumes from weather, the expiration of the TCJA surcredit and higher KPSC base rate revenues effective May 1, 2019.
Gas Margin	11	11	0		11	11	0	
Total Gross Margin	179	173	6		179	169	10	
O&M	61	70	9	Due primarily to favorability on timing of gas in-line inspections, favorability from timing of other costs, and higher labor and burdens recorded to capital and regulatory assets, as well as open positions.	61	60	(1)	
Depreciation & Amortization	37	38	2		37	34	(3)	
Taxes, Other than Income	6	6	0		6	6	(0)	
Other income (expense)	0	0	(0)		0	1	(1)	
EBIT	75	58	17		75	70	5	
Interest Expense	22	23	1		22	20	(2)	
Income from Ongoing Operations before income taxes	54	35	18		54	51	3	
Income Tax Expense	12	7	(5)	Primarily due to higher pre-tax income	12	12	(0)	
Net Income (loss) from ongoing operations	**41**	**29**	**13**		**41**	**39**	**2**	
Special Item - (Non Operating Income)	0	0	0		0	2	(2)	
Discontinued Operations	(0)	0	(0)		(0)	(0)	(0)	
Net Income (loss)	$ 41	$ 29	$ 13		$ 41	$ 41	$ 1	
KY Regulated Financing Costs	(3)	$ (3)	(0)		(3)	$ (3)	(0)	
KY Regulated Net Income	$ 39	$ 26	$ 13		$ 39	$ 38	$ 1	
Earnings Per Share - Ongoing	$ 0.05	$ 0.03	$ 0.02		$ 0.05	$ 0.05	$ 0.00	

Note: Schedules may not sum due to rounding.

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

September 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 1,446	$ 1,431	$ 15	Primarily due to higher sales volumes from weather and other offsetting margin components.	$ 1,446	$ 1,412	$ 34	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019, the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes, lower transmission margins and the departure of 8 municipal customers.
Gas Margin	140	145	(4)		140	132	9	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Total Gross Margin	1,586	1,576	11		1,586	1544	42	
O&M	557	591	33	Due primarily to higher labor and burdens recorded to capital and regulatory assets, as well as open positions, favorability from delay of process water systems and generation maintenance, lower hardware/software maintenance, insurance and legal consulting expenses, and timing of other costs.	557	558	0	
Depreciation & Amortization	321	332	12	Due primarily to lower spend, lagged closings, and higher retirements.	321	302	(18)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	52	54	2		52	50	(2)	
Other income (expense)	1	(0)	2		1	(2)	4	
EBIT	658	599	59		658	632	26	
Interest Expense	192	199	7	Due primarily to lower interest rates and lower debt balances.	192	172	(20)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	466	400	66		466	460	6	
Income Tax Expense	78	78	(0)	Due to higher pre-tax income offset by a $22M state recycling credit ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019.	78	95	17	Due primarily to the recording of a $22M state recycling credit ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019.
Net Income (loss) from ongoing operations	**388**	**322**	**66**		**388**	**365**	**23**	
Special Item - (Non Operating Income)	0	0	0		0	(7)	7	In 2018, due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes.
Discontinued Operations	(0)	0	(0)		(0)	0	(0)	
Net Income (loss)	$ 388	$ 322	$ 66		$ 388	$ 358	$ 30	
KY Regulated Financing Costs	(24)	(24)	(0)		(24)	(26)	2	
KY Regulated Net Income	364	$ 298	$ 66		364	$ 332	$ 32	
Earnings Per Share - Ongoing	$ 0.50	$ 0.40	$ 0.10		$ 0.50	$ 0.48	$ 0.01	

Note: Schedules may not sum due to rounding.

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

September 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 580	$ 566	$ 15	Primarily due to higher sales volumes from weather, higher demand revenues and lower purchased power demand costs.	$ 580	$ 565	$ 15	Due primarily to the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes and lower transmission margins.
Gas Margin	140	145	(4)		140	132	9	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Total Gross Margin	720	710	10		720	697	23	
O&M	256	269	13	Due primarily to favorable labor and burdens related to more labor charged to capital and regulatory outage asset as well as open positions, favorability from delay of process water system in-service, reclassification of refined coal income, timing of expenses for generation maintenance, software/hardware maintenance contracts and outside counsel, and timing of O&M expenses offset by higher storm expenses, line locating/in-line inspection expenses, and timing of vegetation management.	256	248	(8)	Due primarily to increase in contractor labor for line locating, veg. management, and an increase in repair expenses in 2019 at the Trimble County Generating Station including, FGD, Coal Feeder, and Mill Repairs offset by decrease in contractor labor for storm restoration.
Depreciation & Amortization	132	135	3		132	123	(9)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	27	28	1		27	26	(1)	
Other income (expense)	(2)	(2)	0		(2)	(4)	3	
EBIT	304	276	28		304	296	8	
Interest Expense	65	68	3		65	57	(8)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	239	208	31		239	239	(0)	
Income Tax Expense	51	43	(9)	Primarily due to higher pre-tax income	51	51	0	
Net Income (loss) from ongoing operations	**$ 188**	**$ 166**	**$ 22**		**$ 188**	**$ 188**	**$ 0**	

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

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

September 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 866	$ 865	$ 1		$ 866	$ 847	$ 19	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019, the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes, lower transmission margins and the departure of 8 municipal customers.
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	866	865	1		866	847	19	
O&M	276	298	22	Due primarily to favorable labor and burdens related to more labor charged to capital and regulatory outage asset as well as open positions, favorability from delay of process water system in-service, reclassification of refined coal income, timing of expenses for generation maintenance, software/hardware maintenance contracts and outside counsel, and timing of O&M expenses offset by higher storm expenses, and timing of vegetation management.	276	286	10	Due primarily to lower labor burdens (Pension & Medical), refined coal reg asset and timing of other costs related to generation, IT, Communications (Advertising) and storm restoration.
Depreciation & Amortization	188	196	8	Due primarily to lower spend, lagged closings, and higher retirements.	188	179	(9)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	25	26	1		25	24	(1)	
Other income (expense)	3	1	2		3	1	2	
EBIT	380	346	34		380	359	21	
Interest Expense	82	83	1		82	74	(8)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	298	263	35		298	285	14	
Income Tax Expense	62	51	(10)	Primarily due to higher pre-tax income	62	59	(3)	
Net Income (loss) from ongoing operations	**$ 237**	**$ 212**	**$ 25**		**$ 237**	**$ 226**	**$ 11**	

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

Margins Actual vs. Budget — September 2019

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year September-19	MTD Budget September-19	Change $	Change %
Base Service Charge	$ 18	$ 17	$ 1	6%
Base Energy	80	81	$ (1)	-1%
Demand Charge	54	49	$ 5	11%
Tax Cuts and Job Act (TCJA)	(0)	-	$ (0)	0%
Retail Fuel (Net)	(2)	(0)	$ (2)	676%
DSM	0	0	$ (0)	-67%
ECR	18	17	$ 1	6%
Transmission	0	0	$ 0	15%
Purchase Power Demand	(2)	(4)	$ 1	-36%
Off-System Sales	0	0	$ 0	63%
Shared Solar Program	0	0	$ (0)	-11%
Other Revenue	3	2	$ 0	20%
Cost of Sales	(2)	(2)	$ (0)	22%
	$ 167	$ 161	$ 6	4%

LKE Gas Margins

	MTD Current Year September-19	MTD Budget September-19	Change $	Change %
Base Service Charge	$ 8	$ 8	$ 0	4%
Distribution Charge	3	3	$ (0)	-9%
WNA	0	-	$ 0	0%
Tax Cuts and Job Act (TCJA)	0	-	$ 0	0%
DSM	-	0	$ (0)	-100%
GSC	0	-	$ 0	0%
GLT	1	1	$ (0)	-23%
Other Revenue	0	0	$ (0)	-31%
Cost of Sales	-	-	$ -	0%
	$ 11	$ 11	$ 0	1%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year September-19	YTD Budget September-19	Change $	Change %
Base Service Charge	$ 158	$ 152	$ 7	4%
Base Energy	738	775	$ (37)	-5%
Demand Charge	451	419	$ 32	8%
Tax Cuts and Job Act (TCJA)	(31)	(34)	$ 4	-11%
Retail Fuel (Net)	(4)	(2)	$ (2)	67%
DSM	2	2	$ 0	23%
ECR	145	144	$ 2	1%
Transmission	3	4	$ (1)	-29%
Purchase Power Demand	(26)	(35)	$ 8	-24%
Off-System Sales	1	0	$ 0	46%
Shared Solar Program	0	0	$ (0)	-84%
Other Revenue	24	20	$ 3	17%
Cost of Sales	(16)	(14)	$ (2)	14%
	$ 1,446	$ 1,431	$ 15	1%

LKE Gas Margins

	YTD Current Year September-19	YTD Budget September-19	Change $	Change %
Base Service Charge	$ 67	$ 65	$ 2	3%
Distribution Charge	72	77	$ (5)	-7%
WNA	0	-	$ 0	0%
Tax Cuts and Job Act (TCJA)	(5)	(6)	$ 0	-4%
DSM	0	0	$ (0)	-32%
GSC	1	-	$ 1	0%
GLT	4	7	$ (3)	-42%
Other Revenue	1	1	$ 0	7%
Cost of Sales	-	-	$ -	0%
	$ 140	$ 145	$ (4)	-3%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 88 of 243
Arbough

O&M	September 2019		
($ Millions)			
	Actual vs. Budget - YTD		
	Actual	Budget	Variance
Chief Operating Officer			
Power Production			
All Other	$ 49.4	$ 57.9	$ 8.5
Outages	72.0	77.1	5.0
Power Production	**143.3**	**156.6**	**13.3**
Customer Services			
All Other	$ -	$ -	$ -
Bad Debt Expense	$ 71.3	73.2	1.9
Customer Services	**4.9**	**6.0**	**1.1**
Electric Distribution			
All Other	$ -	$ -	$ -
Storm Restoration	34.5	34.0	(0.5)
Vegetation Mgmt	7.0	5.8	(1.2)
Electric Distribution	**18.6**	**17.7**	**(0.9)**
Transmission			
All Other	$ -	$ -	$ -
Storm Restoration	16.9	17.9	1.0
Vegetation Mgmt	0.4	0.3	(0.1)
Transmission	**12.0**	**11.5**	**(0.4)**
Energy Supply & Analysis	**$ -**	**$ -**	**$ -**
Gas Distribution	**$ -**	**$ -**	**$ -**
Project Engineering	**$ -**	**$ -**	**$ -**
Safety & Tech Training	**$ -**	**$ -**	**$ -**
Environmental	**$ -**	**$ -**	**$ -**
Chief Operating Officer	**$ -**	**$ -**	**$ -**
Chief Operating Officer Total	**$ -**	**$ -**	**$ -**
Chief Financial Officer			
Treasurer	**$ -**	**$ -**	**$ -**
Controller	**$ -**	**$ -**	**$ -**
Information Technology	**$ -**	**$ -**	**$ -**
State Reg & Rates	**$ -**	**$ -**	**$ -**
Audit Services	**$ -**	**$ -**	**$ -**
Supply Chain	**$ -**	**$ -**	**$ -**
Other	**$ -**	**$ -**	**$ -**
Chief Financial Officer Total	**$ -**	**$ -**	**$ -**
Communication	**$ -**	**$ -**	**$ -**
Human Resources	**$ -**	**$ -**	**$ -**
General Counsel	**$ -**	**$ -**	**$ -**
Corporate Cost Center	**$ -**	**$ -**	**$ -**
Non-Utility	**$ 557.1**	**$ 590.5**	**$ (1.8)**
Grand Total	**$ 557.1**	**$ 590.5**	**$ (1.8)**

Financing Activities — September 2019

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance
PCB			
Beg Bal	$ 881.1	$ 881.1	$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	**$ 877.1**	**$ 881.1**	**$ 4.00**
Interest Exp	**$ 12.3**	**$ 14.6**	**$ 2.3**
Rate	**1.88%**	**2.21%**	**0.33%**
FMB/Sr Nts/Loan with PPL			
Beg Bal	$ 4,660.0	$ 4,832.1	$ 172.1
End Bal	5,160.0	5,347.7	187.7
Ave Bal	**$ 4,946.7**	**$ 5,105.6**	**$ 158.9**
Interest Exp	**$ 160.9**	**$ 166.6**	**$ 5.8**
Rate	**4.34%**	**4.35%**	**0.02%**
Short-term Debt			
Beg Bal	$ 627.0	$ 592.4	$ (34.6)
End Bal	229.7	184.6	(45.1)
Ave Bal [(1)]	**$ 377.6**	**$ 384.2**	**$ 6.7**
Interest Exp	**$ 9.4**	**$ 9.3**	**$ (0.1)**
Rate	**3.28%**	**3.18%**	**-0.10%**
Unamortized Debt Expense Bonds			
Beg Bal	$ (38.4)	$ (38.1)	$ 0.3
End Bal	(39.9)	(45.0)	(5.0)
Ave Bal	**$ (38.8)**	**$ (41.2)**	**$ (2.4)**
Total End Bal	**$ 6,230.8**	**$ 6,368.3**	**$ 137.5**
Total Average Bal	**$ 6,162.5**	**$ 6,329.7**	**$ 167.2**
Total Expense Excl I/C [(2)]	**$ 192.2**	**$ 199.2**	**$ 7.1**
Rate	**4.13%**	**4.17%**	**0.04%**

[(1)] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
[(2)] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[(3)]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 129		$ 246	
LG&E	500	99		401	$ -
KU	400	2		398	-
TOTAL	$ 1,275	$ 230	$ -	$ 1,045	$ -

[(3)] LG&E borrowed amount represent commercial paper issuances. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Balance Sheet - LKE Consolidated — September 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 30	$ 14	$ 29	$ 16	Primarily due to timing of cash receipts at the utilities.
Accounts Receivable (Trade)	407	420	387	(14)	
Inventory	233	229	238	4	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	27	11	11	16	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018.
Prepayments and other current assets	94	71	77	23	Primarily due to refined coal at LGE not being included in the budget due to having no contract in place at the time, partially offset by lower other prelim survey charges.
Total Current Assets	791	744	742	46	
Property, Plant, and Equipment	12,913	13,075	12,407	(162)	
Intangible Assets	119	72	80	47	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	851	792	787	59	
Goodwill	997	997	997	0	
Other Long-term Assets	97	92	74	5	
Total Assets	**$ 15,768**	**$ 15,773**	**$ 15,088**	**$ (5)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 318	$ 287	$ 285	$ 31	Primarily due to higher than anticipated accounts payable reg and refined coal, partially offset by lower accounts payable fuel and accounts payable to associated companies.
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	62	59	60	3	
Derivative Liability	5	4	4	1	
Accrued Taxes	56	59	55	(3)	
Regulatory Liabilities Current	31	22	64	9	
Other Current Liabilities	312	316	286	(3)	
Total Current Liabilities	786	748	755	38	
Debt - Affiliated Company	779	836	730	(57)	
Debt [(1)]	5,452	5,533	5,156	(81)	
Total Debt	6,231	6,368	5,885	(138)	
Deferred Tax Liabilities	1,060	1,062	922	(2)	
Investment Tax Credit	124	123	127	0	
Accum Provision for Pension & Related Benefits	262	235	256	28	Increase primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census, partially offset by an increase in the discount rate and other actuarial updates.
Asset Retirement Obligation	147	181	231	(33)	Decrease primarily due to higher RWIP spend on AROs along with revaluations since the budget was completed.
Regulatory Liabilities Non Current	2,021	1,979	2,053	42	
Derivative Liability	20	12	15	8	
Other Liabilities	152	159	137	(8)	
Total Deferred Credits and Other Liabilities	3,786	3,751	3,740	35	
Equity	4,966	4,906	4,707	60	
Total Liabilities and Equity	**$ 15,768**	**$ 15,773**	**$ 15,088**	**$ (5)**	

[(1)] Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E

September 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 12	$ 5	$ 11	$ 7	
Accounts Receivable (Trade)	181	190	168	(9)	
Inventory	119	112	123	7	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	21	11	10	10	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018.
Prepayments and other current assets	68	45	49	22	Primarily due to refined coal not being included in the budget due to having no contract in place at the time, partially offset by other prelim survey charges, accounts receivable from associated companies and other current assets.
Total Current Assets	401	364	360	38	
Property, Plant, and Equipment	5,727	5,851	5,497	(125)	
Intangible Assets	24	6	6	19	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	423	392	399	31	
Goodwill	0	0	0	0	
Other Long-term Assets	25	42	27	(18)	Lower primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census along with the revaluation of the LG&E union plan due to the settlement which increased the prepaid, partially offset by an increase in the discount rate and other actuarial updates; partially offset by other prelim survey charges.
Total Assets	**$ 6,601**	**$ 6,656**	**$ 6,289**	**$ (55)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 190	$ 162	$ 174	$ 27	Primarily due to higher than anticipated accounts payable reg, fuel and refined coal, partially offset by lower intercompany accounts payable.
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	28	29	2	
Derivative Liability	5	4	4	1	
Accrued Taxes	29	23	29	5	
Regulatory Liabilities Current	12	9	27	3	
Other Current Liabilities	103	101	84	1	
Total Current Liabilities	368	328	345	40	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,103	2,161	1,984	(58)	
Total Debt	2,103	2,161	1,984	(58)	
Deferred Tax Liabilities	683	676	611	7	
Investment Tax Credit	34	33	34	0	
Accum Provision for Pension & Related Benefits	6	0	(0)	6	
Asset Retirement Obligation	54	81	86	(27)	Decrease primarily due to higher RWIP spend on AROs along with revaluations since the budget was completed.
Regulatory Liabilities Non Current	865	856	878	10	
Derivative Liability	20	12	15	8	
Other Liabilities	86	89	80	(3)	
Total Deferred Credits and Other Liabilities	1,748	1,747	1,703	2	
Equity	2,381	2,419	2,256	(39)	
Total Liabilities and Equity	**$ 6,601**	**$ 6,656**	**$ 6,289**	**$ (55)**	

[1] Includes all ST and LT debt.

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

Balance Sheet - KU **September 2019**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 18	$ 5	$ 18	$ 13	Primarily due to timing of cash receipts at the utilities.
Accounts Receivable (Trade)	225	230	219	(4)	
Inventory	113	116	116	(3)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	6	0	0	6	
Prepayments and other current assets	39	51	41	(12)	Primarily due lower than anticipated receivables for refined coal, from associated companies and other prelim survey charges.
Total Current Assets	402	402	394	(0)	
Property, Plant, and Equipment	7,168	7,208	6,899	(40)	
Intangible Assets	40	12	12	27	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	426	401	386	25	
Goodwill	0	0	0	0	
Other Long-term Assets	73	90	77	(17)	Lower primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census, partially offset by an increase in the discount rate and other actuarial updates; partially offset by other prelim survey charges.
Total Assets	**$ 8,108**	**$ 8,114**	**$ 7,768**	**$ (5)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 160	$ 166	$ 152	$ (6)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	32	31	32	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	29	29	30	(0)	
Regulatory Liabilities Current	20	13	38	6	
Other Current Liabilities	153	153	144	(1)	
Total Current Liabilities	393	393	395	0	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,625	2,646	2,447	(21)	
Total Debt	2,625	2,646	2,447	(21)	
Deferred Tax Liabilities	795	797	719	(2)	
Investment Tax Credit	90	90	92	0	
Accum Provision for Pension & Related Benefits	(0)	0	0	(0)	
Asset Retirement Obligation	93	100	145	(6)	
Regulatory Liabilities Non Current	1,092	1,066	1,110	27	
Derivative Liability	0	0	0	0	
Other Liabilities	47	50	35	(3)	
Total Deferred Credits and Other Liabilities	2,117	2,102	2,102	15	
Equity	2,973	2,973	2,824	(0)	
Total Liabilities and Equity	**$ 8,108**	**$ 8,114**	**$ 7,768**	**$ (5)**	

[1] Includes all ST and LT debt.

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

PPL companies

Performance Report

October 2019

Table of Contents — October 2019

Content	Page
Executive Summary	3
Income Statement: Actual vs. Budget (Month) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	5
Income Statement: Actual vs. Budget (YTD) - LG&E	6
Income Statement: Actual vs. Budget (YTD) - KU	7
Income Statement: Forecast vs. Budget (Full Year) - LKE Consolidated	8
Margins Actual vs. Budget	9
O&M	10
Financing Activities	11
Balance Sheet - LKE Consolidated	12
Balance Sheet - LG&E	13
Balance Sheet - KU	14

Kentucky Regulated Dashboard — October 2019

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	1.08	3.22	1.27	1.45	1.25	1.50
Employee lost-time incidents	1	2	6	6	8	9
DART[1]	0.36	1.43	0.52	0.41	0.58	0.46
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.12	9.14	9.17	9.05	8.50	9.02
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	0.9%	5.0%	2.3%	5.0%	N/A	5.0%
Utility EAF	62.9%	65.4%	86.7%	81.6%	N/A	80.0%
Combined SAIFI	0.10	0.07	0.88	0.82	N/A	0.94
Combined SAIDI (minutes)	9.32	5.67	83.50	76.94	N/A	88.64
Gas Emergency Response Time	38.50	35.00	33.40	35.00	N/A	35.00
GwH Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	608	637	8,874	8,746	10,650	10,410
Commercial	649	612	6,879	6,610	8,159	7,907
Industrial	726	739	7,328	7,684	8,721	9,282
Other	231	200	2,321	2,197	2,765	2,621
Retail	2,215	2,188	25,401	25,238	30,295	30,220
Municipals	30	32	765	808	830	875
Off-System Sales	23	12	272	217	340	260
Total	2,269	2,233	26,438	26,263	31,466	31,355
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			0.63%			
Commercial			-0.48%			
Industrial			-1.68%			
Other			-1.28%			
Total			-0.53%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$145	$146	$1,591	$1,577	$1,903	$1,921
Gas Margins	$14	$13	$154	$158	$202	$205
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$72	$74	$629	$665	$768	$790
O&M – GAAP View[3]	$79	$82	$706	$744	$862	$885
Capital Expenditures ($ millions)	$120	$121	$911	$994	$1,163	$1,164
Average Utility Capitalization ($ millions)	$9,915	$10,024	$9,915	$10,024	$10,038	$10,127
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,461	3,611	3,461	3,611	3,546	3,610

	YTD		Full Year	
Financial Metrics [4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	10.2%	9.1%	10.0%	9.2%
Effective Depreciation Rate [5]	3.4%	3.3%	3.4%	3.3%
Effective Interest Rate	4.1%	4.2%	4.1%	4.2%
Effective Tax Rate	17.9%	19.6%	17.4%	19.4%
Moody's CFO pre-WC / Debt				
LGE	24.9%	21.3%	24.3%	21.7%
KU	24.7%	20.9%	24.2%	21.3%
LKE Consolidated	16.9%	14.2%	16.4%	14.8%

Variance Explanations

Higher YTD adjusted gross margins due to higher sales volumes of $13 million, primarily from weather, partially offset by other net margin components of $2 million.

Lower YTD O&M, primarily related to $10 million higher labor and burdens recorded to capital and regulatory assets, as well as open positions, $9 million favorability from delay of process water systems and generation maintenance, $6m lower in gas in-line inspection costs, $2 million in lower hardware/software maintenance, $4 million in lower insurance and legal consulting expenses, and timing of other costs offset by $2m of higher line locating expenses and $1m of higher storm restoration costs.

(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.

Major Developments

LKE won its 23rd J.D. Power award as KU ranked first among ten utilities in the Midwest Midsize segment of the 2019 Electric Business Study. KU's index score was 815. LG&E ranked third with an index score of 792. KU's and LG&E's scores rose 39 and 23 points over prior year, respectively.

IBEW 2100 held its election in June which resulted in a leadership change. This election was contested and recently rerun at the direction of the international office. The results of the second election were consistent with the previous outcome. LKE's relationship with the union remains strong and it does not expect any disruptions to operations as a result of this change in leadership.

Kentucky recently held its statewide elections and Republicans easily won five of the six races. Andy Beshear, the state attorney general and a Democrat, defeated the Republican incumbent Governor Bevin. The matchup resulted in a very close race with Beshear capturing 49.2 percent of the vote compared to Bevin's 48.8 percent (about 5,000 votes). Bevin formally requested counties recanvass their results. The recanvass was conducted on November 14th and confirmed Beshear's victory. In the race for attorney general, Republican Daniel Cameron made history with his victory over former Kentucky House Speaker Greg Stumbo. Cameron will be the first Republican attorney general in the state in more than 70 years. Cameron is a local attorney and previously served as legal counsel for U.S. Senate Majority Leader Mitch McConnell. Also on the ballot were races for agriculture commissioner, secretary of state, state treasurer, and state auditor.

The pace of enrollment in LKE's Solar Share Program is accelerating as the second 500kW array has recently reached full subscription. Construction plans are in development with an operational date planned in late spring 2020. LKE is now seeking subscriptions for the third array.

LKE won two more Edison Electric Safety Achievement Awards as the Norton Operations and Electric Distribution Engineering Designs employees recently were recognized with the honor.

The EPA Administrator signed an Order, denying the petition submitted by Sierra Club objecting to a proposed Clean Air Act title V operating permit issued to LG&E's Mill Creek Generating Station. The Order responds to a June 2, 2017, petition requesting that the EPA object to the final operating permit. The Sierra Club claimed that the permitting action "Includes an impermissible long-term emission limit that is inadequate to protect the 1-hour sulfur dioxide National Ambient Air Quality Standards ("NAAQS") and, even if it were permissible, the long-term limit is too high to protect the NAAQS". This permitting action was issued by the Louisville Metro Air Pollution Control District. The Order constitutes a final action on the petition.

Significant Future Events

The formal hearing for the Virginia rate case will be held January 22.

LKE is planning to file an ECR plan in early 2020 to address Effluent Limitations Guidelines regulation.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 96 of 243
Arbough

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

October 2019

($ Millions)

	Actual vs. Budget - MTD				Actual vs. PY - MTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 145	$ 146	$ (0)		$ 145	$ 143	$ 3	
Gas Margin	14	13	1		14	12	2	
Total Gross Margin	159	159	0		159	154	5	
O&M	72	74	3		72	72	0	
Depreciation & Amortization	37	38	2		37	34	(3)	
Taxes, Other than Income	6	6	0		6	6	(0)	
Other income (expense)	1	0	1		1	(1)	1	
EBIT	46	40	5		46	42	4	
Interest Expense	21	23	2		21	20	(2)	
Income from Ongoing Operations before income taxes	24	17	7		24	22	2	
Income Tax Expense	5	3	(2)		5	5	0	
Net Income (loss) from ongoing operations	**19**	**14**	**5**		**19**	**17**	**2**	
Special Item - (Non Operating Income)	0	0	0		0	0	0	
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
Net Income (loss)	$ 19	$ 14	$ 5		$ 19	$ 17	$ 2	
KY Regulated Financing Costs	(3)	$ (3)	(0)		(3)	$ (3)	(0)	
KY Regulated Net Income	$ 17	$ 11	$ 5		$ 17	$ 14	$ 2	
Earnings Per Share - Ongoing	$ 0.02	$ 0.01	$ 0.01		$ 0.02	$ 0.02	$ 0.00	

Note: Schedules may not sum due to rounding.

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

October 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 1,591	$ 1,577	$ 15	Primarily due to higher sales volumes from weather and other offsetting margin components.	$ 1,591	$ 1,555	$ 36	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019, the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes, lower transmission margins and the departure of 8 municipal customers.
Gas Margin	154	158	(4)		154	143	11	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Total Gross Margin	1,745	1,735	11		1,745	1,698	47	
O&M	629	665	36	Due primarily to higher labor and burdens recorded to capital and regulatory assets, as well as open positions, favorability from delay of process water systems and generation maintenance, lower hardware/software maintenance, insurance and legal consulting expenses, and timing of other costs.	629	630	1	
Depreciation & Amortization	357	371	13	Due primarily to lower spend, lagged closings, and higher retirements.	357	336	(21)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	58	60	2		58	55	(3)	
Other income (expense)	2	(0)	2		2	(3)	5	Due primarily to contributions to 501(c)(3) organizations moved to the Foundation, Industrial Coal Sales reclassified from O&M and a change to pension nonservice costs offset by PeopleSoft Time write-off and timing of heating assistance program funding.
EBIT	704	639	65		704	674	30	
Interest Expense	214	222	9	Due primarily to lower interest rates and lower debt balances.	214	192	(22)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	490	417	73		490	482	8	
Income Tax Expense	83	81	(2)	Due to higher pre-tax income offset by a $22M state recycling credit ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019.	83	100	17	Due primarily to the recording of a $22M state recycling credit ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019.
Net Income (loss) from ongoing operations	**407**	**336**	**72**		**407**	**382**	**25**	
Special Item - (Non Operating Income)	0	0	0		0	(7)	7	In 2018, due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes offset by $1.9 million adjustment due to the KPSC TCJA outcome.
Discontinued Operations	(0)	0	(0)		(0)	0	(0)	
Net Income (loss)	$ 407	$ 336	$ 72		$ 407	$ 375	$ 32	
KY Regulated Financing Costs	(27)	(27)	(0)		(27)	(29)	2	
KY Regulated Net Income	380	$ 309	$ 72		380	$ 346	$ 34	
Earnings Per Share - Ongoing	$ 0.52	$ 0.41	$ 0.11		$ 0.52	$ 0.50	$ 0.02	

Note: Schedules may not sum due to rounding.

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

October 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 638	$ 624	$ 14	Primarily due to higher sales volumes from weather and lower purchased power demand costs.	$ 638	$ 623	$ 15	Due primarily to the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes and lower transmission margins.
Gas Margin	154	158	(4)		154	143	11	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Total Gross Margin	792	782	11		792	766	26	
O&M	290	303	13	Due primarily to favorable labor and burdens related to more labor charged to capital and regulatory outage asset as well as open positions, favorability from delay of process water system in-service, reclassification of refined coal income, timing of expenses for generation maintenance, software/hardware maintenance contracts and outside counsel, and timing of O&M expenses offset by higher storm expenses, line locating/in-line inspection expenses, and timing of vegetation management.	290	281	(9)	Due primarily to increase in contractor labor for line locating, veg. management, and an increase in repair expenses in 2019 at the Trimble County Generating Station including, FGD, Coal Feeder, and Mill Repairs offset by decrease in contractor labor for storm restoration.
Depreciation & Amortization	147	151	4		147	137	(10)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	30	31	1		30	29	(1)	
Other income (expense)	(1)	(2)	1		(1)	(6)	5	Due primarily to contributions to 501(c)(3) organizations moved to the Foundation, Industrial Coal Sales reclassified from O&M and a change to pension nonservice costs offset by PeopleSoft Time write-off and timing of heating assistance program funding.
EBIT	324	296	28		324	314	10	
Interest Expense	72	76	4		72	63	(9)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	252	220	32		252	251	1	
Income Tax Expense	54	45	(9)	Primarily due to higher pre-tax income	54	54	(0)	
Net Income (loss) from ongoing operations	**$ 198**	**$ 174**	**$ 23**		**$ 198**	**$ 197**	**$ 1**	

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

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

October 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 953	$ 953	$ 0		$ 953	$ 932	$ 21	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019, the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes, lower transmission margins and the departure of 8 municipal customers.
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	953	953	0		953	932	21	
O&M	312	337	25	Due primarily to favorable labor and burdens related to more labor charged to capital and regulatory outage asset as well as open positions, favorability from delay of process water system in-service, reclassification of refined coal income, timing of expenses for generation maintenance, software/hardware maintenance contracts and outside counsel, and timing of O&M expenses offset by higher storm expenses, and timing of vegetation management.	312	323	11	Due primarily to lower labor burdens (Pension & Medical), refined coal reg asset and timing of other costs related to generation, IT, Communications (Advertising) and storm restoration, liability settlement paid in prior year.
Depreciation & Amortization	209	219	10	Due primarily to lower spend, lagged closings, and higher retirements.	209	199	(10)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	28	29	1		28	27	(1)	
Other income (expense)	3	2	2		3	2	1	
EBIT	407	369	38		407	385	23	
Interest Expense	91	93	2		91	83	(8)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	316	276	40		316	302	14	
Income Tax Expense	66	54	(12)	Primarily due to higher pre-tax income	66	63	(3)	
Net Income (loss) from ongoing operations	**$ 250**	**$ 222**	**$ 29**		**$ 250**	**$ 239**	**$ 11**	

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 2019

($ Millions)

	Forecast vs. Budget - Full Year			
	Q3 Forecast	**Budget**	**Variance**	**Comments**
Gross Margin:				
Electric Margin	$ 1,903	$ 1,921	$ (18)	Lower electric margins due primarily to differences in actual vs. budgeted rate case revenue and removal of revenue challenge, partially offset by higher sales volumes and lower Purchased Power Demand (OVEC).
Gas Margin	202	205	(3)	
Total Gross Margin	2,106	2,126	(21)	
O&M	768	790	22	Due primarily to delay in process water system in-service, reclassification of refined coal income, change in outage normalization avg, lower hardware/software maintenance contracts, lower insurance premiums and medical claims and payroll taxes due to vacancies partially offset by an increase in line locating and storm restoration.
Depreciation & Amortization	432	448	16	Due primarily to lower than anticipated plant in service balance.
Taxes, Other than Income	70	72	2	
Other income (expense)	(13)	0	(14)	Due primarily to moving contributions to 501(c)(3) organizations to the Foundation
EBIT	823	817	7	
Interest Expense	257	269	12	Due to lower average debt balances and lower forecasted interest rates.
Income from Ongoing Operations before income taxes	566	547	18	
Income Tax Expense	98	106	8	Primarily related to a recycling credit recognized in June 2019 in the forecast partially offset by higher pre-tax income.
Net Income (loss) from ongoing operations	**468**	**441**	**26**	
Special Item - (Non Operating Income)	0	0	0	
Discontinued Operations	(0)	0	(0)	
Net Income (loss)	$ 468	$ 441	$ 26	
KY Regulated Financing Costs	(32)	(32)	(0)	
KY Regulated Net Income	$ 435	$ 409	$ 26	
Earnings Per Share - Ongoing	$ 0.59	$ 0.55	$ 0.04	

Note: Schedules may not sum due to rounding.

Margins Actual vs. Budget — October 2019

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year October-19	MTD Budget October-19	Change $	Change %
Base Service Charge	$ 19	$ 17	$ 2	9%
Base Energy	61	69	$ (8)	-12%
Demand Charge	49	46	$ 3	6%
Tax Cuts and Job Act (TCJA)	(0)	-	$ (0)	0%
Retail Fuel (Net)	0	(0)	$ 1	-228%
DSM	0	0	$ (0)	-67%
ECR	17	17	$ (0)	-1%
Transmission	0	(0)	$ 1	-260%
Purchase Power Demand	(3)	(4)	$ 1	-32%
Off-System Sales	0	0	$ 0	431%
Shared Solar Program	0	0	$ (0)	-4%
Other Revenue	3	2	$ 1	36%
Cost of Sales	(1)	(1)	$ 0	-7%
	$ 145	$ 146	$ (0)	0%

LKE Gas Margins

	MTD Current Year October-19	MTD Budget October-19	Change $	Change %
Base Service Charge	$ 8	$ 8	$ 1	7%
Distribution Charge	5	5	$ 0	5%
WNA	(0)	-	$ (0)	0%
Tax Cuts and Job Act (TCJA)	0	-	$ 0	0%
DSM	0	0	$ (0)	-80%
GSC	(0)	-	$ (0)	0%
GLT	1	1	$ (0)	-17%
Other Revenue	0	0	$ (0)	-14%
Cost of Sales	-	-	$ -	0%
	$ 14	$ 13	$ 1	4%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year October-19	YTD Budget October-19	Change $	Change %
Base Service Charge	$ 177	$ 169	$ 8	5%
Base Energy	799	844	$ (45)	-5%
Demand Charge	500	465	$ 35	8%
Tax Cuts and Job Act (TCJA)	(31)	(34)	$ 4	-11%
Retail Fuel (Net)	(4)	(3)	$ (1)	38%
DSM	2	2	$ 0	14%
ECR	162	160	$ 2	1%
Transmission	4	4	$ (1)	-16%
Purchase Power Demand	(29)	(38)	$ 10	-25%
Off-System Sales	1	0	$ 0	61%
Shared Solar Program	0	0	$ (0)	-76%
Other Revenue	27	22	$ 4	19%
Cost of Sales	(17)	(15)	$ (2)	12%
	$ 1,591	$ 1,577	$ 15	1%

LKE Gas Margins

	YTD Current Year October-19	YTD Budget October-19	Change $	Change %
Base Service Charge	$ 75	$ 73	$ 3	4%
Distribution Charge	77	82	$ (5)	-6%
WNA	0	-	$ 0	0%
Tax Cuts and Job Act (TCJA)	(5)	(6)	$ 0	-4%
DSM	0	0	$ (0)	-37%
GSC	1	-	$ 1	0%
GLT	4	7	$ (3)	-40%
Other Revenue	1	1	$ 0	6%
Cost of Sales	-	-	$ -	0%
	$ 154	$ 158	$ (4)	-2%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 102 of 243
Arbough

O&M							October 2019
($ Millions)							
	Actual vs. Budget - YTD			**Forecast vs. Budget - Full Year**			
	Actual	**Budget**	**Variance**	**Q3 Forecast**	**Budget**	**Variance**	
Chief Operating Officer							
Power Production							
All Other	$ 55.3	$ 65.1	$ 9.8	$ 68.7	$ 78.0	$ 9.2	
Maintenance	82.7	86.4	3.8	104.4	101.7	(2.7)	
Outages	28.8	31.2	2.4	33.7	39.2	5.5	
Power Production	**166.8**	**182.7**	**16.0**	**206.8**	**218.9**	**12.1**	
Customer Services							
All Other	$ 80.3	$ 82.1	$ 1.8	$ 98.6	$ 98.1	$ (0.5)	
Bad Debt Expense	5.6	6.6	1.0	7.1	7.6	0.5	
Customer Services	**85.9**	**88.7**	**2.8**	**105.7**	**105.8**	**0.0**	
Electric Distribution							
All Other	$ 38.4	$ 38.0	$ (0.4)	$ 46.6	$ 44.9	$ (1.7)	
Storm Restoration	7.1	6.0	(1.0)	7.7	6.5	(1.2)	
Vegetation Mgmt	21.0	20.3	(0.6)	25.8	25.6	(0.2)	
Electric Distribution	**66.4**	**64.3**	**(2.1)**	**80.1**	**77.0**	**(3.1)**	
Transmission							
All Other	$ 19.3	$ 20.3	$ 1.0	$ 23.5	$ 23.7	$ 0.2	
Storm Restoration	0.4	0.3	(0.0)	0.4	0.4	(0.1)	
Vegetation Mgmt	13.0	12.7	(0.4)	15.1	15.0	(0.2)	
Transmission	**32.7**	**33.3**	**0.6**	**39.0**	**39.0**	**(0.0)**	
Gas Distribution							
All Other	$ 31.6	$ 31.6	$ (0.0)	$ 38.9	$ 37.4	$ (1.6)	
Line Locating	9.5	7.2	(2.3)	11.3	8.5	(2.8)	
Inline Inspections	4.5	10.3	5.8	6.6	10.3	3.8	
Gas Distribution	**45.6**	**49.1**	**3.5**	**56.7**	**56.2**	**(0.6)**	
Energy Supply & Analysis	**$ 10.4**	**$ 11.2**	**$ 0.7**	**$ 12.6**	**$ 13.1**	**$ 0.5**	
Project Engineering	**$ 0.4**	**$ 0.4**	**$ 0.0**	**$ 0.4**	**$ 0.5**	**$ 0.1**	
Safety & Tech Training	**$ 5.6**	**$ 5.9**	**$ 0.3**	**$ 6.9**	**$ 6.9**	**$ 0.1**	
Environmental	**$ 4.8**	**$ 5.9**	**$ 1.1**	**$ 5.8**	**$ 7.0**	**$ 1.2**	
Chief Operating Officer	**$ 0.4**	**$ 0.4**	**$ (0.0)**	**$ 0.5**	**$ 0.5**	**$ (0.0)**	
Chief Operating Officer Total	**$ 419.1**	**$ 442.0**	**$ 22.9**	**$ 514.6**	**$ 524.8**	**$ 10.3**	
Chief Financial Officer							
Treasurer	**$ 19.8**	**$ 21.3**	**$ 1.5**	**$ 23.9**	**$ 25.2**	**$ 1.4**	
Controller	**$ 7.4**	**$ 7.9**	**$ 0.5**	**$ 8.8**	**$ 9.3**	**$ 0.4**	
Information Technology	**$ 51.1**	**$ 54.9**	**$ 3.8**	**$ 61.2**	**$ 64.7**	**$ 3.5**	
State Reg & Rates	**$ 1.8**	**$ 2.0**	**$ 0.2**	**$ 2.2**	**$ 2.4**	**$ 0.2**	
Audit Services	**$ 1.4**	**$ 1.5**	**$ 0.1**	**$ 1.7**	**$ 1.7**	**$ 0.0**	
Supply Chain	**$ 3.3**	**$ 3.5**	**$ 0.1**	**$ 4.0**	**$ 4.1**	**$ 0.1**	
Other	**$ 1.5**	**$ 1.9**	**$ 0.3**	**$ 2.0**	**$ 2.2**	**$ 0.3**	
Chief Financial Officer Total	**$ 86.3**	**$ 92.9**	**$ 6.6**	**$ 103.7**	**$ 109.6**	**$ 5.9**	
Communication	**$ 7.8**	**$ 8.7**	**$ 0.9**	**$ 9.5**	**$ 10.2**	**$ 0.7**	
Human Resources	**$ 6.0**	**$ 6.5**	**$ 0.6**	**$ 7.3**	**$ 7.7**	**$ 0.4**	
General Counsel	**$ 12.1**	**$ 14.8**	**$ 2.7**	**$ 15.9**	**$ 17.9**	**$ 2.0**	
Corporate Cost Center	**$ 70.4**	**$ 74.6**	**$ 4.2**	**$ 83.2**	**$ 89.5**	**$ 6.3**	
Non-Utility	**$ 27.1**	**$ 25.4**	**$ (1.7)**	**$ 33.3**	**$ 30.8**	**$ (3.0)**	
Grand Total	**$ 628.7**	**$ 664.9**	**$ 36.2**	**$ 767.6**	**$ 790.1**	**$ 22.5**	

Financing Activities — October 2019

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance	Full Year Forecast	Budget	Variance
PCB						
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	**$ 877.4**	**$ 881.1**	**$ 3.64**	**$ 878.0**	**$ 881.1**	**$ 3.08**
Interest Exp	**$ 13.7**	**$ 16.4**	**$ 2.7**	**$ 16.5**	**$ 20.2**	**$ 3.7**
Rate	**1.87%**	**2.24%**	**0.37%**	**1.86%**	**2.26%**	**0.40%**
FMB/Sr Nts/Loan with PPL						
Beg Bal	$ 4,660.0	$ 4,832.1	$ 172.1	$ 4,660.0	$ 4,832.1	$ 172.1
End Bal	5,160.0	5,347.7	187.7	5,160.0	5,347.7	187.7
Ave Bal	**$ 4,978.2**	**$ 5,127.6**	**$ 149.4**	**$ 5,006.2**	**$ 5,161.4**	**$ 155.3**
Interest Exp	**$ 179.4**	**$ 186.1**	**$ 6.7**	**$ 216.6**	**$ 225.1**	**$ 8.6**
Rate	**4.33%**	**4.36%**	**0.03%**	**4.27%**	**4.30%**	**0.04%**
Short-term Debt						
Beg Bal	$ 627.0	$ 592.4	$ (34.6)	$ 627.0	$ 592.4	$ (34.6)
End Bal	228.0	246.4	18.4	552.0	395.4	(156.6)
Ave Bal [1]	**$ 361.6**	**$ 371.7**	**$ 10.1**	**$ 391.4**	**$ 372.7**	**$ (18.7)**
Interest Exp	**$ 10.0**	**$ 10.0**	**$ 0.0**	**$ 11.6**	**$ 12.2**	**$ 0.6**
Rate	**3.26%**	**3.18%**	**-0.08%**	**2.93%**	**3.24%**	**0.31%**
Unamortized Debt Expense Bonds						
Beg Bal	$ (38.4)	$ (38.1)	$ 0.3	$ (38.4)	$ (38.1)	$ 0.3
End Bal	(39.7)	(44.5)	(4.8)	(41.0)	(43.6)	(2.6)
Ave Bal	**$ (38.8)**	**$ (41.5)**	**$ (2.7)**	**$ (39.4)**	**$ (41.8)**	**$ (2.5)**
Total End Bal	**$ 6,229.4**	**$ 6,430.6**	**$ 201.2**	**$ 6,552.0**	**$ 6,580.5**	**$ 28.5**
Total Average Bal	**$ 6,178.4**	**$ 6,338.9**	**$ 160.5**	**$ 6,236.2**	**$ 6,373.3**	**$ 137.2**
Total Expense Excl I/C [2]	**$ 213.5**	**$ 222.3**	**$ 8.8**	**$ 257.4**	**$ 269.2**	**$ 11.8**
Rate	**4.12%**	**4.18%**	**0.06%**	**4.05%**	**4.14%**	**0.09%**

[1] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
[2] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[3]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 138		$ 237	
LG&E	500	90		410	$ 13
KU	400	-		400	-
TOTAL	$ 1,275	$ 228	$ -	$ 1,047	$ 13

[3] LG&E borrowed amount represent commercial paper issuances. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Balance Sheet - LKE Consolidated

October 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 27	$ 14	$ 14	$ 13	Primarily due to timing of cash receipts at the utilities.
Accounts Receivable (Trade)	359	386	357	(28)	
Inventory	249	246	245	3	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	32	15	12	17	Primarily from increased gas cost and higher beginning gas supply regulatory asset balance in December 2018 and outage normalization balance due to the change in the average method approved by KPSC
Prepayments and other current assets	74	69	74	5	
Total Current Assets	741	731	702	11	
Property, Plant, and Equipment	12,969	13,138	12,467	(169)	
Intangible Assets	118	71	79	47	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	818	792	787	27	
Goodwill	997	997	997	0	
Other Long-term Assets	96	93	74	3	
Total Assets	**$ 15,741**	**$ 15,822**	**$ 15,107**	**$ (81)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 325	$ 297	$ 312	$ 28	Primarily due to higher than anticipated accounts payable reg, natural gas, refined coal, and trade, partially offset by lower accounts payable fuel and accounts payable to associated companies.
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	63	59	61	3	
Derivative Liability	5	4	4	1	
Accrued Taxes	68	41	63	27	Primarily due to timing of property tax payments expected to occur in the budget versus actuals.
Regulatory Liabilities Current	28	17	60	11	Primarily due to higher than budgeted FAC liability due to the lower than budgeted fuel expense to be recovered through the FAC mechanism
Other Current Liabilities	301	311	271	(10)	
Total Current Liabilities	789	728	770	61	
Debt - Affiliated Company	788	847	742	(59)	
Debt [(1)]	5,441	5,584	5,139	(143)	
Total Debt	6,229	6,431	5,880	(201)	
Deferred Tax Liabilities	1,059	1,061	922	(3)	
Investment Tax Credit	123	123	126	0	
Accum Provision for Pension & Related Benefits	260	234	259	26	Increase primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census, partially offset by an increase in the discount rate and other actuarial updates.
Asset Retirement Obligation	135	176	226	(41)	Decrease due primarily to revaluations since the budget was completed along with ARO settlements.
Regulatory Liabilities Non Current	1,987	1,978	2,049	9	
Derivative Liability	19	11	14	8	
Other Liabilities	154	159	137	(5)	
Total Deferred Credits and Other Liabilities	3,737	3,743	3,732	(6)	
Equity	4,985	4,921	4,724	65	
Total Liabilities and Equity	**$ 15,741**	**$ 15,822**	**$ 15,107**	**$ (81)**	

[(1)] 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 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 5	$ 5	$ 6	$ 0	
Accounts Receivable (Trade)	161	173	154	(12)	
Inventory	126	124	140	2	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	21	13	10	8	
Prepayments and other current assets	67	45	51	22	Primarily due to refined coal not being included in the budget due to having no contract in place at the time, partially offset by other prelim survey charges.
Total Current Assets	380	360	360	20	
Property, Plant, and Equipment	5,756	5,889	5,530	(133)	
Intangible Assets	24	6	6	18	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	409	391	397	18	
Goodwill	0	0	0	0	
Other Long-term Assets	23	44	26	(21)	Lower primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census along with the revaluation of the LG&E union plan due to the settlement which increased the prepaid, partially offset by an increase in the discount rate and other actuarial updates; partially offset by other prelim survey charges.
Total Assets	**$ 6,592**	**$ 6,690**	**$ 6,320**	**$ (98)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 193	$ 169	$ 195	$ 24	Primarily due to higher than anticipated accounts payable reg, fuel, natural gas and refined coal, partially offset by lower intercompany accounts payable.
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	28	29	2	
Derivative Liability	5	4	4	1	
Accrued Taxes	36	17	35	18	Primarily due to timing of property tax payments expected to occur in the budget versus actuals.
Regulatory Liabilities Current	8	8	21	(0)	
Other Current Liabilities	94	98	74	(4)	
Total Current Liabilities	367	324	357	42	
Debt - Affiliated Company	13	0	0	13	Due to utilization of money pool with KU that is not budgeted.
Debt [1]	2,094	2,194	1,998	(99)	
Total Debt	2,107	2,194	1,998	(87)	
Deferred Tax Liabilities	683	676	611	7	
Investment Tax Credit	33	33	34	0	
Accum Provision for Pension & Related Benefits	3	0	(0)	3	
Asset Retirement Obligation	50	79	85	(30)	Decrease due primarily to revaluations since the budget was completed along with ARO settlements.
Regulatory Liabilities Non Current	852	855	875	(3)	
Derivative Liability	19	11	14	8	
Other Liabilities	87	89	81	(2)	
Total Deferred Credits and Other Liabilities	1,727	1,744	1,700	(16)	
Equity	2,391	2,428	2,265	(37)	
Total Liabilities and Equity	**$ 6,592**	**$ 6,690**	**$ 6,320**	**$ (98)**	

[1] Includes all ST and LT debt.

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

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 106 of 243
Arbough

Balance Sheet - KU

October 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 21	$ 5	$ 8	$ 16	Primarily due to timing of cash receipts at the utilities.
Accounts Receivable (Trade)	197	212	203	(15)	
Inventory	124	122	105	1	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	11	3	1	9	
Prepayments and other current assets	41	49	40	(8)	
Total Current Assets	395	391	358	3	
Property, Plant, and Equipment	7,196	7,234	6,926	(38)	
Intangible Assets	40	12	12	27	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	408	401	387	7	
Goodwill	0	0	0	0	
Other Long-term Assets	69	91	76	(22)	Lower primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census, partially offset by an increase in the discount rate and other actuarial updates; partially offset by other prelim survey charges.
Total Assets	**$ 8,107**	**$ 8,131**	**$ 7,760**	**$ (23)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 173	$ 173	$ 162	$ 0	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	32	31	32	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	36	19	37	17	Primarily due to timing of property tax payments expected to occur in the budget versus actuals.
Regulatory Liabilities Current	20	9	39	11	Primarily due to higher than budgeted FAC liability due to the lower than budgeted fuel expense to be recovered through the FAC mechanism
Other Current Liabilities	151	153	139	(2)	
Total Current Liabilities	412	384	408	28	
Debt - Affiliated Company	0	0	0	0	
Debt [(1)]	2,623	2,665	2,417	(41)	
Total Debt	2,623	2,665	2,417	(41)	
Deferred Tax Liabilities	795	797	719	(2)	
Investment Tax Credit	90	90	92	0	
Accum Provision for Pension & Related Benefits	(5)	0	0	(5)	
Asset Retirement Obligation	85	97	141	(12)	Decrease due primarily to ARO settlements.
Regulatory Liabilities Non Current	1,072	1,066	1,110	7	
Derivative Liability	0	0	0	0	
Other Liabilities	48	49	35	(1)	
Total Deferred Credits and Other Liabilities	2,085	2,099	2,097	(13)	
Equity	2,986	2,983	2,837	3	
Total Liabilities and Equity	**$ 8,107**	**$ 8,131**	**$ 7,760**	**$ (23)**	

[(1)] Includes all ST and LT debt.

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

Performance Report

November 2019

Table of Contents	November 2019

Content	Page

Executive Summary	3
Income Statement: Actual vs. Budget (Month) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	5
Income Statement: Actual vs. Budget (YTD) - LG&E	6
Income Statement: Actual vs. Budget (YTD) - KU	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

Kentucky Regulated Dashboard — November 2019

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	0.63	1.26	1.19	1.43	1.25	1.50
Employee lost-time incidents	1	1	7	8	8	9
DART[1]	0.31	0.31	0.50	0.44	0.58	0.46
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	8.97	8.96	9.16	9.04	8.50	9.02
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	1.5%	5.0%	2.2%	5.0%	N/A	5.0%
Utility EAF	70.0%	58.8%	85.2%	79.5%	N/A	80.0%
Combined SAIFI	0.10	0.06	0.98	0.87	N/A	0.94
Combined SAIDI (minutes)	6.75	5.61	91.28	82.55	N/A	88.64
Gas Emergency Response Time	37.30	35.00	33.80	35.00	N/A	35.00
GWh Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	832	721	9,705	9,467	10,716	10,410
Commercial	617	635	7,495	7,245	8,150	7,907
Industrial	685	820	8,013	8,504	8,697	9,282
Other	217	208	2,538	2,406	2,761	2,621
Retail	2,350	2,384	27,751	27,622	30,324	30,220
Municipals	30	31	795	838	829	875
Off-System Sales	38	1	310	218	372	260
Total	2,418	2,415	28,856	28,678	31,524	31,355
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			-0.38%			
Commercial			-0.54%			
Industrial			-2.31%			
Other			-1.57%			
Total			-1.10%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$156	$151	$1,747	$1,728	$1,911	$1,921
Gas Margins	$21	$19	$175	$177	$204	$205
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$67	$65	$695	$730	$767	$790
O&M – GAAP View[3]	$74	$72	$780	$817	$859	$885
Capital Expenditures ($ millions)	$115	$98	$1,025	$1,091	$1,154	$1,164
Average Utility Capitalization ($ millions)	$9,970	$10,079	$9,970	$10,079	$10,026	$10,127
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,472	3,611	3,472	3,611	3,533	3,610

	YTD		Full Year	
Financial Metrics[4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	10.4%	9.1%	10.2%	9.2%
Effective Depreciation Rate [5]	3.4%	3.3%	3.4%	3.3%
Effective Interest Rate	4.1%	4.2%	4.1%	4.2%
Effective Tax Rate	18.1%	19.6%	17.7%	19.4%
Moody's CFO pre-WC / Debt				
LGE	24.9%	21.1%	24.3%	21.7%
KU	24.8%	20.8%	24.6%	21.3%
LKE Consolidated	16.9%	14.2%	16.9%	14.8%

Variance Explanations

Higher MTD adjusted gross margins due to higher sales volumes of $5 million, primarily from weather, and other net margin components of $2 million.

Higher YTD adjusted gross margins due to higher sales volumes of $18 million, primarily from weather, partially offset by other net margin components of $1 million.

Lower YTD O&M, primarily related to $10 million higher labor and burdens recorded to capital and regulatory assets, as well as open positions, $7 million favorability from delay of process water systems and generation maintenance, $6 million lower gas in-line inspection costs, $2 million in lower hardware/software maintenance, $4 million in lower insurance and legal consulting expenses, and timing of other costs; offset by $2 million of higher line locating expense and $1 million of higher storm restoration costs.

(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.

Major Developments

LG&E and KU received word from FERC's operational audit team that a report draft is circulating within FERC and that it is a clean report with no adverse findings. The final report is scheduled to be issued early next year.

SERC recently processed many of LG&E and KU's open NERC Critical Infrastructure Protection ("CIP") self-reports. SERC closed nine of these issues as either Compliance Exceptions (CE - no fine and issues not included in compliance history) or as Find, Fix, and Track (FFT - no fine but issues included in compliance history). LG&E and KU have 5 remaining open CIP self-reports.

A fire broke out at the Ghent plant's coal combustion residual conveyor system. No one was injured. Full scope of the damage is being assessed. Cause of the fire is currently under investigation. Operations will continue at Ghent with minimal disruption.

LKE reached agreement with the Kentucky Department of Revenue regarding its $25 million recycling credit application. The agreement is consistent with the assumptions used to record a $17 million after-tax benefit in June 2019.

LG&E and KU, along with certain external partner agencies, participated in GridEx V at Company locations. The exercise scenarios presented various cyber and physical attacks on the LG&E and KU generation and transmission systems, providing the participants the opportunity to test various response plans and processes, problem solve, and gather lessons learned.

Significant Future Events

The formal hearing for the Virginia rate case will be held January 22.

LKE is planning to file an ECR plan in Q1 2020 to address Effluent Limitations Guidelines regulation.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 110 of 243
Arbough

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

November 2019

($ Millions)

	Actual vs. Budget - MTD				Actual vs. PY - MTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 156	$ 151	$ 5	Due primarily to higher sales volumes from weather.	$ 156	$ 145	$ 11	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Gas Margin	21	19	2		21	19	2	
Total Gross Margin	177	170	7		177	164	13	
O&M	67	65	(2)		67	73	6	Due primarily to the timing of storms in 2018 that did not occur in 2019.
Depreciation & Amortization	37	38	2		37	34	(3)	
Taxes, Other than Income	6	6	0		6	6	(0)	
Other income (expense)	(0)	0	(1)		(0)	(0)	(0)	
EBIT	67	61	6		67	52	16	
Interest Expense	21	23	2		21	20	(2)	
Income from Ongoing Operations before income taxes	46	38	8		46	32	14	
Income Tax Expense	11	7	(4)		11	8	(4)	
Net Income (loss) from ongoing operations	**35**	**30**	**4**		**35**	**24**	**11**	
Special Item - (Non Operating Income)	0	0	0		0	0	0	
Discontinued Operations	(0)	0	(0)		(0)	(0)	(0)	
Net Income (loss)	$ 35	$ 30	$ 4		$ 35	$ 24	$ 11	
KY Regulated Financing Costs	(3)	$ (3)	(0)		(3)	$ (3)	(0)	
KY Regulated Net Income	$ 32	$ 28	$ 4		$ 32	$ 22	$ 11	
Earnings Per Share - Ongoing	$ 0.04	$ 0.04	$ 0.01		$ 0.04	$ 0.03	$ 0.01	

Note: Schedules may not sum due to rounding.

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

November 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 1,747	$ 1,728	$ 19	Due primarily to higher sales volumes from weather and other offsetting margin components.	$ 1,747	$ 1,700	$ 47	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019, the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes, lower transmission margins and the departure of 8 municipal customers.
Gas Margin	175	177	(2)		175	162	13	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Total Gross Margin	1,922	1,905	17		1,922	1,862	60	
O&M	695	730	34	Due primarily to higher labor and burdens recorded to capital and regulatory assets, as well as open positions, favorability from delay of process water systems and generation maintenance, lower hardware/software maintenance, insurance and legal consulting expenses, and timing of other costs.	695	702	7	Due primarily to higher PPL costs and line locating/in-line inspection expenses offset by favorable storm restoration expenses.
Depreciation & Amortization	394	409	15	Due primarily to lower spend and higher retirements.	394	370	(23)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	64	66	2		64	61	(3)	
Other income (expense)	2	0	2		2	(3)	5	Due primarily to contributions to 501(c)(3) organizations moved to the Foundation, Industrial Coal Sales reclassified from O&M and a change to pension nonservice costs offset by PeopleSoft Time write-off and timing of heating assistance program funding.
EBIT	771	700	71		771	726	45	
Interest Expense	235	246	11	Due primarily to lower interest rates and lower debt balances.	235	211	(23)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	536	454	82		536	514	22	
Income Tax Expense	94	88	(6)	Due to higher pre-tax income offset by a $25M state recycling credit with a $3M valuation allowance ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019.	94	108	14	Due primarily to the recording of a $25M state recycling credit with a $3M valuation allowance ($17M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019.
Net Income (loss) from ongoing operations	**442**	**366**	**76**		**442**	**407**	**36**	
Special Item - (Non Operating Income)	0	0	0		0	(7)	7	In 2018, due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes offset by $1.9 million adjustment due to the KPSC TCJA outcome.
Discontinued Operations	(0)	0	(0)		(0)	0	(0)	
Net Income (loss)	$ 442	$ 366	$ 76		$ 442	$ 399	$ 43	
KY Regulated Financing Costs	(30)	(30)	(0)		(30)	(31)	2	
KY Regulated Net Income	412	$ 336	$ 76		412	$ 368	$ 45	
Earnings Per Share - Ongoing	$ 0.56	$ 0.45	$ 0.11		$ 0.56	$ 0.53	$ 0.03	

Note: Schedules may not sum due to rounding.

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

November 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 697	$ 681	$ 16	Primarily due to higher sales volumes from weather and lower purchased power demand costs.	$ 697	$ 679	$ 19	Due primarily to the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes and lower transmission margins.
Gas Margin	175	177	(2)		175	162	13	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Total Gross Margin	873	859	14		873	841	32	
O&M	321	332	11	Due primarily to favorable labor and burdens related to more labor charged to capital and regulatory outage asset as well as open positions, favorability from delay of process water system in-service, reclassification of refined coal income, timing of expenses for generation maintenance, software/hardware maintenance contracts and outside counsel, and timing of O&M expenses partially offset line locating/in-line inspection expenses.	321	318	(3)	
Depreciation & Amortization	162	166	4		162	150	(11)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	33	34	1		33	32	(2)	
Other income (expense)	(1)	(2)	1		(1)	(5)	4	
EBIT	355	325	30		355	336	19	
Interest Expense	80	84	5	Due primarily to lower interest rates and lower debt balances.	80	70	(10)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	276	241	35		276	266	10	
Income Tax Expense	60	50	(10)	Due primarily to higher pre-tax income.	60	58	(2)	
Net Income (loss) from ongoing operations	**$ 216**	**$ 190**	**$ 25**		**$ 216**	**$ 208**	**$ 8**	

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

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

November 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 1,050	$ 1,046	$ 4		$ 1,050	$ 1,022	$ 28	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019, the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes, lower transmission margins and the departure of 8 municipal customers.
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	1,050	1,046	4		1,050	1,022	28	
O&M	344	371	27	Due primarily to favorable labor and burdens related to more labor charged to capital and regulatory outage asset as well as open positions, favorability from delay of process water system in-service, reclassification of refined coal income, timing of expenses for generation maintenance, software/hardware maintenance contracts and outside counsel, and timing of O&M expenses.	344	356	12	Due primarily to lower labor burdens (Pension & Medical), refined coal reg asset and timing of other costs related to generation, IT, Communications (Advertising) and storm restoration, liability settlement paid in prior year.
Depreciation & Amortization	231	242	11	Due primarily to lagged closings and higher retirements.	231	219	(12)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	31	32	2		31	29	(1)	
Other income (expense)	3	2	1		3	1	3	
EBIT	448	403	45		448	418	30	
Interest Expense	100	103	3		100	91	(9)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	348	300	47		348	327	21	
Income Tax Expense	74	60	(14)	Due primarily to higher pre-tax income.	74	69	(5)	Due primarily to higher pre-tax income.
Net Income (loss) from ongoing operations	**$ 274**	**$ 240**	**$ 34**		**$ 274**	**$ 257**	**$ 16**	

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

Margins Actual vs. Budget — November 2019

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year November-19	MTD Budget November-19	Change $	Change %
Base Service Charge	$ 18	$ 17	$ 1	6%
Base Energy	73	75	$ (3)	-4%
Demand Charge	50	45	$ 5	11%
Tax Cuts and Job Act (TCJA)	(0)	-	$ (0)	0%
Retail Fuel (Net)	(0)	(0)	$ 0	-70%
DSM	0	0	$ (0)	-60%
ECR	16	16	$ 0	0%
Transmission	0	(0)	$ 0	-143%
Purchase Power Demand	(2)	(3)	$ 1	-31%
Off-System Sales	0	0	$ 0	9089%
Shared Solar Program	0	0	$ (0)	-18%
Other Revenue	2	2	$ 0	15%
Cost of Sales	(1)	(1)	$ (0)	13%
	$ 156	$ 151	$ 5	3%

LKE Gas Margins

	MTD Current Year November-19	MTD Budget November-19	Change $	Change %
Base Service Charge	$ 8	$ 8	$ 0	4%
Distribution Charge	15	11	$ 4	35%
WNA	(2)	-	$ (2)	0%
Tax Cuts and Job Act (TCJA)	0	-	$ 0	0%
DSM	0	0	$ (0)	-17%
GSC	0	-	$ 0	0%
GLT	1	1	$ (0)	-10%
Other Revenue	0	0	$ (0)	-24%
Cost of Sales	-	-	$ -	0%
	$ 21	$ 19	$ 2	9%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year November-19	YTD Budget November-19	Change $	Change %
Base Service Charge	$ 195	$ 186	$ 9	5%
Base Energy	871	919	$ (47)	-5%
Demand Charge	550	510	$ 40	8%
Tax Cuts and Job Act (TCJA)	(31)	(34)	$ 4	-11%
Retail Fuel (Net)	(4)	(3)	$ (1)	28%
DSM	3	2	$ 0	8%
ECR	178	177	$ 2	1%
Transmission	4	4	$ (0)	-7%
Purchase Power Demand	(31)	(42)	$ 11	-25%
Off-System Sales	1	0	$ 0	89%
Shared Solar Program	0	0	$ (0)	-71%
Other Revenue	29	24	$ 5	19%
Cost of Sales	(19)	(17)	$ (2)	12%
	$ 1,747	$ 1,727	$ 19	1%

LKE Gas Margins

	YTD Current Year November-19	YTD Budget November-19	Change $	Change %
Base Service Charge	$ 83	$ 80	$ 3	4%
Distribution Charge	92	93	$ (1)	-1%
WNA	(2)	-	$ (2)	0%
Tax Cuts and Job Act (TCJA)	(5)	(6)	$ 0	-4%
DSM	0	0	$ (0)	-35%
GSC	1	-	$ 1	0%
GLT	5	8	$ (3)	-37%
Other Revenue	1	1	$ 0	5%
Cost of Sales	-	-	$ -	0%
	$ 175	$ 177	$ (2)	-1%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 115 of 243
Arbough

O&M	November 2019		
($ Millions)			
	Actual vs. Budget - YTD		
	Actual	Budget	Variance
Chief Operating Officer			
Power Production			
All Other	$ 61.7	$ 71.3	$ 9.6
Maintenance	93.1	94.1	1.0
Outages	34.7	38.6	3.9
Power Production	**189.5**	**204.0**	**14.5**
Customer Services			
All Other	$ 88.7	$ 90.0	$ 1.2
Bad Debt Expense	5.5	7.0	1.5
Customer Services	**94.2**	**97.0**	**2.8**
Electric Distribution			
All Other	$ 42.4	$ 41.5	$ (0.9)
Storm Restoration	7.4	6.2	(1.2)
Vegetation Mgmt	23.0	23.0	(0.1)
Electric Distribution	**72.9**	**70.7**	**(2.1)**
Transmission			
All Other	$ 21.0	$ 22.1	$ 1.0
Storm Restoration	0.4	0.3	(0.0)
Vegetation Mgmt	13.9	13.7	(0.1)
Transmission	**35.3**	**36.1**	**0.9**
Gas Distribution			
All Other	$ 34.9	$ 34.4	$ (0.5)
Line Locating	10.5	7.9	(2.6)
Inline Inspections	4.6	10.3	5.7
Gas Distribution	**50.0**	**52.6**	**2.6**
Energy Supply & Analysis	**$ 11.4**	**$ 12.1**	**$ 0.7**
Project Engineering	**$ 0.4**	**$ 0.4**	**$ 0.0**
Safety & Tech Training	**$ 6.2**	**$ 6.5**	**$ 0.2**
Environmental	**$ 5.3**	**$ 6.5**	**$ 1.2**
Chief Operating Officer	**$ 0.5**	**$ 0.4**	**$ (0.0)**
Chief Operating Officer Total	**$ 465.7**	**$ 486.4**	**$ 20.7**
Chief Financial Officer			
Treasurer	**$ 21.2**	**$ 23.3**	**$ 2.1**
Controller	**$ 8.0**	**$ 8.6**	**$ 0.5**
Information Technology	**$ 56.1**	**$ 59.9**	**$ 3.8**
State Reg & Rates	**$ 2.0**	**$ 2.2**	**$ 0.3**
Audit Services	**$ 1.5**	**$ 1.6**	**$ 0.0**
Supply Chain	**$ 3.7**	**$ 3.8**	**$ 0.1**
Other	**$ 1.7**	**$ 2.1**	**$ 0.4**
Chief Financial Officer Total	**$ 94.2**	**$ 101.4**	**$ 7.2**
Communication	**$ 8.5**	**$ 9.5**	**$ 0.9**
Human Resources	**$ 6.5**	**$ 7.1**	**$ 0.6**
General Counsel	**$ 13.4**	**$ 16.0**	**$ 2.5**
Corporate Cost Center	**$ 76.3**	**$ 82.0**	**$ 5.8**
Non-Utility	**$ 30.8**	**$ 27.5**	**$ (3.4)**
Grand Total	**$ 695.5**	**$ 729.8**	**$ 34.4**

Financing Activities — November 2019

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance
PCB			
Beg Bal	$ 881.1	$ 881.1	$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	**$ 877.7**	**$ 881.1**	**$ 3.33**
Interest Exp	**$ 15.0**	**$ 18.3**	**$ 3.3**
Rate	**1.87%**	**2.27%**	**0.40%**
FMB/Sr Nts/Loan with PPL			
Beg Bal	$ 4,660.0	$ 4,832.1	$ 172.1
End Bal	5,160.0	5,347.7	187.7
Ave Bal	**$ 4,993.3**	**$ 5,145.9**	**$ 152.6**
Interest Exp	**$ 198.0**	**$ 205.6**	**$ 7.6**
Rate	**4.33%**	**4.36%**	**0.03%**
Short-term Debt			
Beg Bal	$ 627.0	$ 592.4	$ (34.6)
End Bal	341.5	360.6	19.1
Ave Bal [(1)]	**$ 352.8**	**$ 370.8**	**$ 18.0**
Interest Exp	**$ 10.5**	**$ 11.0**	**$ 0.4**
Rate	**3.22%**	**3.19%**	**-0.03%**
Unamortized Debt Expense Bonds			
Beg Bal	$ (38.4)	$ (38.1)	$ 0.3
End Bal	(39.4)	(44.1)	(4.6)
Ave Bal	**$ (38.9)**	**$ (41.7)**	**$ (2.8)**
Total End Bal	**$ 6,343.1**	**$ 6,545.2**	**$ 202.1**
Total Average Bal	**$ 6,185.0**	**$ 6,356.1**	**$ 171.1**
Total Expense Excl I/C [(2)]	**$ 234.9**	**$ 245.6**	**$ 10.7**
Rate	**4.12%**	**4.19%**	**0.07%**

[(1)] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

[(2)] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[(3)]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 155		$ 220	
LG&E	500	147		353	$ -
KU	400	39		361	-
TOTAL	$ 1,275	$ 342	$ -	$ 933	$ -

[(3)] LG&E borrowed amount represent commercial paper issuances. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Balance Sheet - LKE Consolidated

November 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 22	$ 14	$ 14	$ 7	
Accounts Receivable (Trade)	397	401	380	(4)	
Inventory	256	259	251	(3)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	37	24	15	13	Primarily due to increased gas cost and higher beginning gas supply regulatory asset balance in December 2018 and outage normalization balance due to the change in the average method approved by KPSC
Prepayments and other current assets	76	67	78	9	
Total Current Assets	787	765	738	22	
Property, Plant, and Equipment	13,027	13,181	12,540	(154)	
Intangible Assets	118	70	78	48	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	817	791	788	26	
Goodwill	997	997	997	0	
Other Long-term Assets	99	94	74	4	
Total Assets	**$ 15,845**	**$ 15,899**	**$ 15,216**	**$ (54)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 334	$ 278	$ 352	$ 55	Primarily due to higher than anticipated accounts payable reg, natural gas, refined coal, and trade, along with higher CWIP/RWIP accruals.
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	62	59	61	3	
Derivative Liability	5	4	4	1	
Accrued Taxes	85	56	71	29	Primarily due to timing of property tax payments expected to occur in the budget versus actuals and timing of income tax accruals versus payments.
Regulatory Liabilities Current	23	15	53	8	
Other Current Liabilities	249	253	246	(3)	
Total Current Liabilities	758	665	786	93	
Debt - Affiliated Company	805	864	751	(59)	
Debt [(1)]	5,538	5,681	5,207	(143)	
Total Debt	6,343	6,545	5,958	(202)	
Deferred Tax Liabilities	1,058	1,060	922	(1)	
Investment Tax Credit	123	123	126	0	
Accum Provision for Pension & Related Benefits	261	233	260	27	Increase primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census, partially offset by an increase in the discount rate and other actuarial updates.
Asset Retirement Obligation	129	174	218	(45)	Decrease due primarily to revaluations since the budget was completed along with ARO settlements.
Regulatory Liabilities Non Current	1,981	1,978	2,047	3	
Derivative Liability	19	11	14	8	
Other Liabilities	154	159	137	(5)	
Total Deferred Credits and Other Liabilities	3,724	3,737	3,724	(13)	
Equity	5,020	4,952	4,749	68	
Total Liabilities and Equity	**$ 15,845**	**$ 15,899**	**$ 15,216**	**$ (54)**	

[(1)] Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 118 of 243
Arbough

Balance Sheet - LG&E

November 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 9	$ 5	$ 5	$ 4	
Accounts Receivable (Trade)	183	181	170	1	
Inventory	129	129	143	0	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	23	14	13	9	
Prepayments and other current assets	64	47	57	18	Primarily due to refined coal not being included in the budget due to having no contract in place at the time, partially offset by other prelim survey charges
Total Current Assets	408	376	387	32	
Property, Plant, and Equipment	5,794	5,912	5,559	(118)	
Intangible Assets	24	6	6	19	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	407	390	397	17	
Goodwill	0	0	0	0	
Other Long-term Assets	24	45	26	(21)	Lower primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census, partially offset by an increase in the discount rate and other actuarial updates; partially offset by higher other prelim survey charges and Cane Run 7 LTPC and Brown 6 LTSA assets.
Total Assets	**$ 6,658**	**$ 6,730**	**$ 6,376**	**$ (71)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 206	$ 161	$ 204	$ 45	Primarily due to higher than anticipated accounts payable reg, fuel and natural gas, refined coal, and gas supply purchases, along with higher than anticipated CWIP/RWIP accruals; partially offset by lower intercompany accounts payable
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	28	29	2	
Derivative Liability	5	4	4	1	
Accrued Taxes	45	26	42	19	Primarily due to timing of property tax payments expected to occur in the budget versus actuals and timing of income tax accruals versus payments.
Regulatory Liabilities Current	4	7	18	(3)	
Other Current Liabilities	83	77	74	6	
Total Current Liabilities	374	303	370	71	
Debt - Affiliated Company	0	0	0	0	
Debt [(1)]	2,152	2,239	2,030	(87)	
Total Debt	2,152	2,239	2,030	(87)	
Deferred Tax Liabilities	683	676	611	7	
Investment Tax Credit	33	33	34	0	
Accum Provision for Pension & Related Benefits	3	0	(0)	3	
Asset Retirement Obligation	46	79	82	(33)	Decrease due primarily to revaluations since the budget was completed along with ARO settlements.
Regulatory Liabilities Non Current	852	855	876	(3)	
Derivative Liability	19	11	14	8	
Other Liabilities	87	89	81	(2)	
Total Deferred Credits and Other Liabilities	1,724	1,744	1,699	(20)	
Equity	2,409	2,444	2,277	(36)	
Total Liabilities and Equity	**$ 6,658**	**$ 6,730**	**$ 6,376**	**$ (71)**	

[(1)] Includes all ST and LT debt.

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

Balance Sheet - KU **November 2019**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 10	$ 5	$ 9	$ 5	
Accounts Receivable (Trade)	214	219	210	(5)	
Inventory	127	130	108	(3)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	14	10	2	4	
Prepayments and other current assets	33	48	41	(15)	Primarily due lower than anticipated receivables for refined coal, from associated companies and other prelim survey charges.
Total Current Assets	398	412	370	(14)	
Property, Plant, and Equipment	7,220	7,254	6,970	(33)	
Intangible Assets	40	12	12	28	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	409	402	388	7	
Goodwill	0	0	0	0	
Other Long-term Assets	71	92	77	(22)	Lower primarily due to negative return on investments in 2018 versus budget and the impact of updated demographics from the 1/1/19 census along with the revaluation of the LG&E union plan due to the settlement which increased the prepaid, partially offset by an increase in the discount rate and other actuarial updates; partially offset by higher other prelim survey charges, Cane Run 7 LTPC and Brown 6 LTSA assets and prepaid IT contracts.
Total Assets	**$ 8,138**	**$ 8,172**	**$ 7,818**	**$ (34)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 169	$ 171	$ 190	$ (2)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	31	32	0	
Derivative Liability	0	0	0	0	
Accrued Taxes	48	28	45	20	Primarily due to timing of property tax payments expected to occur in the budget versus actuals and timing of income tax accruals versus payments.
Regulatory Liabilities Current	19	8	34	11	Primarily due to higher than budgeted FAC liability due to the lower than budgeted fuel expense to be recovered through the FAC mechanism
Other Current Liabilities	116	120	118	(4)	
Total Current Liabilities	383	358	419	26	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,662	2,717	2,452	(55)	
Total Debt	2,662	2,717	2,452	(55)	
Deferred Tax Liabilities	795	797	719	(2)	
Investment Tax Credit	90	90	92	0	
Accum Provision for Pension & Related Benefits	(5)	0	0	(5)	
Asset Retirement Obligation	83	94	136	(12)	Decrease due primarily to ARO settlements.
Regulatory Liabilities Non Current	1,072	1,066	1,108	6	
Derivative Liability	0	0	0	0	
Other Liabilities	48	49	35	(1)	
Total Deferred Credits and Other Liabilities	2,082	2,096	2,090	(14)	
Equity	3,010	3,001	2,856	9	
Total Liabilities and Equity	**$ 8,138**	**$ 8,172**	**$ 7,818**	**$ (34)**	

[1] Includes all ST and LT debt.

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

PPL companies

Performance Report

December 2019

Table of Contents	December 2019

Content	Page

Executive Summary	3
Income Statement: Actual vs. Budget (Month) - LKE Consolidated	4
Income Statement: Actual vs. Budget (YTD) - LKE Consolidated	5
Income Statement: Actual vs. Budget (YTD) - LG&E	6
Income Statement: Actual vs. Budget (YTD) - KU	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

Kentucky Regulated Dashboard — December 2019

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	1.21	2.37	1.19	1.50	1.25	1.50
Employee lost-time incidents	1	1	8	9	8	9
DART[1]	0.80	0.79	0.52	0.46	0.58	0.46
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	8.97	8.90	9.15	9.02	8.50	9.02
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	3.7%	5.0%	2.3%	5.0%	N/A	5.00%
Utility EAF	80.9%	84.8%	84.9%	80.0%	N/A	79.96%
Combined SAIFI	0.09	0.06	1.06	0.94	N/A	0.94
Combined SAIDI (minutes)	4.99	6.10	93.59	88.64	N/A	88.64
Gas Emergency Response Time	37.50	35.00	34.10	35.00	N/A	35.00
GWh Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	947	943	10,653	10,410	10,653	10,410
Commercial	617	662	8,112	7,907	8,112	7,907
Industrial	692	778	8,705	9,282	8,705	9,282
Other	207	216	2,745	2,621	2,745	2,621
Retail	2,463	2,598	30,214	30,220	30,214	30,220
Municipals	31	36	826	875	826	875
Off-System Sales	18	42	328	260	328	260
Total	2,512	2,676	31,368	31,355	31,368	31,355
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			-0.65%			
Commercial			-0.89%			
Industrial			-2.77%			
Other			-1.73%			
Total			-1.44%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$159	$194	$1,906	$1,921	$1,906	$1,921
Gas Margins	$29	$28	$204	$205	$204	$205
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$73	$60	$769	$790	$769	$790
O&M – GAAP View[3]	$80	$69	$861	$885	$861	$885
Capital Expenditures ($ millions)	$117	$73	$1,142	$1,164	$1,142	$1,164
Average Utility Capitalization ($ millions)	$10,027	$10,127	$10,027	$10,127	$10,027	$10,127
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,480	3,610	3,480	3,610	3,480	3,610

	YTD		Full Year	
Financial Metrics[4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	10.1%	9.2%	10.1%	9.2%
Effective Depreciation Rate [5]	3.4%	3.3%	3.4%	3.3%
Effective Interest Rate	4.1%	4.2%	4.1%	4.2%
Effective Tax Rate	18.0%	19.4%	18.0%	19.4%
Moody's CFO pre-WC / Debt				
LGE	23.6%	21.7%	23.6%	21.7%
KU	23.0%	21.3%	23.0%	21.3%
LKE Consolidated	16.1%	14.8%	16.1%	14.8%

Variance Explanations

Lower MTD adjusted gross margins due to $30 million of additional revenue budgeted in December and lower sales volumes of $3 million, primarily from weather.

Lower YTD adjusted gross margins due to $30m of additional revenue achieved in other income statement line items, partially offset by higher sales volumes of $15 million, primarily from weather.

Higher MTD O&M primarily due to $3 million generation maintenance, $3 million distribution operation and other expenses, $2m gas inline inspections, $1 million facility maintenance and $1 million advertising expenses.

Lower YTD O&M, primarily related to $11 million higher labor and burdens recorded to capital and regulatory assets, as well as open positions, $7 million favorability from generation outages and a reclassification, $4 million lower gas in-line inspection costs, $3 million in lower hardware/software maintenance, $3 million in lower insurance and legal consulting expenses, $2 million bad debt expense and $2m in permitting; offset by $4 million of higher line locating and other gas expenses, $3m electric distribution operation and other expenses, $2m of facility maintenance and $1 million of higher storm restoration costs.

(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.

Major Developments

LKE won its 24th J.D. Power award (and third this year) as LG&E ranked first among 19 utilities in the Midwest segment of the 2019 Gas Business Study. LG&E earned a score of 833 which represents an increase of 32 points over prior year.

The KPSC recently issued three orders related to the Bullitt County pipeline. All three decisions were very favorable to the Company.

The Company completed its first KU business solar project, a 200 kW and 560 panel solar array with Maker's Mark.

KU reached an agreement in principal with Virginia commission staff and all intervenors on the revenue requirement of the current rate case with a resulting 13% revenue increase representing 75% of KU's request. It was a "black box" settlement with no specified ROE; however, a 9-10% ROE range is specified as reasonable and will be used for other regulatory purposes. The results were in line with the business plan. The rate design portion of the case will still go to hearing.

Significant Future Events

LKE is planning to file an ECR plan in Q1 2020 to address Effluent Limitations Guidelines regulation.

LKE will begin construction of the second 500 kW section of the Company's Solar Share Project in Q1 2020. Full commissioning is expected on or before June 1, 2020.

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

December 2019

($ Millions)

	Actual vs. Budget - MTD				Actual vs. PY - MTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 159	$ 194	$ (35)	Due primarily to $30 million of additional revenue budgeted in December and $3 million lower sales volumes, primarily from weather.	$ 159	$ 154	$ 5	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit, partially offset by lower sales volumes, primarily from weather.
Gas Margin	29	28	1		29	25	5	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Total Gross Margin	188	222	(33)		188	179	10	
O&M	73	60	(13)	Due primarily to $3 million generation maintenance, $3 million distribution operation and other expenses, $2m gas inline inspections, $1 million facility maintenance and $1 million advertising expenses.	73	48	(25)	Due primarily to the timing of the reclass to storm regulated asset in 2018, increase in electric distribution expenses, as well as labor and burdens.
Depreciation & Amortization	37	39	2		37	34	(3)	
Taxes, Other than Income	6	6	(0)		6	5	(1)	
Other income (expense)	(15)	0	(16)	Due to LGE Foundation contribution and write-off of AMS preliminary survey costs.	(15)	(12)	(4)	
EBIT	57	117	(60)		57	80	(23)	
Interest Expense	22	24	2		22	20	(2)	
Income from Ongoing Operations before income taxes	35	93	(58)		35	59	(24)	
Income Tax Expense	9	18	10	Primarily due to lower pretax income and a catch up from annualization of the tax provision. Actual effective tax rate was higher than budget primarily due to decreased excess ADIT amortization at KU and deferred tax write-offs related to stock and executive compensation.	9	14	5	Primarily due to lower pretax income.
Net Income (loss) from ongoing operations	**27**	**75**	**(48)**		**27**	**46**	**(19)**	
Special Item - (Non Operating Income)	0	0	0		0	0	0	
Discontinued Operations	(0)	0	(0)		(0)	(0)	(0)	
Net Income (loss)	$ 27	$ 75	$ (48)		$ 27	$ 46	$ (19)	
KY Regulated Financing Costs	(3)	$ (3)	(0)		(3)	$ (3)	(0)	
KY Regulated Net Income	$ 24	$ 72	$ (48)		$ 24	$ 43	$ (19)	
Earnings Per Share - Ongoing	$ 0.03	$ 0.10	$ (0.07)		$ 0.03	$ 0.06	$ (0.03)	

Note: Schedules may not sum due to rounding.

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

December 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 1,906	$ 1,921	$ (15)	Due primarily to $30 million of additional revenue achieved in other income statement line items, partially offset by $15 million higher sales volumes, primarily due to weather.	$ 1,906	$ 1,854	$ 52	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019, the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes, lower transmission margins and the departure of 8 municipal customers.
Gas Margin	204	205	(1)		204	187	18	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Total Gross Margin	2,111	2,126	(16)		2,111	2,041	70	
O&M	769	790	22	Due primarily to $11 million higher labor and burdens recorded to capital and regulatory assets, as well as open positions, $7 million favorability from generation outages and a reclassification, $4 million lower gas in-line inspection costs, $3 million in lower hardware/software maintenance, $3 million in lower insurance and legal consulting expenses, $2 million bad debt expense and $2m in permitting; offset by $4 million of higher line locating and other gas expenses, $3m electric distribution operation and other expenses, $2m of facility maintenance and $1 million of higher storm restoration costs.	769	750	(19)	Due primarily to higher PPL costs, reclass to storm regulated asset, line locating and in-line inspection expenses offset by favorable storm restoration expenses.
Depreciation & Amortization	431	448	17	Due primarily to lower spend and lagged closings.	431	404	(26)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	70	72	2		70	66	(3)	
Other income (expense)	(14)	0	(14)	Due to LGE Foundation contribution and write-off of AMS preliminary survey costs.	(14)	(15)	1	
EBIT	828	817	11		828	805	23	
Interest Expense	257	269	13	Due primarily to lower interest rates and lower debt balances.	257	232	(25)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	571	547	24		571	574	(2)	
Income Tax Expense	103	106	4		103	121	19	Due primarily to the recording of a $25M state recycling credit with a $2M valuation allowance ($18M after federal benefit) related to gypsum dewatering systems that went into service during Q2 2019.
Net Income (loss) from ongoing operations	**469**	**441**	**28**		**469**	**452**	**16**	
Special Item - (Non Operating Income)	0	0	0		0	(7)	7	In 2018, due to Kentucky state tax reform resulting in a reduction of the Kentucky Corporate income tax, a $9 million deferred tax expense was recorded related to the revaluing of non-utility deferred taxes offset by $1.9 million adjustment due to the KPSC TCJA outcome.
Discontinued Operations	(0)	0	(0)		(0)	0	(0)	
Net Income (loss)	$ 469	$ 441	$ 28		$ 469	$ 445	$ 24	
KY Regulated Financing Costs	(32)	(32)	(0)		(32)	(34)	2	
KY Regulated Net Income	436	$ 409	$ 28		436	$ 411	$ 25	
Earnings Per Share - Ongoing	$ 0.59	$ 0.55	$ 0.05		$ 0.59	$ 0.59	$ 0.00	

Note: Schedules may not sum due to rounding.

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

December 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 756	$ 741	$ 15	Primarily due to lower purchased power demand costs and higher sales volumes from weather.	$ 756	$ 735	$ 21	Due primarily to the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes and lower transmission margins.
Gas Margin	204	205	(1)		204	187	18	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019 and the termination of the TCJA surcredit.
Total Gross Margin	961	946	15		961	922	39	
O&M	353	359	5	Due primarily to favorable labor and burdens related to more labor charged to capital and regulatory outage asset as well as open positions, favorability from delay of process water system in-service, reclassification of refined coal income, timing of expenses for generation maintenance, software/hardware maintenance contracts and outside counsel, and timing of O&M expenses partially offset line locating/in-line inspection expenses.	353	337	(16)	Due primarily to reclass to storm regulated asset, line locating and in-line inspection expenses offset by favorable storm restoration expenses.
Depreciation & Amortization	177	182	5	Due primarily to lower spend, lagged closings and higher retirements.	177	164	(13)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	36	37	1		36	34	(2)	
Other income (expense)	(11)	(2)	(9)	Due to LGE Foundation contribution and write-off of AMS preliminary survey costs.	(11)	(13)	2	
EBIT	383	366	17		383	373	10	
Interest Expense	87	93	6	Due primarily to lower interest rates and lower debt balances.	87	77	(10)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	296	274	22		296	297	(1)	
Income Tax Expense	63	56	(7)	Primarily due to higher pretax income.	63	64	1	
Net Income (loss) from ongoing operations	**$ 233**	**$ 218**	**$ 15**		**$ 233**	**$ 232**	**$ 0**	

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

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

December 2019

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 1,150	$ 1,151	$ (1)		$ 1,150	$ 1,119	$ 31	Due primarily to an increase in KPSC base rate revenues effective May 1, 2019, the termination of the TCJA surcredit and ECR rate base growth, partially offset by lower sales volumes, lower transmission margins and the departure of 8 municipal customers.
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	1,150	1,151	(1)		1,150	1,119	31	
O&M	379	401	22	Due primarily to favorable labor and burdens related to more labor charged to capital and regulatory outage asset as well as open positions, favorability from delay of process water system in-service, reclassification of refined coal income, timing of expenses for generation maintenance, software/hardware maintenance contracts and outside counsel, and timing of O&M expenses.	379	381	2	
Depreciation & Amortization	252	265	13	Due primarily to lagged closings and higher retirements.	252	239	(13)	Due primarily to higher plant additions and new depreciation rates effective 5/1/2019.
Taxes, Other than Income	34	35	2		34	32	(2)	
Other income (expense)	(3)	2	(5)	Due to LGE Foundation contribution and write-off of AMS preliminary survey costs.	(3)	(4)	1	
EBIT	482	451	30		482	462	19	
Interest Expense	109	113	3		109	100	(10)	Due primarily to higher debt balances and higher interest rates.
Income from Ongoing Operations before income taxes	372	339	34		372	363	10	
Income Tax Expense	79	66	(13)	Primarily due to higher pretax income and a catch up from annualization of the tax provision. Actual effective tax rate was higher than budget primarily due to decreased excess ADIT amortization.	79	76	(3)	
Net Income (loss) from ongoing operations	**$ 293**	**$ 272**	**$ 21**		**$ 293**	**$ 287**	**$ 6**	

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

Margins Actual vs. Budget — December 2019

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year December-19	MTD Budget December-19	Change $	Change %
Base Service Charge	$ 19	$ 17	$ 2	9%
Base Energy	79	90	$ (11)	-12%
Demand Charge	45	44	$ 1	3%
Tax Cuts and Job Act (TCJA)	(0)	-	$ (0)	0%
Retail Fuel (Net)	(0)	(0)	$ (0)	27%
DSM	0	0	$ (0)	-58%
ECR	17	16	$ 1	9%
Transmission	0	0	$ 0	251%
Purchase Power Demand	(3)	(3)	$ 0	-13%
Off-System Sales	(0)	0	$ (0)	-123%
Shared Solar Program	0	0	$ (0)	-11%
Other Revenue	3	2	$ 1	63%
Cost of Sales	(2)	(2)	$ (0)	8%
Additional Revenue Budgeted	-	30	$ (30)	-100%
	$ 159	$ 194	$ (35)	-18%

LKE Gas Margins

	MTD Current Year December-19	MTD Budget December-19	Change $	Change %
Base Service Charge	$ 8	$ 8	$ 0	7%
Distribution Charge	17	19	$ (3)	-13%
WNA	2	-	$ 2	0%
Tax Cuts and Job Act (TCJA)	0	-	$ 0	0%
DSM	0	0	$ (0)	-72%
GSC	2	-	$ 2	0%
GLT	1	1	$ (0)	-7%
Other Revenue	0	0	$ (0)	-10%
Cost of Sales	-	-	$ -	0%
	$ 29	$ 28	$ 1	5%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year December-19	YTD Budget December-19	Change $	Change %
Base Service Charge	$ 214	$ 204	$ 11	5%
Base Energy	951	1,009	$ (58)	-6%
Demand Charge	595	554	$ 41	7%
Tax Cuts and Job Act (TCJA)	(31)	(34)	$ 4	-11%
Retail Fuel (Net)	(4)	(3)	$ (1)	28%
DSM	3	3	$ 0	2%
ECR	195	192	$ 3	2%
Transmission	4	4	$ (0)	-6%
Purchase Power Demand	(34)	(44)	$ 11	-24%
Off-System Sales	1	1	$ 0	58%
Shared Solar Program	0	0	$ (0)	-66%
Other Revenue	32	26	$ 6	22%
Cost of Sales	(20)	(18)	$ (2)	12%
Additional Revenue Budgeted	-	30	$ (30)	-100%
	$ 1,906	$ 1,921	$ (15)	-1%

LKE Gas Margins

	YTD Current Year December-19	YTD Budget December-19	Change $	Change %
Base Service Charge	$ 91	$ 88	$ 4	4%
Distribution Charge	109	113	$ (4)	-3%
WNA	(0)	-	$ (0)	0%
Tax Cuts and Job Act (TCJA)	(5)	(6)	$ 0	-4%
DSM	0	0	$ (0)	-38%
GSC	3	-	$ 3	0%
GLT	6	9	$ (3)	-34%
Other Revenue	1	1	$ 0	4%
Cost of Sales	-	-	$ -	0%
	$ 204	$ 205	$ (1)	0%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 128 of 243
Arbough

O&M	December 2019		
($ Millions)			
	Actual vs. Budget - YTD		
	Actual	Budget	Variance
Chief Operating Officer			
Power Production			
All Other	$ 68.4	$ 78.0	$ 9.5
Maintenance	104.5	101.7	(2.8)
Outages	35.8	39.2	3.4
Power Production	**208.8**	**218.9**	**10.1**
Customer Services			
All Other	$ 98.7	$ 98.1	$ (0.6)
Bad Debt Expense	5.7	7.6	1.9
Customer Services	**104.5**	**105.8**	**1.3**
Electric Distribution			
All Other	$ 48.7	$ 44.9	$ (3.7)
Storm Restoration	7.5	6.5	(1.0)
Vegetation Mgmt	25.8	25.6	(0.2)
Electric Distribution	**82.0**	**77.0**	**(5.0)**
Transmission			
All Other	$ 23.2	$ 23.7	$ 0.5
Storm Restoration	0.4	0.4	(0.1)
Vegetation Mgmt	15.4	15.0	(0.4)
Transmission	**39.0**	**39.0**	**(0.0)**
Gas Distribution			
All Other	$ 38.4	$ 37.4	$ (1.1)
Line Locating	11.3	8.5	(2.8)
Inline Inspections	6.5	10.3	3.8
Gas Distribution	**56.3**	**56.2**	**(0.1)**
Energy Supply & Analysis	**$ 12.7**	**$ 13.1**	**$ 0.3**
Project Engineering	**$ 0.5**	**$ 0.5**	**$ 0.0**
Safety & Tech Training	**$ 6.9**	**$ 6.9**	**$ 0.0**
Environmental	**$ 5.5**	**$ 7.0**	**$ 1.5**
Chief Operating Officer	**$ 0.5**	**$ 0.5**	**$ (0.1)**
Chief Operating Officer Total	**$ 516.7**	**$ 524.8**	**$ 8.1**
Chief Financial Officer			
Treasurer	**$ 23.5**	**$ 25.2**	**$ 1.7**
Controller	**$ 8.7**	**$ 9.3**	**$ 0.6**
Information Technology	**$ 61.2**	**$ 64.7**	**$ 3.6**
State Reg & Rates	**$ 2.1**	**$ 2.4**	**$ 0.3**
Audit Services	**$ 1.7**	**$ 1.7**	**$ 0.0**
Supply Chain	**$ 4.0**	**$ 4.1**	**$ 0.1**
Other	**$ 1.8**	**$ 2.2**	**$ 0.4**
Chief Financial Officer Total	**$ 103.0**	**$ 109.6**	**$ 6.6**
Communication	**$ 9.8**	**$ 10.2**	**$ 0.4**
Human Resources	**$ 7.2**	**$ 7.7**	**$ 0.5**
General Counsel	**$ 15.5**	**$ 17.9**	**$ 2.3**
Corporate Cost Center	**$ 80.6**	**$ 89.5**	**$ 8.9**
Non-Utility	**$ 35.7**	**$ 30.3**	**$ (5.4)**
Grand Total	**$ 768.5**	**$ 790.1**	**$ 21.6**

Financing Activities — December 2019

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance
PCB			
Beg Bal	$ 881.1	$ 881.1	$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	**$ 878.0**	**$ 881.1**	**$ 3.08**
Interest Exp	**$ 16.3**	**$ 20.2**	**$ 3.8**
Rate	**1.86%**	**2.29%**	**0.43%**
FMB/Sr Nts/Loan with PPL			
Beg Bal	$ 4,660.0	$ 4,832.1	$ 172.1
End Bal	5,160.0	5,347.7	187.7
Ave Bal	**$ 5,006.2**	**$ 5,161.4**	**$ 155.3**
Interest Exp	**$ 216.6**	**$ 225.1**	**$ 8.5**
Rate	**4.33%**	**4.36%**	**0.03%**
Short-term Debt			
Beg Bal	$ 627.0	$ 592.4	$ (34.6)
End Bal	538.3	395.4	(142.9)
Ave Bal [(1)]	**$ 360.4**	**$ 372.7**	**$ 12.2**
Interest Exp	**$ 11.5**	**$ 12.2**	**$ 0.8**
Rate	**3.14%**	**3.24%**	**0.10%**
Unamortized Debt Expense Bonds			
Beg Bal	$ (38.4)	$ (38.1)	$ 0.3
End Bal	(39.3)	(43.6)	(4.4)
Ave Bal	**$ (38.9)**	**$ (41.8)**	**$ (2.9)**
Total End Bal	**$ 6,540.1**	**$ 6,580.5**	**$ 40.4**
Total Average Bal	**$ 6,205.7**	**$ 6,373.3**	**$ 167.7**
Total Expense Excl I/C [(2)]	**$ 256.6**	**$ 269.2**	**$ 12.6**
Rate	**4.11%**	**4.20%**	**0.09%**

[(1)] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

[(2)] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[(3)]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 150		$ 225	
LG&E	500	238		262	$ -
KU	400	150		250	-
TOTAL	$ 1,275	$ 538	$ -	$ 737	$ -

[(3)] LG&E borrowed amount represent commercial paper issuances. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Balance Sheet - LKE Consolidated — December 2019

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 27	$ 14	$ 24	$ 13	Primarily due to timing of cash receipts at the Utilities.
Accounts Receivable (Trade)	434	450	415	(16)	
Inventory	250	248	248	3	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	41	23	25	17	Primarily due to increased gas cost and higher beginning gas supply regulatory asset balance in December 2018 and outage normalization balance due to the change in the average method approved by KPSC
Prepayments and other current assets	91	67	81	24	Primarily due to two new refined coal contracts - one LG&E and one LG&E/KU split – being signed after the budget was completed and higher than anticipated prepayments partially offset by lower other preliminary survey charges.
Total Current Assets	843	802	793	41	
Property, Plant, and Equipment	13,085	13,191	12,614	(106)	
Intangible Assets	117	70	78	47	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	766	790	849	(24)	
Goodwill	997	997	997	0	
Other Long-term Assets	122	96	81	27	Primarily due to the impact of updated demographics from the 1/1/19 census and higher earnings on investments in 2019 versus budget partially offset by a decrease in the discount rate, negative return on investments in 2018 versus budget and lower VEBA contributions in 2019; higher long-term IT prepayments, other preliminary survery charges and Cane Run 7 LTPC and Brown 6 LTSA assets.
Total Assets	**$ 15,931**	**$ 15,946**	**$ 15,412**	**$ (15)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 327	$ 270	$ 376	$ 56	Primarily due to higher than anticipated accounts payable reg, natural gas, refined coal, and trade, along with higher CWIP/RWIP accruals.
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	62	59	61	3	
Derivative Liability	4	4	4	1	
Accrued Taxes	58	46	63	12	Primarily due to timing of property tax payments expected to occur in the budget versus actuals and timing of income tax accruals versus payments.
Regulatory Liabilities Current	19	16	48	2	
Other Current Liabilities	261	271	240	(10)	
Total Current Liabilities	731	667	791	64	
Debt - Affiliated Company	800	933	763	(133)	Lower notes payable to PPL primarily due to lower capital contributions to the Utilities.
Debt [1]	5,740	5,648	5,367	92	
Total Debt	6,540	6,580	6,130	(40)	
Deferred Tax Liabilities	1,069	1,098	956	(29)	
Investment Tax Credit	124	123	126	1	
Accum Provision for Pension & Related Benefits	233	233	282	0	
Asset Retirement Obligation	145	169	214	(24)	Decrease primarily due to ARO revaluations since the budget was completed partially offset by lower RWIP spend.
Regulatory Liabilities Non Current	1,973	1,964	2,039	9	
Derivative Liability	17	11	16	7	
Other Liabilities	155	154	136	1	
Total Deferred Credits and Other Liabilities	3,717	3,752	3,768	(35)	
Equity	4,943	4,946	4,722	(4)	
Total Liabilities and Equity	**$ 15,931**	**$ 15,946**	**$ 15,412**	**$ (15)**	

[1] Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 131 of 243
Arbough

Balance Sheet - LG&E **December 2019**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 14	$ 5	$ 10	$ 9	
Accounts Receivable (Trade)	203	210	192	(6)	
Inventory	122	119	127	3	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	24	14	21	11	Primarily due to increased gas cost and higher beginning gas supply regulatory asset balance in December 2018
Prepayments and other current assets	67	48	61	19	Primarily due to refined coal not being included in the budget due to having no contract in place at the time, partially offset by accounts receivable from associated companies and other prelim survey charges.
Total Current Assets	432	396	410	36	
Property, Plant, and Equipment	5,825	5,917	5,591	(92)	
Intangible Assets	23	6	6	17	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	379	389	429	(10)	
Goodwill	0	0	0	0	
Other Long-term Assets	49	46	15	2	
Total Assets	**$ 6,708**	**$ 6,755**	**$ 6,453**	**$ (47)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 203	$ 156	$ 198	$ 48	Primarily due to higher than anticipated accounts payable reg, fuel and natural gas, refined coal, and gas supply purchases, along with higher than anticipated CWIP/RWIP accruals; partially offset by lower intercompany accounts payable
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	28	29	2	
Derivative Liability	4	4	4	1	
Accrued Taxes	32	20	26	12	Primarily due to timing of property tax payments expected to occur in the budget versus actuals and timing of income tax accruals versus payments.
Regulatory Liabilities Current	2	7	17	(6)	
Other Current Liabilities	85	83	74	2	
Total Current Liabilities	358	298	348	60	
Debt - Affiliated Company	0	0	0	0	
Debt [(1)]	2,243	2,219	2,088	24	
Total Debt	2,243	2,219	2,088	24	
Deferred Tax Liabilities	697	694	628	4	
Investment Tax Credit	34	33	34	1	
Accum Provision for Pension & Related Benefits	0	0	11	0	
Asset Retirement Obligation	49	79	80	(30)	Decrease primarily due to ARO revaluations since the budget was completed partially offset by lower RWIP spend.
Regulatory Liabilities Non Current	848	849	874	(2)	
Derivative Liability	17	11	16	7	
Other Liabilities	89	88	77	1	
Total Deferred Credits and Other Liabilities	1,734	1,753	1,719	(19)	
Equity	2,374	2,485	2,298	(111)	
Total Liabilities and Equity	**$ 6,708**	**$ 6,755**	**$ 6,453**	**$ (47)**	

(1) Includes all ST and LT debt.

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

Balance Sheet - KU **December 2019**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 12	$ 5	$ 14	$ 7	
Accounts Receivable (Trade)	230	240	224	(9)	
Inventory	128	128	122	(0)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	16	10	4	6	
Prepayments and other current assets	38	48	44	(10)	Primarily due to lower than anticipated receivables for a KU refined coal contract and from associated companies along with other preliminary survey charges partially offset by a new refined coal contract split be LG&E/KU and higher than anticipated prepayments.
Total Current Assets	425	431	407	(6)	
Property, Plant, and Equipment	7,245	7,258	7,010	(12)	
Intangible Assets	41	12	12	28	Reclassification of operating leases from Property, Plant and Equipment.
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	386	402	416	(17)	
Goodwill	0	0	0	0	
Other Long-term Assets	100	94	62	6	
Total Assets	**$ 8,197**	**$ 8,197**	**$ 7,908**	**$ (0)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 172	$ 168	$ 224	$ 5	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	31	31	32	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	26	20	24	6	
Regulatory Liabilities Current	17	9	31	8	
Other Current Liabilities	117	129	110	(12)	
Total Current Liabilities	363	356	421	8	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,773	2,703	2,554	70	
Total Debt	2,773	2,703	2,554	70	
Deferred Tax Liabilities	792	816	735	(24)	
Investment Tax Credit	90	90	92	0	
Accum Provision for Pension & Related Benefits	0	0	1	0	
Asset Retirement Obligation	96	90	134	6	
Regulatory Liabilities Non Current	1,069	1,058	1,100	11	
Derivative Liability	0	0	0	0	
Other Liabilities	46	47	35	(1)	
Total Deferred Credits and Other Liabilities	2,093	2,100	2,097	(8)	
Equity	2,967	3,038	2,835	(70)	
Total Liabilities and Equity	**$ 8,197**	**$ 8,197**	**$ 7,908**	**$ (0)**	

[1] Includes all ST and LT debt.

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

PPL companies

Performance Report

January 2020

Table of Contents	January 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 — January 2020

	YTD		Full Year	
Safety	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	0.90	1.39	0.95	1.19
Employee lost-time incidents	1	2	9	8
DART[1]	0.60	1.39	0.46	0.52
Customer Service	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	8.94	9.19	8.50	9.15
Reliability	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	1.3%	4.5%	N/A	4.50%
Utility EAF	91.3%	93.1%	N/A	85.14%
Combined SAIFI	0.05	0.07	N/A	0.94
Combined SAIDI (minutes)	4.23	6.14	N/A	87.49
Gas Emergency Response Time	35.50	34.50	N/A	34.50
GWh Sales	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	1,009	1,195	10,207	10,393
Commercial	645	685	8,083	8,123
Industrial	709	718	8,885	8,895
Other	236	233	2,778	2,775
Retail	2,599	2,831	29,953	30,185
Municipals	32	39	402	409
Off-System Sales	25	26	320	321
Total	2,656	2,896	30,674	30,915
Weather-Normalized Retail Sales Growth	**TTM**			
Residential	-0.92%			
Commercial	-0.88%			
Industrial	-2.78%			
Other	-1.08%			
Total	-1.47%			

	YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$163	$193	$1,912	$1,945
Gas Margins	$31	$32	$221	$221
O&M ($ millions)	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$58	$59	$766	$766
O&M – GAAP View[3]	$65	$68	$865	$865
Capital Expenditures ($ millions)	$72	$63	$1,019	$1,007
Average Utility Capitalization ($ millions)	$10,076	$10,074	$10,583	$10,567
Head Count	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,461	3,587	3,600	3,606

	YTD		Full Year	
Financial Metrics[4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	10.0%	10.2%	9.5%	9.7%
Effective Depreciation Rate [5]	3.4%	3.5%	3.5%	3.5%
Effective Interest Rate	4.1%	4.1%	4.0%	4.0%
Effective Tax Rate	18.0%	18.0%	19.8%	20.0%
Moody's CFO pre-WC / Debt				
LGE	23.9%	24.3%	22.7%	23.1%
KU	23.2%	23.5%	23.5%	23.4%
LKE Consolidated	16.4%	16.9%	16.8%	17.3%

Variance Explanations

Lower YTD adjusted gross margins due to $15 million of additional revenue budgeted in January, $12 million of lower sales volumes from weather, and $5 million of lower demand revenues.

Major Developments

LKE filed their application with the KPSC for approval of a power purchase agreement for 100 MW of solar energy and the associated special contracts with Toyota and Dow for 50% and 25%, respectively, of the energy from the project. The KPSC issued a procedural schedule in the solar case which suggests they intend to issue an order by mid-May.

Significant Future Events

LKE is planning to file an ECR plan in Q1 2020 to address Effluent Limitations Guidelines regulation.

LKE recently began construction of the second 500 kW section of the Company's Solar Share Project. Full commissioning is expected on or before June 1, 2020.

(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.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 136 of 243
Arbough

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

January 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 163	$ 193	$ (31)	Due primarily to $15 million of additional revenue budgeted in January, $12 million of lower sales volumes from weather, and $5 million of lower demand revenues.	$ 163	$ 167	$ (4)	
Gas Margin	31	32	(0)		31	28	4	
Total Gross Margin	194	225	(31)		194	195	(1)	
						0		
O&M	58	59	2		58	62	4	
Depreciation & Amortization	37	37	0		37	35	(3)	
Taxes, Other than Income	6	6	0		6	6	0	
						0		
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(0)	(0)	(0)		(0)	(0)	(0)	
						0		
EBIT	93	122	(29)		93	93	1	
						0		
Interest Expense	22	22	0		22	21	(1)	
						0		
Income from Ongoing Operations before income taxes	72	100	(29)		72	72	(0)	
						0		
Income Tax Expense	14	20	5		14	14	0	
						0		
Net Income (loss) from ongoing operations	**57**	**80**	**(23)**		**57**	**58**	**(0)**	
Special Item - (Non Operating Income)	0	0	0		0	(0)	0	
Discontinued Operations	(0)	0	(0)		(0)	(0)	(0)	
						$ -		
Net Income (loss)	$ 57	$ 80	$ (23)		$ 57	$ 58	$ (0)	
						-		
KY Regulated Financing Costs	(3)	(3)	(0)		(3)	(3)	(0)	
						-		
KY Regulated Net Income	54	$ 78	$ (23)		54	$ 55	$ (0)	
						-		
Earnings Per Share - Ongoing	$ 0.07	$ 0.10	$ (0.03)		$ 0.07	$ 0.08	$ (0.00)	

Note: Schedules may not sum due to rounding.

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

January 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 60	$ 64	$ (4)		$ 60	$ 60	$ 0	
Gas Margin	31	32	(0)		31	28	4	
Total Gross Margin	91	95	(4)		91	87	4	
						0		
O&M	27	27	(0)		27	28	1	
Depreciation & Amortization	15	15	0		15	14	(1)	
Taxes, Other than Income	3	3	0		3	3	0	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(1)	(0)	(0)		(1)	(0)	(0)	
						0		
EBIT	45	50	(4)		45	42	3	
						0		
Interest Expense	8	8	0		8	7	(1)	
						0		
Income from Ongoing Operations before income taxes	38	42	(4)		38	35	3	
						0		
Income Tax Expense	9	10	1		9	9	(1)	
						0		
Net Income (loss) from ongoing operations	**$ 28**	**$ 32**	**$ (3)**		**$ 28**	**$ 26**	**$ 2**	

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

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

January 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 103	$ 115	$ (12)	Due primarily to $10 million of lower sales volumes from weather and $3 million of lower demand revenues.	$ 103	$ 107	$ (4)	
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	103	115	(12)		103	107	(4)	
						0		
O&M	28	30	2		28	31	3	
Depreciation & Amortization	22	22	(0)		22	20	(1)	
Taxes, Other than Income	3	3	0		3	3	(0)	
Other income (expense)	(0)	(0)	(0)		(0)	(0)	0	
						0		
EBIT	50	60	(10)		50	53	(3)	
						0		
Interest Expense	9	9	0		9	9	(1)	
						0		
Income from Ongoing Operations before income taxes	41	50	(10)		41	44	(4)	
						0		
Income Tax Expense	10	12	2		10	11	1	
						0		
Net Income (loss) from ongoing operations	**$ 31**	**$ 38**	**$ (7)**		**$ 31**	**$ 33**	**$ (3)**	

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

Margins Actual vs. Budget — January 2020

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year January-20	MTD Budget January-20	Change $	Change %
Base Service Charge	$ 19	$ 19	$ (0)	0%
Base Energy	84	96	$ (13)	-13%
Demand Charge	44	49	$ (5)	-10%
Retail Fuel (Net)	1	(0)	$ 1	-576%
DSM	0	0	$ 0	145%
ECR	16	16	$ 0	2%
Transmission	(0)	0	$ (1)	-135%
Purchase Power Demand	(3)	(2)	$ (0)	10%
Off-System Sales	(0)	0	$ (0)	-205%
Shared Solar Program	0	0	$ (0)	-48%
Other Revenue	3	3	$ 0	4%
Cost of Sales	(2)	(2)	$ 1	-25%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	15	$ (15)	-100%
	$ 163	$ 193	$ (31)	-16%

LKE Gas Margins

	MTD Current Year January-20	MTD Budget January-20	Change $	Change %
Base Service Charge	$ 8	$ 8	$ (0)	-1%
Distribution Charge	18	23	$ (5)	-20%
WNA	4	-	$ 4	0%
DSM	(0)	0	$ (0)	-169%
GSC	0	-	$ 0	0%
GLT	1	1	$ 0	17%
Other Revenue	0	0	$ 0	15%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 31	$ 32	$ (0)	-1%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year January-20	YTD Budget January-20	Change $	Change %
Base Service Charge	$ 19	$ 19	$ (0)	0%
Base Energy	84	96	$ (13)	-13%
Demand Charge	44	49	$ (5)	-10%
Retail Fuel (Net)	1	(0)	$ 1	-576%
DSM	0	0	$ 0	145%
ECR	16	16	$ 0	2%
Transmission	(0)	0	$ (1)	-135%
Purchase Power Demand	(3)	(2)	$ (0)	10%
Off-System Sales	(0)	0	$ (0)	-205%
Shared Solar Program	0	0	$ (0)	-48%
Other Revenue	3	3	$ 0	4%
Cost of Sales	(2)	(2)	$ 1	-25%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	15	$ (15)	-100%
	$ 163	$ 193	$ (31)	-16%

LKE Gas Margins

	YTD Current Year January-20	YTD Budget January-20	Change $	Change %
Base Service Charge	$ 8	$ 8	$ (0)	-1%
Distribution Charge	18	23	$ (5)	-20%
WNA	4	-	$ 4	0%
DSM	(0)	0	$ (0)	-169%
GSC	0	-	$ 0	0%
GLT	1	1	$ 0	17%
Other Revenue	0	0	$ 0	15%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 31	$ 32	$ (0)	-1%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 140 of 243
Arbough

O&M			January 2020
($ Millions)			
	Actual vs. Budget - YTD		
	Actual	**Budget**	**Variance**
Chief Operating Officer			
Power Production			
All Other	$ 5.7	$ 6.3	$ 0.6
Maintenance	6.6	7.5	0.9
Outages	0.4	0.3	(0.0)
Power Production	**12.7**	**14.1**	**1.4**
Customer Services			
All Other	$ 8.3	$ 7.9	$ (0.4)
Bad Debt Expense	0.7	0.9	0.2
Customer Services	**9.0**	**8.8**	**(0.2)**
Electric Distribution			
All Other	$ 4.1	$ 3.5	$ (0.6)
Storm Restoration	0.3	0.3	(0.1)
Vegetation Mgmt	2.2	1.7	(0.5)
Electric Distribution	**6.6**	**5.4**	**(1.2)**
Transmission			
All Other	$ 1.9	$ 2.3	$ 0.4
Storm Restoration	0.0	0.0	0.0
Vegetation Mgmt	1.1	0.9	(0.2)
Transmission	**3.0**	**3.2**	**0.2**
Gas Distribution			
All Other	$ 3.4	$ 3.0	$ (0.4)
Line Locating	0.9	0.9	(0.0)
Inline Inspections	0.1	-	(0.1)
Gas Distribution	**4.4**	**3.9**	**(0.5)**
Energy Supply & Analysis	**$ 1.3**	**$ 1.5**	**$ 0.1**
Project Engineering	**$ 0.0**	**$ 0.1**	**$ 0.0**
Safety & Tech Training	**$ 0.6**	**$ 0.6**	**$ (0.0)**
Environmental	**$ 0.6**	**$ 0.6**	**$ (0.0)**
Chief Operating Officer	**$ 0.0**	**$ 0.1**	**$ 0.0**
Chief Operating Officer Total	**$ 38.4**	**$ 38.2**	**$ (0.2)**
Chief Financial Officer			
Treasurer	**$ 2.3**	**$ 2.5**	**$ 0.2**
Controller	**$ 0.6**	**$ 0.8**	**$ 0.2**
Information Technology	**$ 5.0**	**$ 5.7**	**$ 0.6**
State Reg & Rates	**$ 0.2**	**$ 0.2**	**$ 0.0**
Audit Services	**$ 0.1**	**$ 0.2**	**$ 0.0**
Supply Chain	**$ 0.3**	**$ 0.4**	**$ 0.1**
Other	**$ 0.1**	**$ 0.2**	**$ 0.0**
Chief Financial Officer Total	**$ 8.7**	**$ 9.8**	**$ 1.1**
Communication	**$ 0.3**	**$ 0.8**	**$ 0.5**
Human Resources	**$ 0.6**	**$ 0.6**	**$ 0.0**
General Counsel	**$ 0.6**	**$ 1.3**	**$ 0.7**
Corporate Cost Center	**$ 7.1**	**$ 6.7**	**$ (0.4)**
Non-Utility	**$ 2.0**	**$ 2.1**	**$ 0.1**
Grand Total	**$ 57.6**	**$ 59.5**	**$ 1.9**

Financing Activities — January 2020

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance
PCB			
Beg Bal	$ 881.1	$ 881.1	$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 1.8**	**$ 1.8**	**$ 0.0**
Rate	**2.43%**	**2.49%**	**0.05%**
FMB/Sr Nts/Loan with PPL			
Beg Bal	$ 5,160.0	$ 5,160.0	$ 0.0
End Bal	5,160.0	5,160.0	0.0
Ave Bal	**$ 5,160.0**	**$ 5,160.0**	**$ -**
Interest Exp	**$ 18.1**	**$ 18.1**	**$ 0.0**
Rate	**4.21%**	**4.21%**	**0.00%**
Short-term Debt			
Beg Bal	$ 538.3	$ 538.3	$ 0.0
End Bal	547.2	503.3	(44.0)
Ave Bal [(1)]	**$ 521.6**	**$ 520.8**	**$ (0.8)**
Interest Exp	**$ 1.0**	**$ 1.0**	**$ (0.0)**
Rate	**2.27%**	**2.21%**	**-0.06%**
Unamortized Debt Expense Bonds			
Beg Bal	$ (39.3)	$ (39.3)	$ 0.0
End Bal	(38.9)	(38.8)	0.1
Ave Bal	**$ (39.1)**	**$ (39.0)**	**$ 0.0**
Total End Bal	**$ 6,549.4**	**$ 6,505.5**	**$ (43.9)**
Total Average Bal	**$ 6,523.6**	**$ 6,522.8**	**$ (0.8)**
Total Expense Excl I/C [(2)]	**$ 21.8**	**$ 21.9**	**$ 0.1**
Rate	**3.98%**	**4.00%**	**0.02%**

[(1)] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

[(2)] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[(3)]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 161		$ 214	
LG&E	500	236		264	$ -
KU	400	150		250	-
TOTAL	$ 1,275	$ 547	$ -	$ 728	$ -

[(3)] LG&E borrowed amount represent commercial paper issuances. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes bank revolver and debt with PPL.

Balance Sheet - LKE Consolidated

January 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 17	$ 15	$ 16	$ 2	
Accounts Receivable (Trade)	426	486	448	(60)	Primarily due to lower sales volumes from weather.
Inventory	232	250	229	(18)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	41	39	27	2	
Prepayments and other current assets	82	98	88	(16)	Primarily due to lower than anticipated accounts receivable from affiliated companies, refined coal contracts and other accounts receivable, lower clearing account balance for other current assets and lower than anticipated prepayments, partially offset by higher than anticipated insurance claims.
Total Current Assets	797	888	807	(91)	
			0		
Property, Plant, and Equipment	13,104	13,096	12,639	8	
Intangible Assets	116	115	130	2	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	768	763	850	5	
Goodwill	997	997	997	0	
Other Long-term Assets	99	89	81	10	Primarily due to a higher than anticipated balance in postretirement due to a favorable change in funded status at year-end 2019 due to actual earnings on investments of 24.6% versus 2020 budgeted EROA of 7.25%, as reflected in the 2019 Actuarial projections, partially offset by 41bps decrease in discount rate compared to 2020 budget of 4%.
Total Assets	**$ 15,883**	**$ 15,948**	**$ 15,506**	**$ (65)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 242	$ 317	$ 308	$ (74)	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	63	62	61	1	
Derivative Liability	4	4	4	(0)	
Accrued Taxes	59	84	75	(24)	Primarily due to lower pre-tax income and the timing of property tax payments recorded in actuals.
Regulatory Liabilities Current	20	19	48	1	
Other Current Liabilities	276	281	283	(4)	
Total Current Liabilities	665	766	780	(101)	
Debt - Affiliated Company	811	804	788	7	
Debt [1]	5,738	5,701	5,384	37	
Total Debt	6,549	6,506	6,171	44	
Deferred Tax Liabilities	1,066	1,065	952	2	
Investment Tax Credit	124	124	126	(0)	
Accum Provision for Pension & Related Benefits	188	174	263	14	
Asset Retirement Obligation	142	143	206	(1)	
Regulatory Liabilities Non Current	1,974	1,974	2,039	0	
Derivative Liability	20	17	16	3	
Other Liabilities	155	156	173	(1)	
Total Deferred Credits and Other Liabilities	3,669	3,652	3,775	16	
Equity	5,000	5,024	4,780	(24)	
Total Liabilities and Equity	**$ 15,883**	**$ 15,948**	**$ 15,506**	**$ (65)**	

[1] Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 143 of 243
Arbough

Balance Sheet - LG&E **January 2020**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 7	$ 5	$ 6	$ 2	
Accounts Receivable (Trade)	201	228	206	(27)	Primarily due to lower sales volumes from weather.
Inventory	109	111	111	(2)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	24	23	22	2	
Prepayments and other current assets	67	73	65	(6)	
Total Current Assets	408	440	411	(32)	
			0		
Property, Plant, and Equipment	5,833	5,831	5,599	2	
Intangible Assets	23	23	31	1	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	381	377	430	4	
Goodwill	0	0	0	0	
Other Long-term Assets	49	54	15	(6)	
Total Assets	**$ 6,695**	**$ 6,726**	**$ 6,486**	**$ (31)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 150	$ 194	$ 175	$ (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	31	31	29	0	
Derivative Liability	4	4	4	(0)	
Accrued Taxes	41	44	35	(4)	
Regulatory Liabilities Current	2	3	15	(1)	
Other Current Liabilities	90	92	86	(2)	
Total Current Liabilities	318	368	346	(50)	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,241	2,217	2,083	24	
Total Debt	2,241	2,217	2,083	24	
Deferred Tax Liabilities	697	697	628	(0)	
Investment Tax Credit	34	34	34	(0)	
Accum Provision for Pension & Related Benefits	(4)	(0)	10	(4)	
Asset Retirement Obligation	49	49	79	(0)	
Regulatory Liabilities Non Current	849	849	873	0	
Derivative Liability	20	17	16	3	
Other Liabilities	90	90	95	(0)	
Total Deferred Credits and Other Liabilities	1,734	1,735	1,734	(1)	
Equity	2,402	2,405	2,324	(3)	
Total Liabilities and Equity	**$ 6,695**	**$ 6,726**	**$ 6,486**	**$ (31)**	

[1] Includes all ST and LT debt.

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

Balance Sheet - KU

January 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 9	$ 5	$ 9	$ 4	
Accounts Receivable (Trade)	225	259	242	(34)	Primarily due to lower sales volumes from weather.
Inventory	124	139	117	(16)	Primarily due to budget inadvertently including refined coal (third party) inventory of $11M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	16	16	4	0	
Prepayments and other current assets	34	42	45	(8)	
Total Current Assets	408	461	418	(53)	
Property, Plant, and Equipment	7,257	7,251	7,027	7	
Intangible Assets	41	40	45	1	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	386	385	417	1	
Goodwill	0	0	0	0	
Other Long-term Assets	100	103	63	(2)	
Total Assets	**$ 8,193**	**$ 8,239**	**$ 7,970**	**$ (46)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 131	$ 172	$ 180	$ (41)	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	32	0	
Derivative Liability	0	0	0	0	
Accrued Taxes	23	38	29	(14)	Primarily due to lower pre-tax income and the timing of property tax payments recorded in actuals.
Regulatory Liabilities Current	18	16	33	2	
Other Current Liabilities	128	126	136	2	
Total Current Liabilities	331	383	410	(51)	
Debt - Affiliated Company	0	0	0	0	
Debt [(1)]	2,773	2,760	2,576	13	
Total Debt	2,773	2,760	2,576	13	
Deferred Tax Liabilities	792	792	735	(0)	
Investment Tax Credit	90	90	91	(0)	
Accum Provision for Pension & Related Benefits	(1)	0	1	(1)	
Asset Retirement Obligation	94	94	127	(1)	
Regulatory Liabilities Non Current	1,069	1,069	1,102	0	
Derivative Liability	0	0	0	0	
Other Liabilities	47	46	59	0	
Total Deferred Credits and Other Liabilities	2,090	2,091	2,116	(1)	
Equity	2,998	3,005	2,868	(7)	
Total Liabilities and Equity	**$ 8,193**	**$ 8,239**	**$ 7,970**	**$ (46)**	

[(1)] Includes all ST and LT debt.

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

PPL companies

Performance Report

February 2020

Table of Contents	February 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 — February 2020

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	0.73	0.72	0.82	1.01	0.95	1.19
Employee lost-time incidents	1	0	2	2	10	8
DART[1]	0.73	0.36	0.66	0.81	0.46	0.52
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.06	9.30	9.00	9.25	8.50	9.15
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	0.4%	4.5%	0.9%	4.5%	N/A	4.5%
Utility EAF	90.8%	89.6%	91.1%	91.4%	N/A	85.1%
Combined SAIFI	0.04	0.05	0.08	0.12	N/A	0.94
Combined SAIDI (minutes)	2.58	4.77	6.81	10.91	N/A	87.49
Gas Emergency Response Time	35.20	34.50	35.30	34.50	N/A	34.50
GWh Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	894	963	1,903	2,158	10,138	10,393
Commercial	621	649	1,266	1,334	8,054	8,123
Industrial	699	696	1,408	1,415	8,888	8,895
Other	212	222	448	455	2,768	2,775
Retail	2,426	2,530	5,025	5,362	29,848	30,185
Municipals	31	32	63	71	400	409
Off-System Sales	8	32	33	58	240	321
Total	2,465	2,595	5,120	5,491	30,488	30,915
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			-0.31%			
Commercial			-0.04%			
Industrial			-3.16%			
Other			-0.44%			
Total			-1.09%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$158	$162	$320	$356	$1,908	$1,945
Gas Margins	$27	$28	$59	$59	$221	$221
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$60	$59	$118	$119	$766	$766
O&M – GAAP View[3]	$67	$68	$132	$135	$866	$865
Capital Expenditures ($ millions)	$72	$73	$145	$136	$1,017	$1,007
Average Utility Capitalization ($ millions)	$10,119	$10,115	$10,119	$10,115	$10,592	$10,567
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,430	3,589	3,430	3,589	3,606	3,606

	YTD		Full Year	
Financial Metrics[4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	10.3%	10.5%	9.4%	9.7%
Effective Depreciation Rate [5]	3.5%	3.5%	3.5%	3.5%
Effective Interest Rate	4.1%	4.1%	4.0%	4.0%
Effective Tax Rate	18.0%	18.1%	19.9%	20.0%
Moody's CFO pre-WC / Debt				
LGE	24.7%	25.3%	22.6%	23.1%
KU	24.0%	24.5%	23.5%	23.4%
LKE Consolidated	16.9%	17.6%	16.8%	17.3%

Variance Explanations

Lower MTD adjusted gross margins due primarily to $5 million of lower sales volumes from weather.

Lower YTD adjusted gross margins due primarily to $15 million of additional revenue budgeted in January, $17 million of lower sales volumes from weather, and $6 million of lower demand revenues.

(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.

Major Developments

There were a number of developments in the various customer renewable offerings of LG&E and KU this month:

- The new 560-panel solar array built for Maker's Mark went online. KU owns and maintains the solar array, while Maker's Mark pays a monthly fee and earns bill credits for the energy produced by the system.
- LG&E and KU began construction of the second 500 kW phase of the Company's Solar Share program. Full commissioning of this phase is expected on or before June 1, 2020.
- The KPSC held a conference with all parties to LG&E and KU's solar PPA filing in order to discuss questions and concerns of the KPSC. The Company will be providing supplemental information by March 23rd.

LG&E and KU submitted a notice of intent to the KPSC for filing its 2020 Environmental Cost Recovery Plan around March 31, 2020. The 2020 ECR Plan will include installation of facilities at Ghent, Trimble County and Mill Creek to comply with the Effluent Limitation Guidelines regulation.

Significant Future Events

There are no significant future events at this time.

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

February 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 320	$ 356	$ (36)	Due primarily to $15 million of additional revenue budgeted in January, $17 million of lower sales volumes from weather, and $6 million of lower demand revenues.	$ 320	$ 308	$ 12	Due primarily to higher base rates and the elimination of the TCJA surcredit effective May 1, 2019, partially offset by lower sales volumes from weather.
Gas Margin	59	59	(1)		59	50	8	
Total Gross Margin	379	415	(36)		379	358	21	
						0		
O&M	118	119	1		118	123	6	Due primarily to higher labor and burdens recorded to capital, the change in outage normalization from a 5 year average to 8 year average, gain on the sale of a KU parking lot, and a decrease in regular ongoing maintenance along with an obsolete inventory write-off in 2019.
Depreciation & Amortization	75	75	(0)		75	69	(5)	Due primarily to higher plant in service as a result of increased additions and lower retirements.
Taxes, Other than Income	11	12	1		11	12	0	
						0		
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(1)	(1)	(0)		(1)	0	(1)	
						0		
EBIT	175	209	(34)		175	154	21	
						0		
Interest Expense	43	44	0		43	41	(2)	
						0		
Income from Ongoing Operations before income taxes	131	166	(34)		131	113	18	
						0		
Income Tax Expense	26	33	6	Lower income taxes primarily due to lower pre-tax income.	26	23	(4)	
						0		
Net Income (loss) from ongoing operations	**105**	**133**	**(28)**		**105**	**91**	**15**	
Special Item - (Non Operating Income)	0	0	0		0	0	0	
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
						$ -		
Net Income (loss)	$ 105	$ 133	$ (28)		$ 105	$ 91	$ 15	
KY Regulated Financing Costs	(3)	(3)	(0)		(3)	(5)	3	
						-		
KY Regulated Net Income	102	$ 130	$ (28)		102	$ 85	$ 17	
						-		
Earnings Per Share - Ongoing	$ 0.07	$ 0.10	$ (0.03)		$ 0.07	$ 0.12	$ (0.05)	

Note: Schedules may not sum due to rounding.

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

February 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 118	$ 123	$ (5)	Due primarily to $4 million of lower sales volumes from weather and $2 million of lower demand revenues.	$ 118	$ 113	$ 5	Due primarily to higher base rates and the elimination of the TCJA surcredit effective May 1, 2019, partially offset by lower sales volumes from weather.
Gas Margin	59	59	(1)		59	50	8	Due primarily to higher base rates and the elimination of the TCJA surcredit effective May 1, 2019.
Total Gross Margin	177	182	(6)		177	163	14	
						0		
O&M	54	53	(1)		54	55	2	
Depreciation & Amortization	31	31	0		31	28	(3)	
Taxes, Other than Income	6	6	0		6	6	0	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(1)	(1)	(0)		(1)	(0)	(1)	
						0		
EBIT	86	92	(6)		86	73	13	
						0		
Interest Expense	15	15	0		15	14	(1)	
						0		
Income from Ongoing Operations before income taxes	71	77	(6)		71	59	11	
						0		
Income Tax Expense	18	19	1		18	15	(3)	
						0		
Net Income (loss) from ongoing operations	**$ 53**	**$ 58**	**$ (4)**		**$ 53**	**$ 45**	**$ 9**	

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

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

February 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 202	$ 218	$ (16)	Due primarily to $13 million of lower sales volumes from weather and $4 million of lower demand revenues.	$ 202	$ 195	$ 7	Due primarily to higher base rates and the elimination of the TCJA surcredit effective May 1, 2019, partially offset by lower sales volumes from weather.
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	202	218	(16)		202	195	7	
						0		
O&M	58	59	1		58	61	4	
Depreciation & Amortization	43	43	(0)		43	41	(3)	
Taxes, Other than Income	6	6	0		6	6	0	
Other income (expense)	(0)	(0)	0		(0)	0	(0)	
						0		
EBIT	95	110	(14)		95	88	8	
						0		
Interest Expense	19	19	0		19	17	(1)	
						0		
Income from Ongoing Operations before income taxes	77	91	(14)		77	70	6	
						0		
Income Tax Expense	19	22	3		19	17	(2)	
						0		
Net Income (loss) from ongoing operations	**$ 58**	**$ 69**	**$ (11)**		**$ 58**	**$ 53**	**$ 5**	

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

Margins Actual vs. Budget — February 2020

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year February-20	MTD Budget February-20	Change $	Change %
Base Service Charge	$ 18	$ 18	$ 0	1%
Base Energy	77	82	$ (5)	-6%
Demand Charge	47	48	$ (1)	-2%
Retail Fuel (Net)	(1)	(0)	$ (0)	123%
DSM	(0)	0	$ (0)	-110%
ECR	16	16	$ 0	2%
Transmission	(0)	0	$ (0)	-112%
Purchase Power Demand	(2)	(2)	$ 1	-27%
Off-System Sales	0	0	$ (0)	-87%
Shared Solar Program	0	0	$ 0	628%
Other Revenue	3	3	$ 0	6%
Cost of Sales	(2)	(2)	$ 0	-22%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	0	$ (0)	-100%
	$ 158	$ 162	$ (5)	-3%

LKE Gas Margins

	MTD Current Year February-20	MTD Budget February-20	Change $	Change %
Base Service Charge	$ 8	$ 8	$ (0)	0%
Distribution Charge	18	19	$ (1)	-7%
WNA	1	-	$ 1	0%
DSM	0	0	$ 0	518%
GSC	0	-	$ 0	0%
GLT	1	1	$ 0	3%
Other Revenue	0	0	$ (0)	-22%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 27	$ 28	$ (0)	-1%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year February-20	YTD Budget February-20	Change $	Change %
Base Service Charge	$ 37	$ 37	$ 0	0%
Base Energy	161	179	$ (18)	-10%
Demand Charge	91	97	$ (6)	-6%
Retail Fuel (Net)	1	(0)	$ 1	-226%
DSM	0	0	$ 0	18%
ECR	32	31	$ 1	2%
Transmission	(0)	1	$ (1)	-125%
Purchase Power Demand	(4)	(5)	$ 0	-8%
Off-System Sales	0	0	$ (0)	-61%
Shared Solar Program	0	0	$ 0	290%
Other Revenue	6	6	$ 0	5%
Cost of Sales	(3)	(5)	$ 1	-23%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	15	$ (15)	-100%
	$ 320	$ 356	$ (35)	-10%

LKE Gas Margins

	YTD Current Year February-20	YTD Budget February-20	Change $	Change %
Base Service Charge	$ 16	$ 16	$ (0)	0%
Distribution Charge	36	42	$ (6)	-14%
WNA	5	-	$ 5	0%
DSM	0	0	$ 0	175%
GSC	0	-	$ 0	0%
GLT	2	1	$ 0	10%
Other Revenue	0	0	$ (0)	-5%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 59	$ 59	$ (1)	-1%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 152 of 243
Arbough

O&M	February 2020		
($ Millions)			
	Actual vs. Budget - YTD		
	Actual	Budget	Variance
Chief Operating Officer			
Power Production			
All Other	$ 11.3	$ 12.0	$ 0.7
Maintenance	13.3	14.8	1.5
Outages	1.1	1.0	(0.1)
Power Production	**25.8**	**27.8**	**2.1**
Customer Services			
All Other	$ 16.4	$ 15.6	$ (0.8)
Bad Debt Expense	1.3	1.6	0.3
Customer Services	**17.7**	**17.2**	**(0.6)**
Electric Distribution			
All Other	$ 7.5	$ 7.0	$ (0.5)
Storm Restoration	0.6	0.6	(0.0)
Vegetation Mgmt	4.0	3.3	(0.7)
Electric Distribution	**12.1**	**10.9**	**(1.2)**
Transmission			
All Other	$ 4.1	$ 4.0	$ (0.1)
Storm Restoration	0.1	0.1	(0.0)
Vegetation Mgmt	2.3	1.8	(0.5)
Transmission	**6.5**	**5.9**	**(0.7)**
Gas Distribution			
All Other	$ 6.4	$ 5.9	$ (0.5)
Line Locating	2.0	1.8	(0.2)
Inline Inspections	0.1	-	(0.1)
Gas Distribution	**8.5**	**7.7**	**(0.8)**
Energy Supply & Analysis	**$ 2.3**	**$ 2.4**	**$ 0.1**
Project Engineering	**$ 0.1**	**$ 0.1**	**$ 0.0**
Safety & Tech Training	**$ 1.2**	**$ 1.1**	**$ (0.0)**
Environmental	**$ 1.2**	**$ 1.2**	**$ 0.0**
Chief Operating Officer	**$ 0.1**	**$ 0.1**	**$ 0.0**
Chief Operating Officer Total	**$ 75.5**	**$ 74.5**	**$ (1.0)**
Chief Financial Officer			
Treasurer	**$ 4.3**	**$ 4.5**	**$ 0.2**
Controller	**$ 1.1**	**$ 1.4**	**$ 0.3**
Information Technology	**$ 10.0**	**$ 10.7**	**$ 0.7**
State Reg & Rates	**$ 0.3**	**$ 0.4**	**$ 0.0**
Audit Services	**$ 0.3**	**$ 0.3**	**$ 0.0**
Supply Chain	**$ 0.6**	**$ 0.7**	**$ 0.1**
Other	**$ 0.3**	**$ 0.3**	**$ 0.1**
Chief Financial Officer Total	**$ 16.9**	**$ 18.3**	**$ 1.4**
Communication	**$ 1.3**	**$ 1.9**	**$ 0.6**
Human Resources	**$ 1.1**	**$ 1.2**	**$ 0.0**
General Counsel	**$ 2.5**	**$ 2.3**	**$ (0.2)**
Corporate Cost Center	**$ 14.1**	**$ 13.6**	**$ (0.4)**
Non-Utility	**$ 6.1**	**$ 7.0**	**$ 0.9**
Grand Total	**$ 117.5**	**$ 118.8**	**$ 1.3**

Financing Activities — February 2020

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance
PCB			
Beg Bal	$ 881.1	$ 881.1	$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 3.6**	**$ 3.7**	**$ 0.1**
Rate	**2.43%**	**2.49%**	**0.05%**
FMB/Sr Nts/Loan with PPL			
Beg Bal	$ 5,160.0	$ 5,160.0	$ 0.0
End Bal	5,160.0	5,160.0	0.0
Ave Bal	**$ 5,160.0**	**$ 5,160.0**	**$ -**
Interest Exp	**$ 36.2**	**$ 36.2**	**$ 0.0**
Rate	**4.21%**	**4.21%**	**0.00%**
Short-term Debt			
Beg Bal	$ 538.3	$ 538.3	$ 0.0
End Bal	490.0	441.2	(48.7)
Ave Bal [(1)]	**$ 509.9**	**$ 494.3**	**$ (15.7)**
Interest Exp	**$ 1.9**	**$ 1.9**	**$ 0.0**
Rate	**2.24%**	**2.33%**	**0.09%**
Unamortized Debt Expense Bonds			
Beg Bal	$ (39.3)	$ (39.3)	$ 0.0
End Bal	(38.5)	(38.3)	0.1
Ave Bal	**$ (38.9)**	**$ (38.8)**	**$ 0.1**
Total End Bal	**$ 6,492.6**	**$ 6,443.9**	**$ (48.6)**
Total Average Bal	**$ 6,512.1**	**$ 6,496.5**	**$ (15.6)**
Total Expense Excl I/C [(2)]	**$ 43.3**	**$ 43.6**	**$ 0.3**
Rate	**3.97%**	**4.01%**	**0.04%**

[(1)] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

[(2)] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[(3)]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 163		$ 212	
LG&E	500	211		289	$ -
KU	400	116		284	-
TOTAL	$ 1,275	$ 490	$ -	$ 785	$ -

[(3)] LG&E borrowed amount represent commercial paper issuances. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes debt with PPL.

Balance Sheet - LKE Consolidated

February 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 16	$ 15	$ 19	$ 1	
Accounts Receivable (Trade)	434	470	428	(36)	
Inventory	223	239	218	(15)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	42	39	27	3	
Prepayments and other current assets	82	95	86	(13)	Primarily due to lower than anticipated accounts receivable from affiliated companies, refined coal contracts and other accounts receivable, lower clearing account balance for other current assets and lower than anticipated prepayments.
Total Current Assets	796	857	777	(60)	
			0		
Property, Plant, and Equipment	13,124	13,117	12,661	7	
Intangible Assets	115	112	128	2	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	771	760	851	10	
Goodwill	997	997	997	0	
Other Long-term Assets	99	89	82	10	Primarily due to a higher than anticipated balance in postretirement due to a favorable change in funded status at year-end 2019 due to actual earnings on investments of 24.6% versus 2020 budgeted EROA of 7.25%, as reflected in the 2019 Actuarial projections, partially offset by 41bps decrease in discount rate compared to 2020 budget of 4%.
Total Assets	**$ 15,902**	**$ 15,933**	**$ 15,498**	**$ (31)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 260	$ 312	$ 293	$ (52)	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	63	62	62	1	
Derivative Liability	4	4	4	(0)	
Accrued Taxes	58	73	63	(15)	Primarily due to lower pre-tax income and the timing of property tax payments recorded in actuals.
Regulatory Liabilities Current	17	18	43	(0)	
Other Current Liabilities	294	297	293	(3)	
Total Current Liabilities	696	767	757	(70)	
Debt - Affiliated Company	813	809	776	4	
Debt [(1)]	5,679	5,635	5,385	45	
Total Debt	6,493	6,444	6,160	49	
Deferred Tax Liabilities	1,063	1,061	950	1	
Investment Tax Credit	123	123	125	(0)	
Accum Provision for Pension & Related Benefits	189	173	264	16	
Asset Retirement Obligation	138	142	202	(3)	
Regulatory Liabilities Non Current	1,975	1,974	2,040	1	
Derivative Liability	22	16	15	6	
Other Liabilities	155	155	172	(1)	
Total Deferred Credits and Other Liabilities	3,665	3,645	3,768	20	
Equity	5,048	5,077	4,813	(30)	
Total Liabilities and Equity	**$ 15,902**	**$ 15,933**	**$ 15,498**	**$ (31)**	

[(1)] 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 2020**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 6	$ 5	$ 8	$ 1	
Accounts Receivable (Trade)	205	220	197	(16)	
Inventory	98	100	101	(2)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	24	22	22	2	
Prepayments and other current assets	72	72	69	1	
Total Current Assets	405	419	397	(14)	
			0		
Property, Plant, and Equipment	5,842	5,842	5,610	(0)	
Intangible Assets	23	22	27	1	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	384	375	429	8	
Goodwill	0	0	0	0	
Other Long-term Assets	49	56	16	(7)	
Total Assets	**$ 6,702**	**$ 6,714**	**$ 6,480**	**$ (12)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 159	$ 193	$ 164	$ (34)	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	31	31	30	1	
Derivative Liability	4	4	4	(0)	
Accrued Taxes	31	34	22	(2)	
Regulatory Liabilities Current	1	3	12	(2)	
Other Current Liabilities	97	97	91	(0)	
Total Current Liabilities	324	362	322	(38)	
Debt - Affiliated Company	0	0	0	0	
Debt [(1)]	2,216	2,185	2,082	31	
Total Debt	2,216	2,185	2,082	31	
Deferred Tax Liabilities	697	697	628	(0)	
Investment Tax Credit	34	34	34	(0)	
Accum Provision for Pension & Related Benefits	(3)	(0)	10	(3)	
Asset Retirement Obligation	47	49	78	(1)	
Regulatory Liabilities Non Current	849	850	874	(1)	
Derivative Liability	22	16	15	6	
Other Liabilities	90	90	94	0	
Total Deferred Credits and Other Liabilities	1,736	1,736	1,733	0	
Equity	2,427	2,431	2,343	(4)	
Total Liabilities and Equity	**$ 6,702**	**$ 6,714**	**$ 6,480**	**$ (12)**	

[(1)] Includes all ST and LT debt.

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

Balance Sheet - KU

February 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 10	$ 5	$ 11	$ 5	
Accounts Receivable (Trade)	227	250	232	(23)	
Inventory	125	138	117	(13)	Primarily due to budget inadvertently including refined coal (third party) inventory of $11M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	18	17	4	1	
Prepayments and other current assets	33	40	44	(8)	
Total Current Assets	413	451	408	(37)	
Property, Plant, and Equipment	7,268	7,261	7,038	7	
Intangible Assets	40	39	42	1	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	386	384	419	2	
Goodwill	0	0	0	0	
Other Long-term Assets	101	104	64	(3)	
Total Assets	**$ 8,208**	**$ 8,239**	**$ 7,970**	**$ (30)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 140	$ 167	$ 161	$ (27)	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	32	0	
Derivative Liability	0	0	0	0	
Accrued Taxes	33	40	31	(7)	
Regulatory Liabilities Current	16	14	31	2	
Other Current Liabilities	133	134	136	(1)	
Total Current Liabilities	355	388	391	(33)	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,740	2,726	2,578	14	
Total Debt	2,740	2,726	2,578	14	
Deferred Tax Liabilities	792	792	735	(0)	
Investment Tax Credit	90	90	91	(0)	
Accum Provision for Pension & Related Benefits	(1)	0	1	(1)	
Asset Retirement Obligation	91	93	124	(2)	
Regulatory Liabilities Non Current	1,071	1,069	1,102	2	
Derivative Liability	0	0	0	0	
Other Liabilities	46	46	59	1	
Total Deferred Credits and Other Liabilities	2,088	2,089	2,113	(1)	
Equity	3,025	3,036	2,888	(11)	
Total Liabilities and Equity	**$ 8,208**	**$ 8,239**	**$ 7,970**	**$ (30)**	

[1] Includes all ST and LT debt.

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

PPL companies

Performance Report

March 2020

Table of Contents	March 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 — March 2020

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	0.36	1.56	0.68	1.25	0.95	1.19
Employee lost-time incidents	0	0	2	2	9	8
DART[1]	0.00	0.26	0.45	0.57	0.46	0.52
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.15	9.22	9.05	9.24	8.50	9.15
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	1.4%	4.5%	1.0%	4.5%	N/A	4.5%
Utility EAF	70.0%	64.5%	83.9%	82.4%	N/A	84.5%
Combined SAIFI	0.09	0.05	0.17	0.16	N/A	0.94
Combined SAIDI (minutes)	6.27	4.73	13.08	15.65	N/A	87.49
Gas Emergency Response Time	31.00	34.50	34.10	34.50	N/A	34.50
GWh Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	753	842	2,656	3,000	10,239	10,393
Commercial	571	643	1,837	1,978	7,429	8,123
Industrial	676	725	2,084	2,139	8,233	8,895
Other	203	222	651	677	2,580	2,775
Retail	2,203	2,432	7,228	7,794	28,481	30,185
Municipals	28	33	91	104	400	409
Off-System Sales	3	11	36	69	211	321
Total	2,234	2,476	7,354	7,967	29,092	30,915
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			-0.11%			
Commercial			-0.81%			
Industrial			-3.24%			
Other			-1.02%			
Total			-1.31%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$145	$155	$465	$511	$1,848	$1,945
Gas Margins	$22	$23	$81	$82	$220	$221
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$65	$67	$183	$186	$771	$766
O&M – GAAP View[3]	$72	$75	$204	$210	$865	$865
Capital Expenditures ($ millions)	$111	$113	$255	$249	$1,046	$1,007
Average Utility Capitalization ($ millions)	$10,162	$10,153	$10,162	$10,153	$10,621	$10,567
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,445	3,592	3,445	3,592	3,606	3,606

	YTD		Full Year	
Financial Metrics[4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	10.1%	10.6%	8.6%	9.7%
Effective Depreciation Rate [5]	3.5%	3.5%	3.5%	3.5%
Effective Interest Rate	4.1%	4.1%	3.9%	4.0%
Effective Tax Rate	17.9%	18.0%	19.4%	20.0%
Moody's CFO pre-WC / Debt				
LGE	24.4%	24.9%	21.6%	23.1%
KU	23.3%	24.1%	22.2%	23.4%
LKE Consolidated	16.8%	17.3%	15.8%	17.3%

Variance Explanations

Lower MTD adjusted gross margins due primarily to $8 million of lower sales volumes from weather and $2 million of lower demand revenues.

Lower YTD adjusted gross margins due primarily to $15 million of additional revenue budgeted in January, $26 million of lower sales volumes from weather, and $8 million of lower demand revenues.

(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.

Major Developments

The VSCC issued an Order approving the settlement in the Virginia rate case. The new rates will be effective May 1, 2020.

The KPSC issued a procedural order in the solar PPA case which cancelled the April 14 hearing and established a briefing schedule with the case to then be submitted for decision. An order is still expected by mid-May.

The Company filed its 2020 ECR Plan with the KPSC as planned to address the EPA's Effluent Limitations Guideline rule. An order is expected in six months.

The KPSC issued an Order to address the COVID-19 pandemic which included a moratorium on disconnections for non-payment and fees for late payments until further notice.

KU and LG&E filed applications with the KPSC seeking authority to increase their revolving lines of credit and to issue long-term debt totaling $750 million and $400 million respectively. KU filed a similar application with the VSCC. The requests ensure liquidity should arrearages and bad debts increase significantly due to the moratorium on disconnects and waiver of late payment charges as a result of the COVID 19 pandemic.

LG&E made its quarterly gas supply clause adjustment filing for gas bills effective May 1. The May 2020 commodity cost per CCF is the lowest for LG&E customers since August 1995. We expect lower commodity costs and less generation dispatch will also lead to a lower fuel adjustment clause for our electric retail customers.

Significant Future Events

There are no significant future events to report at this time.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 160 of 243
Arbough

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

March 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 465	$ 511	$ (45)	Due primarily to $15 million of additional revenue budgeted in January, $26 million of lower sales volumes from weather, and $8 million of lower demand revenues.	$ 465	$ 461	$ 5	Due primarily to higher base rates and the elimination of the TCJA surcredit effective May 1, 2019, partially offset by lower sales volumes from weather.
Gas Margin	81	82	(1)		81	69	12	Due primarily to higher base rates and the elimination of the TCJA surcredit effective May 1, 2019.
Total Gross Margin	547	593	(46)		547	530	16	
						0		
O&M	183	186	3		183	191	9	Due to decreased burdens from a change in methodology for worker's comp, change in outage normalization from an 8 year average to 5 year, gain on the sale of a KU parking lot, lower PPL charges, and lower regular ongoing O&M.
Depreciation & Amortization	112	112	(0)		112	104	(8)	Due primarily to higher plant in service as a result of increased additions and lower retirements.
Taxes, Other than Income	18	18	0		18	17	(0)	
						0		
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(1)	(1)	0		(1)	1	(2)	
						0		
EBIT	233	276	(43)		233	218	15	
						0		
Interest Expense	65	65	0		65	62	(4)	
						0		
Income from Ongoing Operations before income taxes	168	211	(43)		168	157	12	
						0		
Income Tax Expense	34	42	8	Lower income taxes primarily due to lower pretax income.	34	32	(2)	
						0		
Net Income (loss) from ongoing operations	**135**	**169**	**(34)**		**135**	**125**	**10**	
Special Item - (Non Operating Income)	0	0	0		0	0	0	
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
						$ -		
Net Income (loss)	$ 135	$ 169	$ (34)		$ 135	$ 125	$ 10	
KY Regulated Financing Costs	(8)	(8)	(0)		(8)	(8)	(0)	
						-		
KY Regulated Net Income	127	$ 161	$ (34)		127	$ 117	$ 10	
						-		
Earnings Per Share - Ongoing	$ 0.16	$ 0.21	$ (0.04)		$ 0.16	$ 0.16	$ 0.00	

Note: Schedules may not sum due to rounding.

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

March 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 173	$ 181	$ (8)	Due primarily to $6 million of lower sales volumes from weather and $3 million of lower demand revenues.	$ 173	$ 169	$ 4	
Gas Margin	81	82	(1)		81	69	12	Due primarily to higher base rates and the elimination of the TCJA surcredit effective May 1, 2019.
Total Gross Margin	254	263	(9)		254	238	16	
						0		
O&M	84	83	(1)		84	85	2	
Depreciation & Amortization	46	46	0		46	43	(4)	
Taxes, Other than Income	9	9	0		9	9	0	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(1)	(1)	(0)		(1)	(0)	(1)	
						0		
EBIT	114	124	(10)		114	101	13	
						0		
Interest Expense	22	23	0		22	21	(2)	
						0		
Income from Ongoing Operations before income taxes	92	101	(9)		92	81	11	
						0		
Income Tax Expense	19	21	2		19	17	(2)	
						0		
Net Income (loss) from ongoing operations	**$ 72**	**$ 80**	**$ (7)**		**$ 72**	**$ 64**	**$ 9**	

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

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

March 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 292	$ 315	$ (22)	Due primarily to $20 million of lower sales volumes from weather and $5 million of lower demand revenues.	$ 292	$ 292	$ 1	
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	292	315	(22)		292	292	1	
						0		
O&M	91	93	2		91	96	5	Due primarily to decreased labor and burdens as a result of new worker's comp calculation methodology, the change in outage normalization from a 8 year average to 5 year, gain on the sale of a KU parking lot, and a slight increase in regular ongoing operations and maintenance.
Depreciation & Amortization	65	65	(0)		65	61	(4)	
Taxes, Other than Income	9	9	0		9	8	(0)	
Other income (expense)	(0)	(0)	0		(0)	1	(1)	
						0		
EBIT	127	148	(21)		127	127	0	
						0		
Interest Expense	28	28	0		28	26	(2)	
						0		
Income from Ongoing Operations before income taxes	100	120	(20)		100	101	(1)	
						0		
Income Tax Expense	20	24	4		20	21	1	
						0		
Net Income (loss) from ongoing operations	**$ 80**	**$ 96**	**$ (16)**		**$ 80**	**$ 80**	**$ (0)**	

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

Margins Actual vs. Budget — March 2020

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year March-20	MTD Budget March-20	Change $	Change %
Base Service Charge	$ 19	$ 19	$ 0	1%
Base Energy	67	74	$ (7)	-10%
Demand Charge	46	48	$ (2)	-5%
Retail Fuel (Net)	(0)	(0)	$ 0	-38%
DSM	(1)	0	$ (1)	-647%
ECR	16	15	$ 1	5%
Transmission	(1)	(0)	$ (1)	2339%
Purchase Power Demand	(3)	(2)	$ (0)	5%
Off-System Sales	0	0	$ (0)	-92%
Shared Solar Program	0	0	$ (0)	-34%
Other Revenue	3	3	$ 0	14%
Cost of Sales	(2)	(2)	$ 0	-14%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	0	$ (0)	-100%
	$ 145	$ 155	$ (10)	-6%

LKE Gas Margins

	MTD Current Year March-20	MTD Budget March-20	Change $	Change %
Base Service Charge	$ 8	$ 8	$ (0)	0%
Distribution Charge	10	14	$ (3)	-24%
WNA	2	-	$ 2	0%
DSM	1	0	$ 1	71513%
GSC	0	-	$ 0	0%
GLT	1	1	$ 0	6%
Other Revenue	0	0	$ (0)	-50%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 22	$ 23	$ (0)	-1%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year March-20	YTD Budget March-20	Change $	Change %
Base Service Charge	$ 56	$ 56	$ 0	1%
Base Energy	228	253	$ (25)	-10%
Demand Charge	137	145	$ (8)	-6%
Retail Fuel (Net)	0	(1)	$ 1	-164%
DSM	(0)	0	$ (1)	-202%
ECR	48	47	$ 1	3%
Transmission	(1)	1	$ (1)	-198%
Purchase Power Demand	(7)	(7)	$ 0	-4%
Off-System Sales	0	0	$ (0)	-67%
Shared Solar Program	0	0	$ 0	182%
Other Revenue	9	9	$ 1	8%
Cost of Sales	(5)	(7)	$ 1	-21%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	15	$ (15)	-100%
	$ 465	$ 511	$ (45)	-9%

LKE Gas Margins

	YTD Current Year March-20	YTD Budget March-20	Change $	Change %
Base Service Charge	$ 24	$ 24	$ (0)	0%
Distribution Charge	46	55	$ (9)	-17%
WNA	7	-	$ 7	0%
DSM	1	0	$ 1	23954%
GSC	0	-	$ 0	0%
GLT	2	2	$ 0	9%
Other Revenue	0	1	$ (0)	-17%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 81	$ 82	$ (1)	-1%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 164 of 243
Arbough

O&M			March 2020
($ Millions)			
	Actual vs. Budget - YTD		
	Actual	**Budget**	**Variance**
Chief Operating Officer			
Power Production			
All Other	$ 17.2	$ 18.1	$ 0.8
Maintenance	20.3	22.9	2.6
Outages	6.5	6.6	0.1
Power Production	**43.9**	**47.6**	**3.6**
Customer Services			
All Other	$ 24.9	$ 24.2	$ (0.7)
Bad Debt Expense	1.7	2.3	0.7
Customer Services	**26.5**	**26.5**	**(0.0)**
Electric Distribution			
All Other	$ 11.0	$ 10.9	$ (0.1)
Storm Restoration	0.8	1.6	0.8
Vegetation Mgmt	6.5	5.0	(1.6)
Electric Distribution	**18.4**	**17.5**	**(0.9)**
Transmission			
All Other	$ 5.6	$ 5.9	$ 0.3
Storm Restoration	0.1	0.1	0.0
Vegetation Mgmt	3.7	2.7	(0.9)
Transmission	**9.3**	**8.7**	**(0.6)**
Gas Distribution			
All Other	$ 13.2	$ 12.0	$ (1.2)
Line Locating			-
Inline Inspections			-
Gas Distribution	**13.2**	**12.0**	**(1.2)**
Energy Supply & Analysis	**$ 3.4**	**$ 3.5**	**$ 0.1**
Project Engineering	**$ 0.1**	**$ 0.2**	**$ 0.1**
Safety & Tech Training	**$ 1.7**	**$ 1.7**	**$ (0.0)**
Environmental	**$ 1.7**	**$ 1.8**	**$ 0.1**
Chief Operating Officer	**$ 0.1**	**$ 0.1**	**$ 0.0**
Chief Operating Officer Total	**$ 118.4**	**$ 119.7**	**$ 1.2**
Chief Financial Officer			
Treasurer	**$ 6.0**	**$ 6.3**	**$ 0.3**
Controller	**$ 2.2**	**$ 2.2**	**$ (0.1)**
Information Technology	**$ 15.4**	**$ 15.9**	**$ 0.5**
State Reg & Rates	**$ 0.5**	**$ 0.6**	**$ 0.0**
Audit Services	**$ 0.4**	**$ 0.4**	**$ 0.0**
Supply Chain	**$ 1.0**	**$ 1.1**	**$ 0.1**
Other	**$ 0.4**	**$ 0.5**	**$ 0.1**
Chief Financial Officer Total	**$ 25.9**	**$ 27.0**	**$ 1.0**
Communication	**$ 2.4**	**$ 2.8**	**$ 0.3**
Human Resources	**$ 1.8**	**$ 1.8**	**$ 0.1**
General Counsel	**$ 4.9**	**$ 3.7**	**$ (1.2)**
Corporate Cost Center	**$ 21.1**	**$ 20.5**	**$ (0.6)**
Non-Utility	**$ 8.0**	**$ 10.1**	**$ 2.0**
Grand Total	**$ 182.5**	**$ 185.5**	**$ 3.0**

Financing Activities — March 2020

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance
PCB			
Beg Bal	$ 881.1	$ 881.1	$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 5.4**	**$ 5.5**	**$ 0.1**
Rate	**2.46%**	**2.49%**	**0.03%**
FMB/Sr Nts/Loan with PPL			
Beg Bal	$ 5,160.0	$ 5,160.0	$ 0.0
End Bal	5,160.0	5,160.0	0.0
Ave Bal	**$ 5,160.0**	**$ 5,160.0**	**$ -**
Interest Exp	**$ 54.3**	**$ 54.3**	**$ 0.0**
Rate	**4.21%**	**4.21%**	**0.00%**
Short-term Debt			
Beg Bal	$ 538.3	$ 538.3	$ 0.0
End Bal	545.3	469.1	(76.1)
Ave Bal [(1)]	**$ 509.0**	**$ 488.0**	**$ (21.0)**
Interest Exp	**$ 2.9**	**$ 2.8**	**$ (0.1)**
Rate	**2.24%**	**2.28%**	**0.04%**
Unamortized Debt Expense Bonds			
Beg Bal	$ (39.3)	$ (39.3)	$ 0.0
End Bal	(38.1)	(37.9)	0.2
Ave Bal	**$ (38.7)**	**$ (38.6)**	**$ 0.1**
Total End Bal	**$ 6,548.3**	**$ 6,472.3**	**$ (76.0)**
Total Average Bal	**$ 6,511.4**	**$ 6,490.5**	**$ (20.9)**
Total Expense Excl I/C [(2)]	**$ 65.1**	**$ 65.4**	**$ 0.4**
Rate	**3.97%**	**4.01%**	**0.03%**

[(1)] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

[(2)] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[(3)]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 242		$ 133	
LG&E	500	159		341	$ 21
KU	400	144		256	-
TOTAL	$ 1,275	$ 545	$ -	$ 730	$ 21

[(3)] LG&E borrowed amount represent commercial paper issuances. KU borrowed amount represent commercial paper issuances. LKE borrowed amount includes debt with PPL.

Balance Sheet - LKE Consolidated

March 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 47	$ 15	$ 22	$ 33	Primarily due to the illiquidity in the commercial paper market, related to the COVID-19 pandemic, KU maintained larger than normal cash balances.
Accounts Receivable (Trade)	393	433	393	(40)	
Inventory	226	234	219	(8)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	52	51	27	1	
Prepayments and other current assets	78	91	78	(13)	Primarily due to lower than anticipated accounts receivable from affiliated companies, refined coal contracts and other accounts receivable, lower clearing account balance for other current assets and lower than anticipated prepayments.
Total Current Assets	796	824	740	(28)	
			0		
Property, Plant, and Equipment	13,189	13,169	12,705	20	
Intangible Assets	115	110	126	5	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	767	758	857	9	
Goodwill	997	997	997	0	
Other Long-term Assets	77	72	84	6	
Total Assets	**$ 15,942**	**$ 15,931**	**$ 15,510**	**$ 11**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 269	$ 321	$ 295	$ (53)	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	4	4	4	(0)	
Accrued Taxes	31	59	34	(27)	Decrease due to actual current tax accrued compared to budget primarily related to lower pretax book income and utilization of refundable AMT credit now allowable by CARES Act.
Regulatory Liabilities Current	16	14	40	2	
Other Current Liabilities	273	280	268	(7)	
Total Current Liabilities	657	741	704	(84)	
Debt - Affiliated Company	892	854	837	38	
Debt [1]	5,656	5,618	5,356	38	
Total Debt	6,548	6,472	6,193	76	
Deferred Tax Liabilities	1,111	1,097	999	13	
Investment Tax Credit	123	123	125	(0)	
Accum Provision for Pension & Related Benefits	184	172	259	12	
Asset Retirement Obligation	151	139	214	11	
Regulatory Liabilities Non Current	1,962	1,959	2,033	3	
Derivative Liability	24	16	17	8	
Other Liabilities	156	151	175	5	
Total Deferred Credits and Other Liabilities	3,711	3,658	3,822	53	
Equity	5,026	5,061	4,791	(34)	
Total Liabilities and Equity	**$ 15,942**	**$ 15,931**	**$ 15,510**	**$ 11**	

[1] Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E **March 2020**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 7	$ 5	$ 9	$ 2	
Accounts Receivable (Trade)	186	201	178	(15)	
Inventory	95	95	95	0	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	26	23	23	3	
Prepayments and other current assets	70	73	72	(3)	
Total Current Assets	384	396	377	(12)	
			0		
Property, Plant, and Equipment	5,860	5,861	5,632	(2)	
Intangible Assets	23	21	26	2	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	381	374	433	8	
Goodwill	0	0	0	0	
Other Long-term Assets	52	53	20	(0)	
Total Assets	**$ 6,702**	**$ 6,706**	**$ 6,489**	**$ (5)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 168	$ 195	$ 176	$ (27)	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	30	1	
Derivative Liability	4	4	4	(0)	
Accrued Taxes	35	37	14	(3)	
Regulatory Liabilities Current	1	3	10	(2)	
Other Current Liabilities	98	94	90	4	
Total Current Liabilities	337	365	324	(28)	
Debt - Affiliated Company	21	0	0	21	Due to utilization of the Money Pool with KU that was not budgeted.
Debt [(1)]	2,164	2,174	2,078	(10)	
Total Debt	2,185	2,174	2,078	11	
Deferred Tax Liabilities	702	702	644	(0)	
Investment Tax Credit	33	33	34	(0)	
Accum Provision for Pension & Related Benefits	0	(0)	10	0	
Asset Retirement Obligation	43	48	85	(6)	
Regulatory Liabilities Non Current	844	846	871	(1)	
Derivative Liability	24	16	17	8	
Other Liabilities	90	88	95	2	
Total Deferred Credits and Other Liabilities	1,737	1,734	1,755	3	
Equity	2,442	2,434	2,332	9	
Total Liabilities and Equity	**$ 6,702**	**$ 6,706**	**$ 6,489**	**$ (5)**	

[(1)] Includes all ST and LT debt.

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

Balance Sheet - KU

March 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 40	$ 5	$ 13	$ 35	Primarily due to the illiquidity in the commercial paper market, related to the COVID-19 pandemic, KU maintained larger than normal cash balances.
Accounts Receivable (Trade)	206	232	215	(27)	Primarily due to lower sales volumes from weather.
Inventory	131	140	124	(9)	Primarily due to budget inadvertently including refined coal (third party) inventory of $11M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	26	29	5	(2)	
Prepayments and other current assets	50	39	32	12	Primarily due to notes receivable from associated companies (LKE) partially offset by lower clearing account balance and other accounts receivable.
Total Current Assets	453	445	389	8	
Property, Plant, and Equipment	7,315	7,293	7,059	21	
Intangible Assets	41	38	41	3	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	384	384	419	1	
Goodwill	0	0	0	0	
Other Long-term Assets	85	91	66	(5)	
Total Assets	**$ 8,279**	**$ 8,251**	**$ 7,974**	**$ 28**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 146	$ 176	$ 165	$ (31)	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	32	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	32	41	21	(9)	
Regulatory Liabilities Current	15	11	30	4	
Other Current Liabilities	131	135	134	(5)	
Total Current Liabilities	356	396	383	(40)	
Debt - Affiliated Company	0	0	0	0	
Debt [(1)]	2,768	2,720	2,553	48	
Total Debt	2,768	2,720	2,553	48	
Deferred Tax Liabilities	801	798	754	3	
Investment Tax Credit	90	90	91	(0)	
Accum Provision for Pension & Related Benefits	0	0	1	0	
Asset Retirement Obligation	108	91	129	17	Primarily due to an increased vendor bid on Ghent Ash Treatment Basin #2.
Regulatory Liabilities Non Current	1,062	1,058	1,098	4	
Derivative Liability	0	0	0	0	
Other Liabilities	47	44	61	3	
Total Deferred Credits and Other Liabilities	2,108	2,080	2,135	28	
Equity	3,047	3,055	2,904	(8)	
Total Liabilities and Equity	**$ 8,279**	**$ 8,251**	**$ 7,974**	**$ 28**	

[(1)] Includes all ST and LT debt.

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

PPL companies

Performance Report

April 2020

Table of Contents — April 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

Kentucky Regulated Dashboard — April 2020

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	1.11	1.13	0.78	1.22	0.95	1.19
Employee lost-time incidents	0	0	2	2	8	8
DART[1]	0.00	0.38	0.35	0.52	0.46	0.52
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.17	9.34	9.08	9.26	8.50	9.15
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	2.6%	4.5%	1.4%	4.5%	N/A	4.5%
Utility EAF	79.2%	68.6%	82.7%	79.0%	N/A	84.5%
Combined SAIFI	0.05	0.08	0.22	0.24	N/A	0.94
Combined SAIDI (minutes)	7.39	7.03	20.47	22.67	N/A	87.49
Gas Emergency Response Time	27.9	34.5	32.9	34.5	N/A	34.5
GWh Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	635	604	3,291	3,603	10,151	10,393
Commercial	500	607	2,337	2,585	7,446	8,123
Industrial	575	713	2,659	2,852	8,264	8,895
Other	174	215	826	892	2,584	2,775
Retail	1,885	2,139	9,112	9,932	28,445	30,185
Municipals	24	29	114	134	391	409
Off-System Sales	5	8	41	77	212	321
Total	1,913	2,176	9,267	10,143	29,048	30,915
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			0.52%			
Commercial			-2.16%			
Industrial			-4.83%			
Other			-1.83%			
Total			-1.99%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$128	$141	$593	$652	$1,843	$1,945
Gas Margins	$16	$16	$97	$98	$219	$221
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$68	$70	$251	$255	$772	$766
O&M – GAAP View[3]	$74	$77	$279	$287	$866	$865
Capital Expenditures ($ millions)	$84	$108	$340	$358	$1,044	$1,007
Average Utility Capitalization ($ millions)	$10,207	$10,200	$10,207	$10,200	$10,621	$10,567
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,443	3,593	3,443	3,593	3,606	3,606

	YTD		Full Year	
Financial Metrics[4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	10.1%	10.7%	8.6%	9.7%
Effective Depreciation Rate [5]	3.5%	3.5%	3.5%	3.5%
Effective Interest Rate	4.1%	4.1%	3.9%	4.0%
Effective Tax Rate	17.6%	18.0%	19.1%	20.0%
Moody's CFO pre-WC / Debt				
LGE	24.8%	25.5%	21.5%	23.1%
KU	23.5%	24.0%	22.0%	23.4%
LKE Consolidated	16.9%	17.5%	15.4%	17.3%

Variance Explanations

Lower MTD adjusted gross margins due to $10 million of lower demand revenues and $2 million of lower sales volumes, primarily due to the impacts of COVID-19.

Lower YTD adjusted gross margins due to $27 million of lower sales volumes ($25 million from weather and $2 million from COVID-19), $18 million of lower demand revenues ($10 million from COVID-19 and $8 million of other), and $15 million of additional revenue budgeted in January.

(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.

Major Developments

The KPSC issued an order in the solar purchase power proceeding. The order approves the contracts between KU and Toyota and Dow, but with modifications that may not be acceptable to Toyota or Dow. The order may also place KU and LG&E at risk for cost disallowances for the remaining 25% assigned to native load customers. The Companies are considering seeking a request for clarification and/or rehearing which must be filed by the end of the May.

The KPSC issued an order establishing a procedural schedule for the ECR proceeding. Initial data responses are due May 22 with supplemental responses scheduled to be submitted on June 22. A decision in the case is expected by the end of September.

Significant Future Events

There are no significant future events to report at this time.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 172 of 243
Arbough

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

April 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 593	$ 652	$ (59)	Lower gross margins due to $27 million of lower sales volumes ($25 million from weather and $2 million from COVID-19), $18 million of lower demand revenues ($10 million from COVID-19 and $8 million of other), and $15 million of additional revenue budgeted in January.	$ 593	$ 590	$ 3	
Gas Margin	97	98	(1)		97	82	15	Due primarily to higher base rates and the elimination of the TCJA surcredit effective May 1, 2019, partially offset by lower energy and demand revenues from weather and COVID-19.
Total Gross Margin	690	750	(60)		690	672	18	
						0		
O&M	251	255	4		251	260	9	Due to decreased burdens from a change in methodology for worker's comp, change in outage normalization from an 8 year average to 5 year, gain on the sale of a KU parking lot, lower PPL charges, and lower regular ongoing O&M.
Depreciation & Amortization	149	149	0		149	139	(11)	Due primarily to higher plant in service as a result of lower retirements.
Taxes, Other than Income	24	24	0		24	23	(1)	
						0		
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(1)	(1)	0		(1)	1	(2)	
						0		
EBIT	265	320	(55)		265	252	13	
						0		
Interest Expense	87	87	0		87	83	(4)	
						0		
Income from Ongoing Operations before income taxes	178	233	(54)		178	168	10	
						0		
Income Tax Expense	34	46	12	Lower income taxes primarily due to lower pretax income.	34	34	0	
						0		
Net Income (loss) from ongoing operations	**144**	**186**	**(42)**		**144**	**134**	**10**	
Special Item - (Non Operating Income)	0	0	0		0	0	0	
Discontinued Operations	(0)	0	(0)		(0)	(0)	(0)	
Net Income (loss)	$ 144	$ 186	$ (42)		$ 144	$ - $ 134	$ 10	
KY Regulated Financing Costs	(11)	(11)	(0)		(11)	- (11)	(0)	
KY Regulated Net Income	134	$ 176	$ (42)		134	- $ 123	$ 10	
Earnings Per Share - Ongoing	$ 0.17	$ 0.23	$ (0.05)		$ 0.17	- $ 0.17	$ 0.00	

Note: Schedules may not sum due to rounding.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 173 of 243
Arbough

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

April 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 224	$ 236	$ (12)	Lower gross margins due to $6 million of lower sales volumes from weather and $7 million of lower demand revenues ($4 million from COVID-19 and $3 million of other).	$ 224	$ 221	$ 3	
Gas Margin	97	98	(1)		97	82	15	Due primarily to higher base rates and the elimination of the TCJA surcredit effective May 1, 2019, partially offset by lower energy and demand revenues from weather and COVID-19.
Total Gross Margin	321	334	(13)		321	303	18	
						0		
O&M	114	114	(0)		114	118	3	
Depreciation & Amortization	62	62	0		62	57	(5)	Due primarily to higher plant in service as a result of lower retirements.
Taxes, Other than Income	12	12	(0)		12	12	0	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(1)	(1)	0		(1)	(0)	(1)	
						0		
EBIT	132	145	(13)		132	116	15	
						0		
Interest Expense	30	30	0		30	28	(2)	
						0		
Income from Ongoing Operations before income taxes	102	115	(13)		102	88	13	
						0		
Income Tax Expense	22	25	3		22	19	(3)	
						0		
Net Income (loss) from ongoing operations	**$ 80**	**$ 90**	**$ (10)**		**$ 80**	**$ 70**	**$ 10**	

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

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

April 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 370	$ 401	$ (31)	Lower gross margins due to $21 million of lower sales volumes ($19 million from weather and $2 million from COVID-19) and $11 million of lower demand revenues ($6 million from COVID-19 and $5 million of other).	$ 370	$ 370	$ (0)	
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	370	401	(31)		370	370	(0)	
						0		
O&M	127	129	2		127	130	4	
Depreciation & Amortization	87	87	(0)		87	82	(5)	Due primarily to higher plant in service as a result of lower retirements.
Taxes, Other than Income	12	12	0		12	11	(1)	
Other income (expense)	(0)	(0)	0		(0)	1	(1)	
						0		
EBIT	144	173	(29)		144	148	(4)	
						0		
Interest Expense	37	37	0		37	35	(2)	
						0		
Income from Ongoing Operations before income taxes	107	135	(29)		107	112	(6)	
						0		
Income Tax Expense	22	28	6		22	24	2	
						0		
Net Income (loss) from ongoing operations	**$ 85**	**$ 108**	**$ (22)**		**$ 85**	**$ 89**	**$ (3)**	

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

April 2020

($ Millions)

	Forecast vs. Budget - Full Year			
	Q1 Forecast	**Budget**	**Variance**	**Comments**
Gross Margin:				
Electric Margin	$ 1,849	$ 1,945	$ (96)	Lower gross margins due to $38 million of lower sales volumes ($25 million from weather and $13 million from COVID-19), $46 million of lower demand revenues ($36 million from COVID-19 and $10 million of other), and $15 million of additional revenue budgeted in January.
Gas Margin	220	221	(1)	
Total Gross Margin	2,069	2,166	(98)	
O&M	771	766	(6)	Due primarily to bad debt exp related to potential pandemic effects; Inline insp tool dev costs moved to O&M; Title V fees.
Depreciation & Amortization	457	457	(0)	
Taxes, Other than Income	72	72	0	
Other income (expense)	(5)	(4)	(1)	
EBIT	764	868	(104)	
Interest Expense	262	263	1	
Income from Ongoing Operations before income taxes	503	605	(102)	
Income Tax Expense	98	121	24	Lower income taxes primarily due to lower pretax income.
Net Income (loss) from ongoing operations	**405**	**484**	**(79)**	
Special Item - (Non Operating Income)	0	0	0	
Discontinued Operations	(0)	0	(0)	
Net Income (loss)	$ 405	$ 484	$ (79)	
KY Regulated Financing Costs	(32)	(32)	(0)	
KY Regulated Net Income	$ 373	$ 452	$ (79)	
Earnings Per Share - Ongoing	$ 0.48	$ 0.59	$ (0.10)	

Note: Schedules may not sum due to rounding.

Margins Actual vs. Budget — April 2020

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year April-20	MTD Budget April-20	Change $	Change %
Base Service Charge	$ 19	$ 18	$ 0	1%
Base Energy	57	59	$ (2)	-4%
Demand Charge	40	50	$ (10)	-19%
Retail Fuel (Net)	1	(0)	$ 1	-398%
DSM	0	0	$ 0	91%
ECR	16	16	$ 0	1%
Transmission	(1)	(0)	$ (1)	175%
Purchase Power Demand	(3)	(2)	$ (0)	19%
Off-System Sales	0	0	$ (0)	-74%
Shared Solar Program	0	0	$ (0)	-36%
Other Revenue	1	2	$ (2)	-73%
Cost of Sales	(1)	(1)	$ 0	-1%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	0	$ (0)	-100%
	$ 128	$ 141	$ (13)	-9%

LKE Gas Margins

	MTD Current Year April-20	MTD Budget April-20	Change $	Change %
Base Service Charge	$ 8	$ 8	$ (0)	0%
Distribution Charge	7	7	$ 0	2%
WNA	0	-	$ 0	0%
DSM	0	0	$ (0)	-79%
GSC	0	-	$ 0	0%
GLT	1	1	$ 0	8%
Other Revenue	0	0	$ (0)	-89%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 16	$ 16	$ 0	1%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year April-20	YTD Budget April-20	Change $	Change %
Base Service Charge	$ 75	$ 74	$ 0	1%
Base Energy	285	312	$ (27)	-9%
Demand Charge	177	194	$ (18)	-9%
Retail Fuel (Net)	1	(1)	$ 2	-222%
DSM	(0)	1	$ (1)	-129%
ECR	64	63	$ 2	2%
Transmission	(2)	0	$ (2)	-557%
Purchase Power Demand	(10)	(10)	$ (0)	2%
Off-System Sales	0	0	$ (0)	-68%
Shared Solar Program	0	0	$ 0	128%
Other Revenue	10	11	$ (1)	-10%
Cost of Sales	(7)	(8)	$ 1	-17%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	15	$ (15)	-100%
	$ 594	$ 652	$ (59)	-9%

LKE Gas Margins

	YTD Current Year April-20	YTD Budget April-20	Change $	Change %
Base Service Charge	$ 32	$ 32	$ (0)	0%
Distribution Charge	53	62	$ (9)	-15%
WNA	7	-	$ 7	0%
DSM	1	0	$ 1	17946%
GSC	0	-	$ 0	0%
GLT	3	3	$ 0	9%
Other Revenue	0	1	$ (0)	-29%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 97	$ 98	$ (1)	-1%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 177 of 243
Arbough

O&M							April 2020
($ Millions)	Actual vs. Budget - YTD			Forecast vs. Budget - Full Year			
	Actual	Budget	Variance	Q1 Forecast	Budget	Variance	
Chief Operating Officer							
Power Production							
All Other	$ 23.4	$ 24.3	$ 0.9	$ 76.1	$ 73.1	$ (3.0)	
Maintenance	27.3	31.5	4.3	95.4	98.3	2.9	
Outages	15.2	15.6	0.4	32.5	32.6	0.1	
Power Production	**65.9**	**71.5**	**5.6**	**204.0**	**204.1**	**0.0**	
Customer Services							
All Other	$ 33.6	$ 32.6	$ (1.0)	$ 99.9	$ 99.1	$ (0.8)	
Bad Debt Expense	1.9	2.7	0.8	11.3	8.8	(2.5)	
Customer Services	**35.5**	**35.3**	**(0.2)**	**111.2**	**107.9**	**(3.3)**	
Electric Distribution							
All Other	$ 14.4	$ 14.7	$ 0.3	$ 44.3	$ 44.2	$ (0.1)	
Storm Restoration	1.4	2.3	0.9	5.7	6.5	0.8	
Vegetation Mgmt	8.8	6.6	(2.2)	25.7	25.7	0.1	
Electric Distribution	**24.6**	**23.6**	**(0.9)**	**75.7**	**76.5**	**0.8**	
Transmission							
All Other	$ 8.2	$ 8.2	$ 0.0	$ 23.7	$ 24.4	$ 0.6	
Storm Restoration	0.1	0.1	0.0	0.3	0.3	0.0	
Vegetation Mgmt	4.9	3.6	(1.2)	13.8	13.2	(0.6)	
Transmission	**13.1**	**12.0**	**(1.2)**	**37.9**	**37.9**	**0.0**	
Gas Distribution							
All Other	$ 13.0	$ 12.5	$ (0.5)	$ 37.7	$ 38.5	$ 0.8	
Line Locating	4.1	3.6	(0.5)	11.1	10.9	(0.2)	
Inline Inspections	0.4	-	(0.4)	4.9	1.3	(3.5)	
Gas Distribution	**17.5**	**16.1**	**(1.4)**	**53.7**	**50.7**	**(3.0)**	
Energy Supply & Analysis	**4.4**	**4.6**	**$ 0.1**	**$ 13.2**	**$ 13.4**	**$ 0.2**	
Project Engineering	**0.1**	**0.2**	**$ 0.1**	**$ 0.7**	**$ 0.7**	**$ 0.0**	
Safety & Tech Training	**2.3**	**2.4**	**$ 0.1**	**$ 6.7**	**$ 6.7**	**$ (0.0)**	
Environmental	**2.3**	**2.5**	**$ 0.2**	**$ 8.0**	**$ 7.3**	**$ (0.7)**	
Chief Operating Officer	**0.2**	**0.2**	**$ 0.0**	**$ 0.6**	**$ 0.6**	**$ (0.0)**	
Chief Operating Officer Total	**$ 165.9**	**$ 168.3**	**$ 2.4**	**$ 511.6**	**$ 505.7**	**$ (5.9)**	
Chief Financial Officer							
Treasurer	**$ 8.3**	**$ 8.8**	**$ 0.4**	**$ 25.9**	**$ 26.3**	**$ 0.5**	
Controller	**$ 2.9**	**$ 3.0**	**$ 0.1**	**$ 9.0**	**$ 9.0**	**$ 0.0**	
Information Technology	**$ 20.6**	**$ 21.1**	**$ 0.5**	**$ 65.3**	**$ 65.9**	**$ 0.6**	
State Reg & Rates	**$ 0.7**	**$ 0.8**	**$ 0.1**	**$ 2.3**	**$ 2.3**	**$ 0.0**	
Audit Services	**$ 0.5**	**$ 0.6**	**$ 0.1**	**$ 1.7**	**$ 1.7**	**$ (0.0)**	
Supply Chain	**$ 1.3**	**$ 1.4**	**$ 0.1**	**$ 4.0**	**$ 4.0**	**$ 0.0**	
Other	**$ 0.6**	**$ 0.7**	**$ 0.1**	**$ 2.0**	**$ 2.0**	**$ 0.0**	
Chief Financial Officer Total	**$ 34.9**	**$ 36.3**	**$ 1.4**	**$ 110.2**	**$ 111.3**	**$ 1.1**	
Communication	**$ 3.2**	**$ 3.5**	**$ 0.3**	**$ 9.8**	**$ 9.8**	**$ 0.0**	
Human Resources	**$ 2.3**	**$ 2.4**	**$ 0.2**	**$ 7.6**	**$ 7.7**	**$ 0.0**	
General Counsel	**$ 6.0**	**$ 5.0**	**$ (1.0)**	**$ 17.0**	**$ 17.0**	**$ 0.0**	
Corporate Cost Center	**$ 28.5**	**$ 27.4**	**$ (1.2)**	**$ 82.2**	**$ 81.6**	**$ (0.5)**	
Non-Utility	**$ 10.3**	**$ 12.2**	**$ 2.0**	**$ 33.1**	**$ 32.6**	**$ (0.4)**	
Grand Total	**$ 250.9**	**$ 255.1**	**$ 4.1**	**$ 771.4**	**$ 765.8**	**$ (5.6)**	

Financing Activities — April 2020

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance	Full Year Forecast	Budget	Variance
PCB						
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	**$ 881.1**	**$ 881.1**	**$ 0.0**	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 7.2**	**$ 7.3**	**$ 0.1**	**$ 20.8**	**$ 21.3**	**$ 0.5**
Rate	**2.46%**	**2.48%**	**0.03%**	**2.32%**	**2.38%**	**0.06%**
FMB/Sr Nts/Loan with PPL						
Beg Bal	$ 5,160.0	$ 5,160.0	$ 0.0	$ 5,160.0	$ 5,160.0	$ 0.0
End Bal	5,160.0	5,160.0	0.0	5,185.0	5,035.0	(150.0)
Ave Bal	**$ 5,160.0**	**$ 5,160.0**	**$ -**	**$ 5,260.0**	**$ 5,156.2**	**$ (103.8)**
Interest Exp	**$ 72.4**	**$ 72.4**	**$ 0.0**	**$ 222.4**	**$ 216.6**	**$ (5.8)**
Rate	**4.21%**	**4.21%**	**0.00%**	**4.16%**	**4.13%**	**-0.03%**
Short-term Debt						
Beg Bal	$ 538.3	$ 538.3	$ 0.0	$ 538.3	$ 538.3	$ 0.0
End Bal	577.2	531.9	(45.3)	762.3	813.2	50.9
Ave Bal [1]	**$ 525.3**	**$ 496.8**	**$ (28.5)**	**$ 588.4**	**$ 599.8**	**$ 11.3**
Interest Exp	**$ 3.9**	**$ 3.8**	**$ (0.1)**	**$ 7.5**	**$ 13.9**	**$ 6.4**
Rate	**2.19%**	**2.25%**	**0.06%**	**1.26%**	**2.28%**	**1.02%**
Unamortized Debt Expense Bonds						
Beg Bal	$ (39.3)	$ (39.3)	$ 0.0	$ (39.3)	$ (39.3)	$ 0.0
End Bal	(37.6)	(37.4)	0.2	(37.2)	(36.7)	0.5
Ave Bal	**$ (38.5)**	**$ (38.3)**	**$ 0.1**	**$ (38.3)**	**$ (37.6)**	**$ 0.7**
Total End Bal	**$ 6,580.6**	**$ 6,535.6**	**$ (45.1)**	**$ 6,791.1**	**$ 6,692.5**	**$ (98.6)**
Total Average Bal	**$ 6,527.8**	**$ 6,499.5**	**$ (28.4)**	**$ 6,691.2**	**$ 6,599.3**	**$ (91.8)**
Total Expense Excl I/C [2]	**$ 86.8**	**$ 87.2**	**$ 0.5**	**$ 261.5**	**$ 263.0**	**$ 1.5**
Rate	**3.96%**	**4.00%**	**0.04%**	**3.82%**	**3.90%**	**0.08%**

[1] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

[2] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[3]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 375	$ 253		$ 122	
LG&E	500	200		300	$ -
KU	400	124		276	-
TOTAL	$ 1,275	$ 577	$ -	$ 698	$ -

[3] 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

April 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 55	$ 15	$ 15	$ 41	Primarily due to the illiquidity in the commercial paper market, related to the COVID-19 pandemic, the utilities maintained larger than normal cash balances.
Accounts Receivable (Trade)	353	384	347	(31)	
Inventory	230	242	230	(11)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	49	56	24	(7)	
Prepayments and other current assets	78	103	82	(25)	Primarily due to lower than anticipated accounts receivable from affiliated companies, refined coal contracts and other accounts receivable and a lower clearing account balance for other current assets.
Total Current Assets	765	799	698	(34)	
			0		
Property, Plant, and Equipment	13,219	13,219	12,756	0	
Intangible Assets	114	108	125	6	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	767	755	856	12	
Goodwill	997	997	997	0	
Other Long-term Assets	79	66	87	12	Primarily due to lower than anticipated accounts receivable from affiliated companies, refined coal contracts and other accounts receivable and a lower clearing account balance for other current assets.
Total Assets	**$ 15,942**	**$ 15,945**	**$ 15,520**	**$ (3)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 245	$ 313	$ 304	$ (68)	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	4	4	4	(0)	
Accrued Taxes	41	32	28	9	
Regulatory Liabilities Current	12	11	32	2	
Other Current Liabilities	253	259	247	(7)	
Total Current Liabilities	620	683	678	(63)	
Debt - Affiliated Company	903	845	862	59	
Debt [1]	5,677	5,691	5,372	(13)	
Total Debt	6,581	6,536	6,234	45	
Deferred Tax Liabilities	1,109	1,096	999	12	
Investment Tax Credit	123	123	125	(0)	
Accum Provision for Pension & Related Benefits	185	170	260	15	
Asset Retirement Obligation	147	134	209	14	Primarily due to an increased vendor bid on Ghent Ash Treatment Basin #2.
Regulatory Liabilities Non Current	1,962	1,957	2,027	4	
Derivative Liability	25	16	16	9	
Other Liabilities	155	152	172	3	
Total Deferred Credits and Other Liabilities	3,706	3,648	3,808	58	
Equity	5,036	5,079	4,800	(43)	
Total Liabilities and Equity	**$ 15,942**	**$ 15,945**	**$ 15,520**	**$ (3)**	

[1] Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E **April 2020**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 28	$ 5	$ 6	$ 23	Primarily due to the illiquidity in the commercial paper market, related to the COVID-19 pandemic, LG&E maintained larger than normal cash balances.
Accounts Receivable (Trade)	166	175	155	(9)	
Inventory	98	96	101	2	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	24	25	21	(1)	
Prepayments and other current assets	59	73	61	(14)	Primarily due to lower than anticipated accounts receivable from affiliated companies and refined coal contracts.
Total Current Assets	374	374	344	(0)	
			0		
Property, Plant, and Equipment	5,875	5,880	5,654	(4)	
Intangible Assets	23	21	25	3	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	381	372	431	10	
Goodwill	0	0	0	0	
Other Long-term Assets	50	53	21	(3)	
Total Assets	**$ 6,705**	**$ 6,700**	**$ 6,476**	**$ 5**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 154	$ 189	$ 177	$ (35)	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	30	1	
Derivative Liability	4	4	4	(0)	
Accrued Taxes	41	18	16	23	Higher actual accrued taxes primarily due to deferred tax settlements related to CARES Act partially offset by lower pretax income.
Regulatory Liabilities Current	1	2	7	(1)	
Other Current Liabilities	84	82	77	3	
Total Current Liabilities	316	326	311	(10)	
Debt - Affiliated Company	0	0	56	0	
Debt [(1)]	2,205	2,197	2,025	8	
Total Debt	2,205	2,197	2,081	8	
Deferred Tax Liabilities	702	702	644	(0)	
Investment Tax Credit	33	33	34	(0)	
Accum Provision for Pension & Related Benefits	(3)	(0)	10	(3)	
Asset Retirement Obligation	42	47	83	(5)	
Regulatory Liabilities Non Current	845	846	867	(1)	
Derivative Liability	25	16	16	9	
Other Liabilities	89	89	93	(0)	
Total Deferred Credits and Other Liabilities	1,734	1,733	1,747	1	
Equity	2,450	2,444	2,338	6	
Total Liabilities and Equity	**$ 6,705**	**$ 6,700**	**$ 6,476**	**$ 5**	

[(1)] Includes all ST and LT debt.

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

Balance Sheet - KU

April 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 26	$ 5	$ 9	$ 21	Primarily due to the illiquidity in the commercial paper market, related to the COVID-19 pandemic, KU maintained larger than normal cash balances.
Accounts Receivable (Trade)	186	209	192	(23)	Primarily due to lower billed revenues.
Inventory	133	145	129	(13)	Primarily due to budget inadvertently including refined coal (third party) inventory of $11M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	25	31	3	(6)	
Prepayments and other current assets	33	45	92	(12)	Primarily due to lower than anticipated accounts receivable from refined coal contracts and a lower clearing account balance for other current assets.
Total Current Assets	403	436	425	(33)	
Property, Plant, and Equipment	7,330	7,325	7,088	5	
Intangible Assets	41	37	41	3	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	385	383	420	2	
Goodwill	0	0	0	0	
Other Long-term Assets	83	87	68	(4)	
Total Assets	**$ 8,241**	**$ 8,269**	**$ 8,043**	**$ (27)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 137	$ 172	$ 175	$ (35)	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	33	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	37	17	17	21	Higher actual accrued taxes primarily due to deferred tax settlements related to CARES Act partially offset by lower pretax income.
Regulatory Liabilities Current	11	9	25	2	
Other Current Liabilities	121	128	129	(7)	
Total Current Liabilities	339	358	378	(19)	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,748	2,770	2,622	(22)	
Total Debt	2,748	2,770	2,622	(22)	
Deferred Tax Liabilities	801	798	754	3	
Investment Tax Credit	89	89	91	(0)	
Accum Provision for Pension & Related Benefits	(3)	0	1	(3)	
Asset Retirement Obligation	105	87	126	19	Primarily due to an increased vendor bid on Ghent Ash Treatment Basin #2.
Regulatory Liabilities Non Current	1,062	1,057	1,098	5	
Derivative Liability	0	0	0	0	
Other Liabilities	47	43	59	3	
Total Deferred Credits and Other Liabilities	2,102	2,074	2,130	28	
Equity	3,052	3,067	2,913	(14)	
Total Liabilities and Equity	**$ 8,241**	**$ 8,269**	**$ 8,043**	**$ (27)**	

[1] Includes all ST and LT debt.

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

PPL companies

Performance Report

May 2020

Table of Contents	May 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 — May 2020

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	1.43	2.27	0.84	1.45	0.95	1.19
Employee lost-time incidents	0	1	2	3	7	8
DART[1]	1.07	0.97	0.49	0.62	0.46	0.52
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.29	9.06	9.12	9.22	8.50	9.15
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	0.9%	4.5%	1.3%	4.5%	N/A	4.5%
Utility EAF	88.5%	89.4%	83.9%	81.1%	N/A	84.5%
Combined SAIFI	0.06	0.09	0.29	0.33	N/A	0.94
Combined SAIDI (minutes)	6.92	8.63	27.41	31.30	N/A	87.49
Gas Emergency Response Time	29.5	34.5	32.4	34.5	N/A	34.5
GWh Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	745	710	4,036	4,313	10,115	10,393
Commercial	559	672	2,897	3,257	7,438	8,123
Industrial	550	777	3,209	3,630	8,174	8,895
Other	192	234	1,018	1,126	2,579	2,775
Retail	2,047	2,393	11,159	12,325	28,306	30,185
Municipals	27	33	141	167	383	409
Off-System Sales	7	30	47	107	135	321
Total	2,080	2,456	11,347	12,600	28,824	30,915
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			1.62%			
Commercial			-2.94%			
Industrial			-6.49%			
Other			-2.83%			
Total			-2.40%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$147	$153	$740	$805	$1,841	$1,945
Gas Margins	$14	$13	$111	$111	$220	$221
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$56	$62	$307	$317	$764	$766
O&M – GAAP View[3]	$63	$70	$342	$357	$857	$865
Capital Expenditures ($ millions)	$75	$93	$415	$450	$1,045	$1,007
Average Utility Capitalization ($ millions)	$10,248	$10,244	$10,248	$10,244	$10,619	$10,567
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,455	3,601	3,455	3,601	3,606	3,606

	YTD		Full Year	
Financial Metrics[4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	9.9%	10.5%	8.7%	9.7%
Effective Depreciation Rate [5]	3.5%	3.5%	3.5%	3.5%
Effective Interest Rate	4.1%	4.1%	3.9%	4.0%
Effective Tax Rate	17.9%	18.3%	19.2%	20.0%
Moody's CFO pre-WC / Debt				
LGE	25.0%	25.5%	21.4%	23.1%
KU	23.4%	23.7%	21.8%	23.4%
LKE Consolidated	16.9%	17.4%	15.5%	17.3%

Variance Explanations

Lower MTD adjusted gross margins due primarily to $2 million of lower sales volumes from weather and $4 million of lower demand revenues from COVID-19, partially offset by $1 million of favorable gas volumes.

Lower YTD adjusted gross margins due primarily to $29 million of lower sales volumes ($27 million from weather and $2 million from COVID-19), $22 million of lower demand revenues ($14 million from COVID-19 and $8 million of other), and $15 million of additional revenue budgeted in January.

Lower MTD O&M due primarily to $2 million of lower labor and supplemental contractors, $1 million timing of generation maintenance, $1 million timing of gas inline inspections and $1 million T&D vegetation management and storm restoration.

Lower YTD O&M due primarily to $4 million timing of generation maintenance, $3 million of generation labor and supplemental contractors, $2 million timing of shared service expenses, $1 million of storm restoration and $2 million of stock compensation, partially offset by $3 million timing of vegetation management and $1 million of line locating.

Major Developments

Nearly 1,300 solar panels have been installed at the Company's Solar Share site in Simpsonville, Kentucky to complete the second 500 kW section of the 4 MW array. Phase 3 of the facility is over 63 percent subscribed.

The Company recently completed its final process water treatment system (PWS) at its Brown generating station. The PWS projects totaled about $462 million. Each PWS facility was placed into service as planned in time to allow each station's coal combustion residuals impoundments to be closed as outlined in the 2016 Environmental Cost Recovery (ECR) filing. The 2016 ECR plan continues to be on target to be completed well within the originally filed estimate.

The Virginia State Corporation Commission issued an order which extended the moratorium on service disconnections for all utility customers through the end of August due to the coronavirus pandemic. The Kentucky Public Service Commission's moratorium on disconnects and late payment fees remains in place with no established end date.

Significant Future Events

A decision in the ECR case before the KPSC is expected by the end of September.

(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.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 185 of 243
Arbough

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

May 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 740	$ 805	$ (64)	Lower gross margins due to $29 million of lower sales volumes ($27 million from weather and $2 million from COVID-19), $22 million of lower demand revenues ($14 million from COVID-19 and $8 million of other), and $15 million of additional revenue budgeted in January.	$ 740	$ 747	$ (7)	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	111	111	0		111	94	17	Due primarily to higher base rates and the elimination of the TCJA surcredit effective May 1, 2019, partially offset by lower energy and demand revenues from weather and COVID-19.
Total Gross Margin	851	916	(64)		851	841	10	
						0		
O&M	307	317	10	Due primarily to generation labor/supp labor charged to capital, generation maintenance including delayed PWS commissioning and Boiler maintenance timing, PPL stock compensation, storm restoration, and shared services expenses including gain on sale of parking lot, HW/SW maintenance and insurance savings, and timing of legal matters, partially offset by COVID19 expenses, line locating, and timing of veg mgmt.	307	318	11	Due primarily to decreased burdens from a change in methodology for worker's comp, change in outage normalization from an 8 year average to 5 year, gain on the sale of a KU parking lot, lower PPL charges, lower regular ongoing O&M partially offset by COVID19 expenses.
Depreciation & Amortization	187	187	0		187	175	(12)	Due primarily to higher plant in service as a result of lower retirements and more additions.
Taxes, Other than Income	30	30	(0)		30	29	(1)	
						0		
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(1)	(2)	1		(1)	1	(3)	
						0		
EBIT	326	379	(54)		326	321	4	
						0		
Interest Expense	108	109	1		108	105	(3)	
						0		
Income from Ongoing Operations before income taxes	217	270	(53)		217	216	1	
						0		
Income Tax Expense	41	54	12	Lower income taxes primarily due to lower pretax income.	41	42	0	
						0		
Net Income (loss) from ongoing operations	**176**	**217**	**(41)**		**176**	**175**	**1**	
Special Item - (Non Operating Income)	0	0	0		0	0	(0)	
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
Net Income (loss)	$ 176	$ 217	$ (41)		$ 176	$ - $ 175	$ 1	
KY Regulated Financing Costs	(14)	(14)	0		(14)	- (14)	(0)	
KY Regulated Net Income	162	$ 203	$ (41)		162	$ - 161	$ 1	
Earnings Per Share - Ongoing	$ 0.21	$ 0.26	$ (0.05)		$ 0.21	$ - 0.22	$ (0.01)	

Note: Schedules may not sum due to rounding.

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

May 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 284	$ 299	$ (15)	Lower gross margins due to $8 million of lower sales volumes from weather and $8 million of lower demand revenues ($5 million from COVID-19 and $3 million of other).	$ 284	$ 285	$ (1)	
Gas Margin	111	111	0		111	94	17	Due primarily to higher base rates and the elimination of the TCJA surcredit effective May 1, 2019, partially offset by lower energy and demand revenues from weather and COVID-19.
Total Gross Margin	395	410	(15)		395	379	16	
						0		
O&M	140	142	2		140	145	4	
Depreciation & Amortization	77	78	0		77	71	(6)	Due primarily to higher plant in service as a result of lower retirements.
Taxes, Other than Income	15	15	(0)		15	15	(0)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(2)	(2)	0		(2)	(0)	(1)	
						0		
EBIT	161	173	(13)		161	148	12	
						0		
Interest Expense	37	38	0		37	35	(2)	
						0		
Income from Ongoing Operations before income taxes	123	135	(12)		123	113	10	
						0		
Income Tax Expense	27	30	3		27	25	(2)	
						0		
Net Income (loss) from ongoing operations	**$ 96**	**$ 106**	**$ (10)**		**$ 96**	**$ 88**	**$ 8**	

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

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

May 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 456	$ 491	$ (34)	Lower gross margins due to $21 million of lower sales volumes ($19 million from weather and $2 million from COVID-19) and $13 million of lower demand revenues ($8 million from COVID-19 and $5 million of other).	$ 456	$ 462	$ (6)	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	
Total Gross Margin	456	491	(34)		456	462	(6)	
						0		
O&M	155	160	5	Due primarily to insurance savings, delayed commissioning of process water system, lower HW/SW maintenance, and ongoing operations and maintenance offset by COVID-19 expenses and legal matters.	155	158	3	
Depreciation & Amortization	109	109	(0)		109	103	(6)	Due primarily to higher plant in service as a result of lower retirements and higher additions.
Taxes, Other than Income	15	15	0		15	14	(1)	
Other income (expense)	(0)	(0)	0		(0)	2	(2)	
						0		
EBIT	177	206	(29)		177	189	(12)	
						0		
Interest Expense	46	47	0		46	45	(2)	
						0		
Income from Ongoing Operations before income taxes	131	160	(29)		131	145	(13)	
						0		
Income Tax Expense	28	34	6	Lower income taxes primarily due to lower pretax income.	28	32	4	
						0		
Net Income (loss) from ongoing operations	**$ 104**	**$ 126**	**$ (23)**		**$ 104**	**$ 113**	**$ (9)**	

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

Margins Actual vs. Budget — May 2020

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year May-20	MTD Budget May-20	Change $	Change %
Base Service Charge	$ 19	$ 19	$ 0	1%
Base Energy	65	67	$ (2)	-3%
Demand Charge	49	52	$ (4)	-7%
Retail Fuel (Net)	0	(0)	$ 0	-152%
DSM	0	0	$ 0	98%
ECR	16	16	$ 0	0%
Transmission	(0)	(0)	$ (0)	229%
Purchase Power Demand	(2)	(2)	$ (0)	3%
Off-System Sales	0	0	$ (0)	-66%
Shared Solar Program	0	0	$ (0)	-34%
Other Revenue	2	3	$ (1)	-35%
Cost of Sales	(2)	(2)	$ 0	-17%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	0	$ (0)	-100%
	$ 147	$ 153	$ (6)	-4%

LKE Gas Margins

	MTD Current Year May-20	MTD Budget May-20	Change $	Change %
Base Service Charge	$ 8	$ 8	$ 0	0%
Distribution Charge	5	4	$ 1	25%
WNA	(0)	-	$ (0)	0%
DSM	(0)	0	$ (0)	-835%
GSC	(0)	-	$ (0)	0%
GLT	1	1	$ 0	8%
Other Revenue	0	0	$ (0)	-88%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 14	$ 13	$ 1	7%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year May-20	YTD Budget May-20	Change $	Change %
Base Service Charge	$ 94	$ 93	$ 1	1%
Base Energy	350	379	$ (29)	-8%
Demand Charge	225	247	$ (22)	-9%
Retail Fuel (Net)	1	(1)	$ 2	-208%
DSM	0	1	$ (1)	-85%
ECR	80	79	$ 2	2%
Transmission	(2)	0	$ (2)	-681%
Purchase Power Demand	(12)	(12)	$ (0)	2%
Off-System Sales	0	0	$ (0)	-67%
Shared Solar Program	0	0	$ 0	95%
Other Revenue	12	14	$ (2)	-15%
Cost of Sales	(8)	(10)	$ 2	-17%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	15	$ (15)	-100%
	$ 740	$ 805	$ (64)	-8%

LKE Gas Margins

	YTD Current Year May-20	YTD Budget May-20	Change $	Change %
Base Service Charge	$ 40	$ 40	$ (0)	0%
Distribution Charge	58	66	$ (8)	-12%
WNA	7	-	$ 7	0%
DSM	1	0	$ 1	14190%
GSC	0	-	$ 0	0%
GLT	4	4	$ 0	8%
Other Revenue	0	1	$ (0)	-37%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 111	$ 111	$ 0	0%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 189 of 243
Arbough

O&M			May 2020
($ Millions)			
	Actual vs. Budget - YTD		
	Actual	Budget	Variance
Chief Operating Officer			
Power Production			
All Other	$ 28.8	$ 30.2	$ 1.4
Maintenance	33.8	39.6	5.8
Outages	17.3	17.8	0.5
Power Production	**79.9**	**87.5**	**7.7**
Customer Services			
All Other	$ 41.1	$ 40.5	$ (0.6)
Bad Debt Expense	2.2	2.7	0.5
Customer Services	**43.3**	**43.2**	**(0.0)**
Electric Distribution			
All Other	$ 18.0	$ 18.4	$ 0.4
Storm Restoration	1.8	2.9	1.1
Vegetation Mgmt	10.7	9.3	(1.4)
Electric Distribution	**30.4**	**30.5**	**0.1**
Transmission			
All Other	$ 9.9	$ 10.1	$ 0.2
Storm Restoration	0.1	0.1	0.0
Vegetation Mgmt	6.2	4.7	(1.5)
Transmission	**16.2**	**14.9**	**(1.3)**
Gas Distribution			
All Other	$ 15.6	$ 15.6	$ (0.0)
Line Locating	5.2	4.5	(0.7)
Inline Inspections	0.5	0.7	0.2
Gas Distribution	**21.3**	**20.8**	**(0.6)**
Energy Supply & Analysis	**5.4**	**5.6**	**$ 0.2**
Project Engineering	**0.2**	**0.3**	**$ 0.1**
Safety & Tech Training	**2.7**	**2.9**	**$ 0.2**
Environmental	**2.8**	**3.0**	**$ 0.3**
Chief Operating Officer	**0.2**	**0.2**	**$ 0.0**
Chief Operating Officer Total	**$ 202.6**	**$ 209.1**	**$ 6.6**
Chief Financial Officer			
Treasurer	**$ 10.5**	**$ 10.9**	**$ 0.4**
Controller	**$ 3.5**	**$ 3.7**	**$ 0.2**
Information Technology	**$ 25.7**	**$ 26.2**	**$ 0.5**
State Reg & Rates	**$ 1.0**	**$ 1.1**	**$ 0.1**
Audit Services	**$ 0.7**	**$ 0.7**	**$ (0.0)**
Supply Chain	**$ 1.6**	**$ 1.7**	**$ 0.2**
Other	**$ 0.8**	**$ 0.9**	**$ 0.1**
Chief Financial Officer Total	**$ 43.7**	**$ 45.2**	**$ 1.5**
Communication	**$ 3.8**	**$ 4.4**	**$ 0.6**
Human Resources	**$ 2.8**	**$ 3.0**	**$ 0.2**
General Counsel	**$ 7.2**	**$ 6.4**	**$ (0.7)**
Corporate Cost Center	**$ 35.2**	**$ 34.3**	**$ (1.0)**
Non-Utility	**$ 12.0**	**$ 14.5**	**$ 2.5**
Grand Total	**$ 307.3**	**$ 317.0**	**$ 9.7**

Financing Activities — May 2020

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance
PCB			
Beg Bal	$ 881.1	$ 881.1	$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 9.0**	**$ 9.1**	**$ 0.1**
Rate	**2.45%**	**2.48%**	**0.03%**
FMB/Sr Nts/Loan with PPL			
Beg Bal	$ 5,160.0	$ 5,160.0	$ 0.0
End Bal	5,160.0	5,160.0	0.0
Ave Bal	**$ 5,160.0**	**$ 5,160.0**	**$ -**
Interest Exp	**$ 90.6**	**$ 90.6**	**$ 0.0**
Rate	**4.21%**	**4.21%**	**0.00%**
Short-term Debt			
Beg Bal	$ 538.3	$ 538.3	$ 0.0
End Bal	573.0	568.1	(4.9)
Ave Bal [1]	**$ 539.8**	**$ 508.7**	**$ (31.2)**
Interest Exp	**$ 4.7**	**$ 4.8**	**$ 0.1**
Rate	**2.05%**	**2.23%**	**0.17%**
Unamortized Debt Expense Bonds			
Beg Bal	$ (39.3)	$ (39.3)	$ 0.0
End Bal	(37.2)	(36.9)	0.3
Ave Bal	**$ (38.3)**	**$ (38.1)**	**$ 0.1**
Total End Bal	**$ 6,576.8**	**$ 6,572.2**	**$ (4.6)**
Total Average Bal	**$ 6,542.6**	**$ 6,511.6**	**$ (31.0)**
Total Expense Excl I/C [2]	**$ 108.3**	**$ 109.1**	**$ 0.8**
Rate	**3.95%**	**4.00%**	**0.05%**

[1] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
[2] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[3]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 825	$ 569		$ 256	
LG&E	500	-		500	$ 185
KU	400	4		396	133
TOTAL	$ 1,725	$ 573	$ -	$ 1,152	$ 318

[3] 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

May 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 30	$ 15	$ 10	$ 15	Primarily due to timing of cash receipts.
Accounts Receivable (Trade)	362	382	355	(20)	
Inventory	229	244	226	(14)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	52	57	25	(5)	
Prepayments and other current assets	79	101	87	(22)	Primarily due to lower than anticipated accounts receivable from affiliated companies, refined coal contracts and other accounts receivable and a lower clearing account balance for other current assets.
Total Current Assets	753	798	703	(45)	
			0		
Property, Plant, and Equipment	13,239	13,252	12,792	(14)	
Intangible Assets	112	106	124	6	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	767	752	861	15	
Goodwill	997	997	997	0	
Other Long-term Assets	79	67	78	12	Primarily due to a higher than anticipated balance in postretirement due to a favorable change in funded status at year-end 2019 due to actual earnings on investments of 24.6% versus 2020 budgeted EROA of 7.25%, as reflected in the 2019 Actuarial projections, partially offset by 41bps decrease in discount rate compared to 2020 budget of 4%.
Total Assets	**$ 15,947**	**$ 15,974**	**$ 15,555**	**$ (26)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 227	$ 305	$ 273	$ (78)	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	2	
Derivative Liability	4	4	5	(1)	
Accrued Taxes	68	48	40	20	Higher actual accrued taxes due primarily to deferred tax settlements and receipt of refundable AMT credit related to CARES Act, partially offset by lower pretax income.
Regulatory Liabilities Current	11	13	24	(2)	
Other Current Liabilities	225	223	217	2	
Total Current Liabilities	599	655	623	(56)	
Debt - Affiliated Company	1,219	858	868	361	LKE borrowed additional funds from PPL to fund the utilities through the utility money pool as this was the least cost source of funds.
Debt [1]	5,358	5,714	5,425	(356)	
Total Debt	6,577	6,572	6,292	5	
Deferred Tax Liabilities	1,107	1,095	994	12	
Investment Tax Credit	123	123	125	(0)	
Accum Provision for Pension & Related Benefits	186	169	260	17	Actual balance higher than budget due primarily to netting of prepaid post-retirement account balance with pension liability in budget, but included in other long term assets above in actuals.
Asset Retirement Obligation	144	126	204	18	Primarily due to an increased vendor bid on Ghent Ash Treatment Basin #2.
Regulatory Liabilities Non Current	1,961	1,957	2,027	4	
Derivative Liability	25	15	18	9	
Other Liabilities	159	151	172	8	
Total Deferred Credits and Other Liabilities	3,704	3,636	3,799	68	
Equity	5,067	5,110	4,841	(43)	
Total Liabilities and Equity	**$ 15,947**	**$ 15,974**	**$ 15,555**	**$ (26)**	

[1] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E **May 2020**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 7	$ 5	$ 4	$ 2	
Accounts Receivable (Trade)	167	173	160	(6)	
Inventory	102	97	96	4	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	25	23	21	2	
Prepayments and other current assets	52	72	63	(20)	Primarily due to lower than anticipated accounts receivable from associated companies and refined coal contracts.
Total Current Assets	352	371	344	(18)	
			0		
Property, Plant, and Equipment	5,884	5,897	5,671	(13)	
Intangible Assets	23	20	25	3	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	381	370	435	11	
Goodwill	0	0	0	0	
Other Long-term Assets	50	54	14	(4)	
Total Assets	**$ 6,690**	**$ 6,712**	**$ 6,489**	**$ (21)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 132	$ 189	$ 161	$ (57)	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	30	1	
Derivative Liability	4	4	5	(1)	
Accrued Taxes	49	26	25	23	Higher actual accrued taxes due primarily to deferred tax settlements related to CARES Act partially offset by lower pretax income.
Regulatory Liabilities Current	2	2	5	(0)	
Other Current Liabilities	81	74	75	6	
Total Current Liabilities	299	327	300	(28)	
Debt - Affiliated Company	185	0	12	185	LG&E borrowed funds from LKE through the utility money pool as this was the least cost source of funds.
Debt [(1)]	2,005	2,193	2,077	(188)	
Total Debt	2,190	2,193	2,089	(4)	
Deferred Tax Liabilities	702	702	644	(0)	
Investment Tax Credit	33	33	34	(0)	
Accum Provision for Pension & Related Benefits	(3)	(0)	6	(3)	
Asset Retirement Obligation	42	45	81	(4)	
Regulatory Liabilities Non Current	847	847	868	(0)	
Derivative Liability	25	15	18	9	
Other Liabilities	90	89	93	1	
Total Deferred Credits and Other Liabilities	1,735	1,732	1,744	4	
Equity	2,466	2,460	2,356	6	
Total Liabilities and Equity	**$ 6,690**	**$ 6,712**	**$ 6,489**	**$ (21)**	

[(1)] Includes all ST and LT debt.

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

Balance Sheet - KU

May 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 9	$ 5	$ 6	$ 4	
Accounts Receivable (Trade)	194	210	196	(15)	
Inventory	128	146	129	(19)	Primarily due to budget inadvertently including refined coal (third party) inventory of $11M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	27	33	4	(6)	
Prepayments and other current assets	37	45	49	(7)	
Total Current Assets	396	439	383	(43)	
Property, Plant, and Equipment	7,341	7,342	7,107	(1)	
Intangible Assets	40	37	41	4	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	385	382	423	3	
Goodwill	0	0	0	0	
Other Long-term Assets	83	88	61	(5)	
Total Assets	**$ 8,245**	**$ 8,288**	**$ 8,016**	**$ (43)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 127	$ 168	$ 150	$ (41)	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	33	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	46	26	26	20	Higher actual accrued taxes due primarily to deferred tax settlements related to CARES Act partially offset by lower pretax income.
Regulatory Liabilities Current	9	10	19	(1)	
Other Current Liabilities	101	104	105	(2)	
Total Current Liabilities	315	339	333	(24)	
Debt - Affiliated Company	133	0	0	133	KU borrowed funds from LKE through the utility money pool as this was the least cost source of funds.
Debt [(1)]	2,628	2,796	2,622	(168)	
Total Debt	2,761	2,796	2,622	(35)	
Deferred Tax Liabilities	801	798	754	3	
Investment Tax Credit	89	89	91	(0)	
Accum Provision for Pension & Related Benefits	(3)	0	(1)	(3)	
Asset Retirement Obligation	102	81	123	21	Primarily due to an increased vendor bid on Ghent Ash Treatment Basin #2.
Regulatory Liabilities Non Current	1,061	1,057	1,097	4	
Derivative Liability	0	0	0	0	
Other Liabilities	47	43	59	5	
Total Deferred Credits and Other Liabilities	2,099	2,068	2,124	31	
Equity	3,071	3,085	2,937	(14)	
Total Liabilities and Equity	**$ 8,245**	**$ 8,288**	**$ 8,016**	**$ (43)**	

[(1)] Includes all ST and LT debt.

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

PPL companies

Performance Report

June 2020

Table of Contents	June 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 — June 2020

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	1.16	1.54	0.89	1.46	0.95	1.19
Employee lost-time incidents	0	0	2	3	7	8
DART[1]	1.16	0.77	0.59	0.64	0.46	0.52
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.29	9.10	9.15	9.20	8.50	9.15
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	0.8%	4.5%	1.2%	4.5%	N/A	4.5%
Utility EAF	96.9%	93.4%	86.1%	83.1%	N/A	84.5%
Combined SAIFI	0.08	0.11	0.37	0.43	N/A	0.94
Combined SAIDI (minutes)	7.61	11.46	34.96	42.76	N/A	87.49
Gas Emergency Response Time	28.9	34.5	32.0	34.5	N/A	34.5
GWh Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	935	885	4,971	5,198	10,246	10,393
Commercial	664	719	3,561	3,976	7,373	8,123
Industrial	653	766	3,862	4,395	8,022	8,895
Other	221	239	1,239	1,365	2,549	2,775
Retail	2,473	2,609	13,632	14,934	28,189	30,185
Municipals	32	37	173	204	368	409
Off-System Sales	10	24	57	131	114	321
Total	2,515	2,670	13,862	15,269	28,671	30,915
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			1.36%			
Commercial			-3.25%			
Industrial			-6.71%			
Other			-2.97%			
Total			-2.64%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$163	$166	$903	$971	$1,849	$1,945
Gas Margins	$12	$12	$123	$123	$222	$221
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$58	$63	$365	$380	$758	$766
O&M – GAAP View[3]	$69	$71	$411	$428	$856	$865
Capital Expenditures ($ millions)	$94	$93	$509	$543	$1,036	$1,007
Average Utility Capitalization ($ millions)	$10,311	$10,289	$10,311	$10,289	$10,581	$10,567
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,444	3,606	3,444	3,606	3,606	3,606

	YTD		Full Year	
Financial Metrics[4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	9.9%	10.4%	8.9%	9.7%
Effective Depreciation Rate [5]	3.5%	3.5%	3.5%	3.5%
Effective Interest Rate	4.0%	4.1%	4.0%	4.0%
Effective Tax Rate	20.7%	21.0%	19.2%	20.0%
Moody's CFO pre-WC / Debt				
LGE	24.3%	24.6%	21.9%	23.1%
KU	20.6%	23.5%	22.2%	23.4%
LKE Consolidated	16.3%	17.0%	15.85%	17.3%

Variance Explanations

Lower YTD adjusted gross margins due primarily to $29 million of lower sales volumes ($27 million from weather and $2 million from COVID-19), $25 million of lower demand revenues ($17 million from COVID-19 and $8 million of other), $15 million of additional revenue budgeted in January and $2 million in lower late payment and reconnect fees from COVID-19.

Lower MTD O&M, primarily due to $3 million net COVID-19 reclass to special item, $3 million timing of maintenance and operation expenses, $1 million of generation labor and supplemental contractors, partially offset by $1 million of PPL charges and $1 million of pension and postretirement expenses.

Lower YTD O&M, primarily due to $8 million of maintenance and operation expenses, $4 million of generation labor and supplemental contractors, $1 million related to storm restoration costs, $1 million related to the delay of the process water system, $1 million of PPL charges and $1 million of insurance expenses, partially offset by $3 million of vegetation management expenses, $1 million of line locating control expenses and $1 million timing of outside legal services.

(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.

Major Developments

KU was named among the 2020 Most Trusted Brands list according to a residential study from Escalent, a top human behavior and analytics firm. KU was within one point of the nation-best score for the electric service category. This is especially noteworthy as the recognition highlights customers trust in our Companies during the COVID-19 pandemic.

LG&E and KU were one of only 12 companies with Interactive Voice Responses (IVRs) to receive the 2020 Gold Stethoscope Award from IVR Doctors Market and Strategies International for Top Quartile performance in Functionality, Usability, and Aesthetics. LKE has won IVR awards for eight of the past ten years.

Kent Chandler was appointed as a Commissioner to the KPSC by Governor Andy Beshear. Chandler's term will expire June 30, 2024 and his appointment is subject to confirmation by the Senate. Prior to his appointment, Chandler served as Executive Director of the KPSC, and will continue as Acting Executive Director until a replacement is named. Prior to serving as Executive Director, Chandler served as an advisor to the KPSC and an attorney in the Kentucky Attorney General's Office of Rate Intervention under then Attorney General Beshear.

Significant Future Events

A decision in the ECR case before the KPSC is expected by the end of September.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 197 of 243
Arbough

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

June 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 903	$ 971	$ (68)	Due primarily to $29 million of lower sales volumes ($27 million from weather and $2 million from COVID-19), $25 million of lower demand revenues ($17 million from COVID-19 and $8 million of other), $15 million of additional revenue budgeted in January and $2 million in lower late payment and reconnect fees from COVID-19.	$ 903	$ 908	$ (4)	
Gas Margin	123	123	0		123	106	17	Due primarily to higher base rates and the elimination of the TCJA surcredit effective May 1, 2019, partially offset by lower energy and demand revenues from weather and COVID-19.
Total Gross Margin	1,026	1,094	(68)		1,026	1,014	12	
						0		
O&M	365	380	15	Due primarily to $8 million of maintenance and operation expenses, $4 million of generation labor and supplemental contractors, $1 million related to storm restoration costs, $1 million related to the delay of the process water system, $1 million of PPL charges and $1 million of insurance expenses, partially offset by $3 million of vegetation management expenses, $1 million of line locating control expenses and $1 million timing of outside legal services.	365	376	11	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 and facility/metering contracts.
Depreciation & Amortization	225	225	1		225	211	(14)	Due primarily to higher plant in service as a result of lower retirements and more additions.
Taxes, Other than Income	34	36	2		34	34	0	
						0		
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	2	(2)	4		2	1	1	
						0		
EBIT	404	450	(46)		404	393	11	
						0		
Interest Expense	131	131	1		131	127	(3)	
						0		
Income from Ongoing Operations before income taxes	273	318	(45)		273	266	7	
						0		
Income Tax Expense	52	64	11	Lower income taxes primarily due to lower pretax income.	52	35	(17)	Recording of Kentucky recycling credit net of valuation allowance in 2019. ($25M recycling credit less $(3)M valuation allowance and $(5)M federal benefit)
						0		
Net Income (loss) from ongoing operations	**221**	**255**	**(34)**		**221**	**231**	**(10)**	
Special Item - (Non Operating Income)	(4)	0	(4)		(4)	0	(4)	
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
						$ -		
Net Income (loss)	$ 217	$ 255	$ (37)		$ 217	$ 231	$ (13)	
						-		
KY Regulated Financing Costs	(16)	(16)	0		(16)	(16)	(0)	
						-		
KY Regulated Net Income	201	$ 238	$ (37)		201	$ 214	$ (13)	
						-		
Earnings Per Share - Ongoing	$ 0.27	$ 0.31	$ (0.04)		$ 0.27	$ 0.29	$ (0.03)	

Note: Schedules may not sum due to rounding.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 198 of 243
Arbough

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

June 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 352	$ 369	$ (17)	Due primarily to $9 million of lower sales volumes ($7 million from weather and $2 million from COVID-19), $10 million of lower demand revenues ($7 million from COVID-19 and $3 million of other) and $1 million in lower late payment and reconnect fees from COVID-19.	$ 352	$ 351	$ 0	
Gas Margin	123	123	0		123	106	17	Due primarily to higher base rates and the elimination of the TCJA surcredit effective May 1, 2019, partially offset by lower energy and demand revenues from weather and COVID-19.
Total Gross Margin	474	492	(17)		474	457	17	
						0		
O&M	169	171	2		169	173	4	
Depreciation & Amortization	93	94	1		93	86	(7)	Due primarily to higher plant in service as a result of higher capex and lower retirements.
Taxes, Other than Income	18	18	0		18	18	0	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(0)	(2)	2		(0)	(1)	1	
						0		
EBIT	195	207	(12)		195	180	15	
						0		
Interest Expense	45	45	1		45	43	(2)	
						0		
Income from Ongoing Operations before income taxes	150	162	(11)		150	137	13	
						0		
Income Tax Expense	31	34	3		31	29	(2)	
						0		
Net Income (loss) from ongoing operations	**$ 119**	**$ 128**	**$ (9)**		**$ 119**	**$ 108**	**$ 11**	

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

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

June 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 551	$ 587	$ (35)	Due primarily to $20 million of lower sales volumes from weather, $15 million of lower demand revenues ($10 million from COVID-19 and $5 million of other) and $1 million in lower late payment and reconnect fees from COVID-19.	$ 551	$ 556	$ (5)	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	
Total Gross Margin	551	587	(35)		551	556	(5)	
						0		
O&M	185	192	7	Due primarily to favorability related to lower ongoing maintenance and operation expenses, generation labor and supplemental contractors, storm restoration costs, delay of the process water system, pension and postretirement expenses due to higher asset earnings offset by vegetation management expenses, and timing of outside legal services.	185	186	1	
Depreciation & Amortization	131	131	0		131	124	(7)	Due primarily to higher plant in service as a result of lower retirements and higher additions.
Taxes, Other than Income	17	18	2		17	17	(0)	
Other income (expense)	2	(0)	2		2	2	(0)	
						0		
EBIT	221	245	(25)		221	232	(11)	
						0		
Interest Expense	57	56	(1)		57	54	(2)	
						0		
Income from Ongoing Operations before income taxes	164	189	(25)		164	178	(14)	
						0		
Income Tax Expense	31	38	7	Lower income taxes primarily due to lower pretax income.	31	36	5	Lower income taxes primarily due to lower pretax income.
						0		
Net Income (loss) from ongoing operations	**$ 133**	**$ 151**	**$ (18)**		**$ 133**	**$ 142**	**$ (9)**	

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

Margins Actual vs. Budget — June 2020

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year June-20	MTD Budget June-20	Change $	Change %
Base Service Charge	$ 19	$ 18	$ 0	1%
Base Energy	80	79	$ 0	1%
Demand Charge	50	54	$ (4)	-7%
Retail Fuel (Net)	0	(0)	$ 0	-120%
DSM	0	0	$ 0	124%
ECR	16	16	$ 0	0%
Transmission	(0)	0	$ (0)	-103%
Purchase Power Demand	(2)	(2)	$ 0	-8%
Off-System Sales	0	0	$ (0)	-62%
Shared Solar Program	0	0	$ (0)	-32%
Other Revenue	2	3	$ (1)	-29%
Cost of Sales	(2)	(2)	$ 0	-14%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	0	$ (0)	-100%
	$ 163	$ 166	$ (3)	-2%

LKE Gas Margins

	MTD Current Year June-20	MTD Budget June-20	Change $	Change %
Base Service Charge	$ 8	$ 8	$ 0	0%
Distribution Charge	3	3	$ (0)	-8%
WNA	(0)	-	$ (0)	0%
DSM	0	0	$ 0	68%
GSC	0	-	$ 0	0%
GLT	1	1	$ 0	7%
Other Revenue	0	0	$ (0)	-84%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 12	$ 12	$ (0)	0%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year June-20	YTD Budget June-20	Change $	Change %
Base Service Charge	$ 112	$ 112	$ 1	1%
Base Energy	430	458	$ (29)	-6%
Demand Charge	275	301	$ (25)	-8%
Retail Fuel (Net)	1	(1)	$ 3	-193%
DSM	0	1	$ (0)	-51%
ECR	96	95	$ 2	2%
Transmission	(2)	1	$ (3)	-347%
Purchase Power Demand	(15)	(14)	$ (0)	0%
Off-System Sales	0	0	$ (0)	-66%
Shared Solar Program	0	0	$ 0	74%
Other Revenue	14	17	$ (3)	-17%
Cost of Sales	(10)	(12)	$ 2	-17%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	15	$ (15)	-100%
	$ 903	$ 971	$ (68)	-7%

LKE Gas Margins

	YTD Current Year June-20	YTD Budget June-20	Change $	Change %
Base Service Charge	$ 48	$ 48	$ (0)	0%
Distribution Charge	61	69	$ (8)	-12%
WNA	7	-	$ 7	0%
DSM	1	0	$ 1	11836%
GSC	0	-	$ 0	0%
GLT	5	5	$ 0	8%
Other Revenue	0	1	$ (0)	-42%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 123	$ 123	$ 0	0%

O&M			June 2020
($ Millions)			
	Actual vs. Budget - YTD		
	Actual	Budget	Variance
Chief Operating Officer			
Power Production			
All Other	$ 34.8	$ 36.5	$ 1.7
Maintenance	40.7	48.3	7.6
Outages	17.4	17.9	0.5
Power Production	**92.9**	**102.7**	**9.7**
Customer Services			
All Other	$ 49.5	$ 48.7	$ (0.8)
Bad Debt Expense	2.6	3.2	0.6
Customer Services	**52.1**	**52.0**	**(0.1)**
Electric Distribution			
All Other	$ 21.5	$ 22.1	$ 0.7
Storm Restoration	2.5	3.8	1.3
Vegetation Mgmt	13.0	11.9	(1.1)
Electric Distribution	**37.0**	**37.8**	**0.9**
Transmission			
All Other	$ 11.6	$ 12.1	$ 0.5
Storm Restoration	0.2	0.2	0.0
Vegetation Mgmt	8.0	6.4	(1.6)
Transmission	**19.8**	**18.7**	**(1.1)**
Gas Distribution			
All Other	$ 18.8	$ 18.7	$ (0.1)
Line Locating	6.3	5.4	(0.9)
Inline Inspections	0.9	0.7	(0.2)
Gas Distribution	**26.0**	**24.8**	**(1.2)**
Energy Supply & Analysis	**6.4**	**6.8**	**$ 0.3**
Project Engineering	**0.2**	**0.3**	**$ 0.1**
Safety & Tech Training	**3.2**	**3.6**	**$ 0.3**
Environmental	**3.3**	**3.7**	**$ 0.4**
Chief Operating Officer	**0.3**	**0.3**	**$ 0.0**
Chief Operating Officer Total	**$ 241.3**	**$ 250.5**	**$ 9.3**
Chief Financial Officer			
Treasurer	**$ 12.7**	**$ 13.1**	**$ 0.4**
Controller	**$ 4.6**	**$ 4.5**	**$ (0.1)**
Information Technology	**$ 31.4**	**$ 31.6**	**$ 0.3**
State Reg & Rates	**$ 1.2**	**$ 1.2**	**$ 0.1**
Audit Services	**$ 0.8**	**$ 0.9**	**$ 0.0**
Supply Chain	**$ 1.8**	**$ 2.1**	**$ 0.2**
Other	**$ 0.9**	**$ 1.0**	**$ 0.1**
Chief Financial Officer Total	**$ 53.4**	**$ 54.4**	**$ 1.0**
Communication	**$ 4.7**	**$ 5.3**	**$ 0.6**
Human Resources	**$ 3.4**	**$ 3.7**	**$ 0.4**
General Counsel	**$ 8.9**	**$ 8.2**	**$ (0.6)**
Corporate Cost Center	**$ 42.3**	**$ 41.2**	**$ (1.2)**
Non-Utility	**$ 11.1**	**$ 17.0**	**$ 5.9**
Grand Total	**$ 365.0**	**$ 380.3**	**$ 15.3**

Financing Activities — June 2020

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance
PCB			
Beg Bal	$ 881.1	$ 881.1	$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 10.8**	**$ 10.9**	**$ 0.2**
Rate	**2.45%**	**2.48%**	**0.04%**
FMB/Sr Nts/Loan with PPL			
Beg Bal	$ 5,160.0	$ 5,160.0	$ 0.0
End Bal	5,660.0	5,160.0	(500.0)
Ave Bal	**$ 5,231.4**	**$ 5,160.0**	**$ (71.4)**
Interest Exp	**$ 110.0**	**$ 108.7**	**$ (1.3)**
Rate	**4.20%**	**4.21%**	**0.01%**
Short-term Debt			
Beg Bal	$ 538.3	$ 538.3	$ 0.0
End Bal	251.8	662.0	410.2
Ave Bal [1]	**$ 492.5**	**$ 530.6**	**$ 38.0**
Interest Exp	**$ 5.0**	**$ 6.0**	**$ 1.0**
Rate	**2.01%**	**2.24%**	**0.23%**
Unamortized Debt Expense Bonds			
Beg Bal	$ (39.3)	$ (39.3)	$ 0.0
End Bal	(43.9)	(36.5)	7.4
Ave Bal	**$ (39.1)**	**$ (37.9)**	**$ 1.2**
Total End Bal	**$ 6,749.0**	**$ 6,666.6**	**$ (82.4)**
Total Average Bal	**$ 6,566.0**	**$ 6,533.7**	**$ (32.2)**
Total Expense Excl I/C [2]	**$ 130.7**	**$ 131.2**	**$ 0.5**
Rate	**3.96%**	**3.99%**	**0.04%**

[1] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.
[2] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[3]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 825	$ 252		$ 573	
LG&E	500	-		500	$ 190
KU	400	-		400	-
TOTAL	$ 1,725	$ 252	$ -	$ 1,473	$ 190

[3] 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 — June 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 152	$ 15	$ 32	$ 137	Primarily due to proceeds from KU's First Mortgage Bond issuance in June prior to the retirement of an outstanding First Mortgage Bond later in 2020 partially offset by funds lent to LG&E through the utility money pool.
Accounts Receivable (Trade)	389	406	382	(17)	
Inventory	227	245	228	(18)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	51	56	26	(6)	
Prepayments and other current assets	88	100	93	(12)	Primarily due to lower than anticipated accounts receivable from affiliated companies and refined coal contracts, lower prepayments, and a lower clearing account balance for other current assets.
Total Current Assets	907	822	762	85	
			0		
Property, Plant, and Equipment	13,289	13,285	12,809	5	
Intangible Assets	111	104	124	7	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	766	750	857	16	
Goodwill	997	997	997	0	
Other Long-term Assets	66	68	81	(2)	
Total Assets	**$ 16,136**	**$ 16,026**	**$ 15,630**	**$ 110**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 263	$ 310	$ 290	$ (47)	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	2	
Derivative Liability	4	4	5	(1)	
Accrued Taxes	74	39	38	35	Higher actual accrued taxes due primarily to deferred tax settlements and receipt of refundable AMT credit related to CARES Act.
Regulatory Liabilities Current	14	16	17	(2)	
Other Current Liabilities	226	241	255	(15)	
Total Current Liabilities	644	673	668	(29)	
Debt - Affiliated Company	902	952	853	(51)	
Debt [1]	5,847	5,714	5,448	133	
Total Debt	6,749	6,667	6,300	82	
Deferred Tax Liabilities	1,126	1,130	1,020	(4)	
Investment Tax Credit	122	122	124	(0)	
Accum Provision for Pension & Related Benefits	183	168	264	15	
Asset Retirement Obligation	164	118	175	46	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	1,953	1,948	2,024	5	
Derivative Liability	24	15	18	10	Primarily due to lower than budgeted interest rates.
Other Liabilities	149	147	158	2	
Total Deferred Credits and Other Liabilities	3,722	3,649	3,784	73	
Equity	5,022	5,038	4,878	(16)	
Total Liabilities and Equity	**$ 16,136**	**$ 16,026**	**$ 15,630**	**$ 110**	

[1] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E

June 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 5	$ 5	$ 9	$ (0)	
Accounts Receivable (Trade)	179	185	171	(6)	
Inventory	102	102	100	0	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	23	23	21	(0)	
Prepayments and other current assets	61	72	67	(11)	Primarily due to lower than anticipated accounts receivable from affiliated companies and refined coal contracts and a lower clearing account balance (lease).
Total Current Assets	369	386	369	(17)	
			0		
Property, Plant, and Equipment	5,908	5,917	5,671	(9)	
Intangible Assets	23	19	25	3	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	377	368	432	9	
Goodwill	0	0	0	0	
Other Long-term Assets	57	55	14	2	
Total Assets	**$ 6,735**	**$ 6,746**	**$ 6,511**	**$ (12)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 153	$ 196	$ 168	$ (43)	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	4	4	5	(1)	
Accrued Taxes	54	20	19	33	Higher actual accrued taxes due primarily to deferred tax settlements related to CARES Act.
Regulatory Liabilities Current	4	5	4	(1)	
Other Current Liabilities	74	80	86	(6)	
Total Current Liabilities	320	336	313	(16)	
Debt - Affiliated Company	190	0	0	190	LG&E borrowed funds from KU through the money pool rather than using commercial paper.
Debt [(1)]	2,005	2,208	2,100	(203)	
Total Debt	2,196	2,208	2,100	(13)	
Deferred Tax Liabilities	707	709	663	(2)	
Investment Tax Credit	33	33	34	(0)	
Accum Provision for Pension & Related Benefits	0	(0)	8	0	
Asset Retirement Obligation	49	43	63	7	
Regulatory Liabilities Non Current	844	843	864	1	
Derivative Liability	24	15	18	10	Primarily due to lower than budgeted interest rates.
Other Liabilities	91	87	89	4	
Total Deferred Credits and Other Liabilities	1,749	1,730	1,738	19	
Equity	2,470	2,473	2,360	(3)	
Total Liabilities and Equity	**$ 6,735**	**$ 6,746**	**$ 6,511**	**$ (12)**	

[(1)] Includes all ST and LT debt.

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

Balance Sheet - KU — June 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 145	$ 5	$ 23	$ 140	Primarily due to proceeds from KU's First Mortgage Bond issuance in June prior to the retirement of an outstanding First Mortgage Bond later in 2020 partially offset by funds lent to LG&E through the utility money pool.
Accounts Receivable (Trade)	209	222	210	(13)	
Inventory	125	144	128	(19)	Primarily due to budget inadvertently including refined coal (third party) inventory of $11M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	28	33	4	(5)	
Prepayments and other current assets	231	44	39	187	Primarily due to KU lending funds to LG&E through the money pool rather than placing in investment accounts partially offset by a lower clearing account balance for other current assets.
Total Current Assets	738	448	405	290	
Property, Plant, and Equipment	7,366	7,353	7,122	13	
Intangible Assets	40	36	42	4	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	387	382	422	5	
Goodwill	0	0	0	0	
Other Long-term Assets	83	90	66	(6)	
Total Assets	**$ 8,616**	**$ 8,309**	**$ 8,057**	**$ 307**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 143	$ 165	$ 162	$ (22)	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	33	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	50	19	22	31	Higher actual accrued taxes due primarily to deferred tax settlements related to CARES Act.
Regulatory Liabilities Current	10	12	13	(2)	
Other Current Liabilities	101	112	126	(11)	
Total Current Liabilities	336	339	356	(3)	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	3,117	2,782	2,622	336	Primarily due to an earlier than budgeted First Mortgage Bond issuance.
Total Debt	3,117	2,782	2,622	336	
Deferred Tax Liabilities	808	807	775	2	
Investment Tax Credit	89	89	91	(0)	
Accum Provision for Pension & Related Benefits	0	0	(0)	0	
Asset Retirement Obligation	114	75	112	39	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	1,052	1,097	3	
Derivative Liability	0	0	0	0	
Other Liabilities	48	41	50	7	
Total Deferred Credits and Other Liabilities	2,114	2,064	2,124	51	
Equity	3,048	3,124	2,954	(76)	
Total Liabilities and Equity	**$ 8,616**	**$ 8,309**	**$ 8,057**	**$ 307**	

[1] Includes all ST and LT debt.

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

PPL companies

Performance Report

July 2020

Table of Contents	July 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 — July 2020

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	1.03	0.79	0.91	1.07	0.95	1.01
Employee lost-time incidents	0	0	3	3	7	8
DART[1]	0.00	0.40	0.48	0.61	0.46	0.52
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.34	9.19	9.17	9.20	8.50	9.15
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	1.0%	4.5%	1.2%	4.5%	N/A	4.5%
Utility EAF	98.4%	93.4%	87.8%	84.6%	N/A	84.5%
Combined SAIFI	0.11	0.12	0.47	0.55	N/A	0.94
Combined SAIDI (minutes)	10.65	11.42	45.62	54.18	N/A	87.49
Gas Emergency Response Time	28.6	34.5	31.6	34.5	N/A	34.5
GWh Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	1,263	1,062	6,234	6,261	10,464	10,393
Commercial	763	767	4,324	4,743	7,438	8,123
Industrial	695	795	4,557	5,190	7,988	8,895
Other	244	250	1,482	1,615	2,563	2,775
Retail	2,965	2,874	16,597	17,809	28,453	30,185
Municipals	38	38	211	242	370	409
Off-System Sales	32	25	88	156	142	321
Total	3,035	2,937	16,897	18,206	28,964	30,915
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			1.61%			
Commercial			-4.32%			
Industrial			-7.34%			
Other			-3.19%			
Total			-3.04%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$188	$180	$1,091	$1,151	$1,864	$1,945
Gas Margins	$12	$12	$135	$134	$223	$221
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$57	$63	$422	$443	$753	$766
O&M – GAAP View[3]	$66	$72	$477	$500	$853	$865
Capital Expenditures ($ millions)	$77	$81	$586	$625	$1,089	$1,007
Average Utility Capitalization ($ millions)	$10,394	$10,333	$10,394	$10,333	$10,607	$10,567
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,457	3,606	3,457	3,606	3,606	3,606

	YTD		Full Year	
Financial Metrics[4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	9.8%	10.1%	9.1%	9.7%
Effective Depreciation Rate [5]	3.5%	3.5%	3.5%	3.5%
Effective Interest Rate	4.0%	4.1%	3.9%	4.0%
Effective Tax Rate	20.7%	21.0%	19.3%	20.0%
Moody's CFO pre-WC / Debt				
LGE	24.1%	24.5%	22.2%	23.1%
KU	19.4%	23.6%	22.7%	23.4%
LKE Consolidated	15.4%	17.1%	16.0%	17.3%

Variance Explanations

Higher MTD adjusted gross margins, primarily due to $11 million of higher sales volumes, of which $6 million was related to weather and $5 million was related to COVID-19, primarily due to higher residential usage, partially offset by $2 million of lower demand revenue from COVID-19 and $1 million of lower late payment and reconnect fees from COVID-19.

Lower YTD adjusted gross margins, primarily due to $17 million of lower sales volumes, of which $21 million was related to weather, partially offset by $4 million related to COVID-19, primarily due to higher residential usage, $27 million of lower demand revenues, of which $19 million was related to COVID-19 and $8 million of other, $3 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 of other net margin items.

Lower MTD O&M, primarily due to $2 million of labor and supplemental contractors, $2 million of labor burden and PPL allocated costs and $1 million timing of vegetation management.

Lower YTD O&M, primarily due to $5 million of timing of plant maintenance and operation expenses, $5 million of generation labor and supplemental contractors, $3 million of labor burden and PPL allocated costs, $2 million related to the delay of the process water system, $1 million related to storm restoration costs, $1 million of IT operation costs, $1 million timing of advertising costs, $1 million of insurance expenses and $1 million of lower bad debt expenses, partially offset by $2 million of vegetation management expenses and $1 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.

Major Developments

In J.D. Power's Midpoint Electric Residential Study, KU and LG&E ranked first and third, respectively, among 16 utilities in the Midwest Midsize segment. KU and LG&E earned customer satisfaction index scores of 782 and 760.

LKE received and responded to data requests from KPSC staff in our ECR proceeding questioning the continuation of our authorized 9.725% return on equity.

KPSC staff issued their report on LG&E and KU's joint 2018 integrated resource plan ("IRP"). The KPSC has scheduled a hearing in the proceeding for September 15th, and scheduled an informal conference for August 26th to discuss the scope of the hearing and to identify witnesses.

Significant Future Events

A decision in the ECR case before the KPSC is expected by the end of September.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 209 of 243
Arbough

Income Statement: Actual vs. Budget (YTD) - LKE Consolidated **July 2020**

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 1,091	$ 1,151	$ (60)	Due primarily to $17 million of lower sales volumes, of which $21 million was related to weather, partially offset by $4 million related to COVID-19, primarily due to higher residential usage, $27 million of lower demand revenues, of which $19 million was related to COVID-19 and $8 million of other, $3 million of lower late payment and reconnect fees from COVID-19, and $15 million of additional revenue budgeted in January.	$ 1,091	$ 1,097	$ (6)	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	135	134	1		135	118	17	Due primarily to higher base rates, the elimination of the TCJA surcredit effective May 1, 2019, and higher GLT rate base.
Total Gross Margin	1,226	1,285	(59)		1,226	1,214	12	
						0		
O&M	422	443	21	Due primarily to $5 million of maintenance and operation expenses, $5 million of generation labor and supplemental contractors, $3 million of labor burden costs and PPL charges, $2 million related to the delay of the process water system, $1 million related to storm restoration costs, $1 million of IT operation costs, $1 million timing of advertising costs, $1 million of insurance expenses and $1m of lower bad debt expenses, partially offset by $2 million of vegetation management expenses and $1 million of line locating expenses.	422	435	13	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 and facility/metering contracts.
Depreciation & Amortization	263	264	1		263	247	(15)	Due primarily to higher plant in service and updated depreciation rates effective 5/1/2019.
Taxes, Other than Income	41	42	1		41	40	(0)	
						0		
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	0	(3)	3		0	2	(2)	
						0		
EBIT	501	533	(32)		501	493	8	
						0		
Interest Expense	153	153	0		153	149	(4)	
						0		
Income from Ongoing Operations before income taxes	348	380	(32)		348	344	4	
						0		
Income Tax Expense	67	76	9	Lower income taxes primarily due to lower pretax income.	67	51	(16)	Primarily related to recording of Kentucky recycling credit net of valuation allowance in 2019. ($25M recycling credit less $(3)M valuation allowance and $(5)M federal benefit)
						0		
Net Income (loss) from ongoing operations	**280**	**304**	**(24)**		**280**	**293**	**(12)**	
Special Item - (Non Operating Income)	(4)	0	(4)		(4)	0	(4)	
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
						$ -		
Net Income (loss)	$ 277	$ 304	$ (27)		$ 277	$ 293	$ (16)	
KY Regulated Financing Costs	(19)	(19)	0		(19)	(19)	(0)	
						-		
KY Regulated Net Income	258	$ 285	$ (27)		258	$ 274	$ (16)	
						-		
Earnings Per Share - Ongoing	$ 0.34	$ 0.37	$ (0.03)		$ 0.34	$ 0.37	$ (0.03)	

Note: Schedules may not sum due to rounding.

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

July 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 432	$ 445	$ (14)	Due primarily to $4 million of lower sales volumes, of which $3 million was related to weather and $1 million was related to COVID-19, $11 million of lower demand revenues, of which $8 million was related to COVID-19 and $3 million of other, and $1 million of lower late payment and reconnect fees from COVID-19.	$ 432	$ 433	$ (2)	
Gas Margin	135	134	1		135	118	17	Due primarily to higher base rates, the elimination of the TCJA surcredit effective May 1, 2019, and higher GLT rate base.
Total Gross Margin	567	580	(13)		567	551	16	
						0		
O&M	196	200	3		196	199	3	
Depreciation & Amortization	109	109	1		109	101	(7)	Due primarily to higher plant in service and updated depreciation rates effective 5/1/2019.
Taxes, Other than Income	21	21	0		21	21	0	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(1)	(2)	1		(1)	(1)	(1)	
						0		
EBIT	240	247	(8)		240	229	11	
						0		
Interest Expense	52	53	1		52	50	(2)	
						0		
Income from Ongoing Operations before income taxes	188	195	(7)		188	178	9	
						0		
Income Tax Expense	40	42	2		40	39	(1)	
						0		
Net Income (loss) from ongoing operations	**$ 147**	**$ 153**	**$ (5)**		**$ 147**	**$ 139**	**$ 8**	

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

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

July 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 660	$ 690	$ (31)	Due primarily to $13 million of lower sales volumes, of which $18 million was related to weather, partially offset by $5 million related to COVID-19, primarily due to higher residential usage, $16 million of lower demand revenues, of which $11 million was related to COVID-19 and $5 million of other, and $2 million of lower late payment and reconnect fees from COVID-19.	$ 660	$ 663	$ (4)	
Gas Margin	0	0	0		0	0	0	
Total Gross Margin	660	690	(31)		660	663	(4)	
						0		
O&M	213	225	11	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.	213	216	3	
Depreciation & Amortization	153	153	0		153	145	(8)	Due primarily to higher plant in service and updated depreciation rates effective 5/1/2019.
Taxes, Other than Income	20	21	1		20	19	(0)	
Other income (expense)	1	(0)	1		1	2	(1)	
						0		
EBIT	274	291	(17)		274	285	(10)	
						0		
Interest Expense	67	65	(2)		67	64	(4)	
						0		
Income from Ongoing Operations before income taxes	207	226	(18)		207	221	(14)	
						0		
Income Tax Expense	42	47	5	Lower income taxes primarily due to lower pretax income.	42	47	5	Lower income taxes primarily due to lower pretax income.
						0		
Net Income (loss) from ongoing operations	**$ 165**	**$ 179**	**$ (13)**		**$ 165**	**$ 175**	**$ (9)**	

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

July 2020

($ Millions)

	Forecast vs. Budget - Full Year			
	Q2 Forecast	**Budget**	**Variance**	**Comments**
Gross Margin:				
Electric Margin	$ 1,849	$ 1,945	$ (96)	Due primarily to $36 million of lower sales volumes, of which $28 million relates to weather and $8 million relates to COVID-19, $41 million of lower demand revenues, of which $31 million relates to COVID-19 and $10 million of other, $6 million of lower late payment and reconnect fees from COVID-19, and $15 million of additional revenue budgeted in January.
Gas Margin	222	221	1	
Total Gross Margin	2,071	2,166	(95)	
O&M	758	766	8	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	456	457	0	
Taxes, Other than Income	70	72	2	
Other income (expense)	2	(4)	6	Due primarily to pension and postretirement expenses due to higher asset earnings.
EBIT	789	868	(79)	
Interest Expense	262	263	1	
Income from Ongoing Operations before income taxes	527	605	(78)	
Income Tax Expense	101	121	20	Lower income taxes primarily due to lower pretax income.
Net Income (loss) from ongoing operations	**426**	**484**	**(58)**	
Special Item - (Non Operating Income)	(4)	0	(4)	
Discontinued Operations	(0)	0	(0)	
Net Income (loss)	$ 423	$ 484	$ (61)	
KY Regulated Financing Costs	(32)	(32)	0	
KY Regulated Net Income	$ 391	$ 452	$ (61)	
Earnings Per Share - Ongoing	$ 0.51	$ 0.59	$ (0.08)	

Note: Schedules may not sum due to rounding.

Margins Actual vs. Budget — July 2020

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year July-20	MTD Budget July-20	Change $	Change %
Base Service Charge	$ 19	$ 19	$ 0	1%
Base Energy	102	91	$ 11	12%
Demand Charge	53	54	$ (2)	-3%
Retail Fuel (Net)	(1)	(0)	$ (0)	207%
DSM	1	0	$ 0	282%
ECR	16	16	$ (1)	-4%
Transmission	1	1	$ 0	15%
Purchase Power Demand	(2)	(2)	$ 0	-2%
Off-System Sales	0	0	$ 0	14%
Shared Solar Program	0	0	$ 0	12%
Other Revenue	2	3	$ (1)	-31%
Cost of Sales	(2)	(2)	$ 0	-4%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	0	$ (0)	-100%
	$ 188	$ 180	$ 8	4%

LKE Gas Margins

	MTD Current Year July-20	MTD Budget July-20	Change $	Change %
Base Service Charge	$ 8	$ 8	$ 0	1%
Distribution Charge	3	3	$ 0	3%
WNA	(0)	-	$ (0)	0%
DSM	0	0	$ 0	19200%
GSC	(0)	-	$ (0)	0%
GLT	1	1	$ 0	7%
Other Revenue	0	0	$ (0)	-90%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 12	$ 12	$ 0	4%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year July-20	YTD Budget July-20	Change $	Change %
Base Service Charge	$ 132	$ 131	$ 1	1%
Base Energy	532	549	$ (17)	-3%
Demand Charge	328	355	$ (27)	-8%
Retail Fuel (Net)	1	(2)	$ 2	-136%
DSM	1	1	$ (0)	-4%
ECR	112	111	$ 1	1%
Transmission	(1)	1	$ (3)	-192%
Purchase Power Demand	(17)	(17)	$ (0)	0%
Off-System Sales	0	0	$ (0)	-51%
Shared Solar Program	0	0	$ 0	65%
Other Revenue	16	20	$ (4)	-19%
Cost of Sales	(12)	(14)	$ 2	-15%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	15	$ (15)	-100%
	$ 1,091	$ 1,151	$ (60)	-5%

LKE Gas Margins

	YTD Current Year July-20	YTD Budget July-20	Change $	Change %
Base Service Charge	$ 56	$ 56	$ 0	0%
Distribution Charge	64	72	$ (8)	-12%
WNA	7	-	$ 7	0%
DSM	1	0	$ 1	12888%
GSC	0	-	$ 0	0%
GLT	6	6	$ 0	8%
Other Revenue	0	1	$ (0)	-45%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 135	$ 134	$ 1	0%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 214 of 243
Arbough

O&M							July 2020
($ Millions)							
	Actual vs. Budget - YTD			**Forecast vs. Budget - Full Year**			
	Actual	**Budget**	**Variance**	**Q2 Forecast**	**Budget**	**Variance**	
Chief Operating Officer							
Power Production							
All Other	$ 41.0	$ 42.8	$ 1.8	$ 74.5	$ 73.1	$ (1.4)	
Maintenance	47.8	56.2	8.4	93.3	98.3	5.1	
Outages	17.6	18.0	0.4	32.5	32.6	0.1	
Power Production	**106.4**	**117.0**	**10.7**	**200.2**	**204.1**	**3.8**	
Customer Services							
All Other	$ 57.1	$ 57.1	$ 0.0	$ 99.8	$ 99.1	$ (0.7)	
Bad Debt Expense	3.6	4.2	0.7	10.4	8.8	(1.6)	
Customer Services	**60.6**	**61.3**	**0.7**	**110.2**	**107.9**	**(2.4)**	
Electric Distribution							
All Other	$ 25.3	$ 26.0	$ 0.6	$ 44.1	$ 44.2	$ 0.1	
Storm Restoration	4.7	4.7	1.0	5.3	6.5	1.3	
Vegetation Mgmt	15.3	14.5	(0.8)	25.5	25.7	0.3	
Electric Distribution	**44.4**	**45.2**	**0.9**	**74.8**	**76.5**	**1.7**	
Transmission							
All Other	$ 14.0	$ 14.3	$ 0.3	$ 23.1	$ 24.4	$ 1.3	
Storm Restoration	0.2	0.2	0.0	0.3	0.3	0.0	
Vegetation Mgmt	9.2	8.1	(1.1)	13.9	13.2	(0.7)	
Transmission	**23.4**	**22.6**	**(0.7)**	**37.3**	**37.9**	**0.6**	
Gas Distribution							
All Other	$ 21.6	$ 22.0	$ 0.3	$ 37.1	$ 38.5	$ 1.3	
Line Locating	7.4	6.4	(1.0)	11.7	10.9	(0.8)	
Inline Inspections	0.9	0.7	(0.2)	4.8	1.3	(3.5)	
Gas Distribution	**29.9**	**29.0**	**(0.9)**	**53.7**	**50.7**	**(3.0)**	
Energy Supply & Analysis	**7.4**	**7.9**	**$ 0.5**	**$ 12.9**	**$ 13.4**	**$ 0.5**	
Project Engineering	**0.3**	**0.4**	**$ 0.1**	**$ 0.6**	**$ 0.7**	**$ 0.1**	
Safety & Tech Training	**3.8**	**4.2**	**$ 0.4**	**$ 6.7**	**$ 6.7**	**$ 0.0**	
Environmental	**3.8**	**4.3**	**$ 0.5**	**$ 8.0**	**$ 7.3**	**$ (0.7)**	
Chief Operating Officer	**0.3**	**0.3**	**$ 0.0**	**$ 0.6**	**$ 0.6**	**$ (0.0)**	
Chief Operating Officer Total	**$ 280.3**	**$ 292.3**	**$ 12.0**	**$ 505.1**	**$ 505.7**	**$ 0.6**	
Chief Financial Officer							
Treasurer	**$ 14.8**	**$ 15.4**	**$ 0.6**	**$ 25.8**	**$ 26.3**	**$ 0.5**	
Controller	**$ 5.2**	**$ 5.3**	**$ 0.1**	**$ 8.9**	**$ 9.0**	**$ 0.1**	
Information Technology	**$ 36.6**	**$ 37.4**	**$ 0.8**	**$ 64.6**	**$ 65.9**	**$ 1.2**	
State Reg & Rates	**$ 1.3**	**$ 1.4**	**$ 0.1**	**$ 2.2**	**$ 2.3**	**$ 0.1**	
Audit Services	**$ 1.0**	**$ 1.0**	**$ 0.1**	**$ 1.7**	**$ 1.7**	**$ (0.0)**	
Supply Chain	**$ 2.2**	**$ 2.4**	**$ 0.2**	**$ 4.0**	**$ 4.0**	**$ 0.1**	
Other	**$ 1.1**	**$ 1.2**	**$ 0.1**	**$ 2.0**	**$ 2.0**	**$ 0.0**	
Chief Financial Officer Total	**$ 62.2**	**$ 64.2**	**$ 2.0**	**$ 109.3**	**$ 111.3**	**$ 2.1**	
Communication	**$ 5.6**	**$ 6.1**	**$ 0.5**	**$ 9.7**	**$ 9.8**	**$ 0.1**	
Human Resources	**$ 3.9**	**$ 4.4**	**$ 0.5**	**$ 7.2**	**$ 7.7**	**$ 0.5**	
General Counsel	**$ 9.5**	**$ 9.3**	**$ (0.2)**	**$ 17.0**	**$ 17.0**	**$ 0.1**	
Corporate Cost Center	**$ 48.2**	**$ 48.0**	**$ (0.2)**	**$ 81.7**	**$ 81.6**	**$ (0.0)**	
Non-Utility	**$ 12.4**	**$ 19.1**	**$ 6.7**	**$ 28.0**	**$ 32.8**	**$ 4.8**	
Grand Total	**$ 422.1**	**$ 443.4**	**$ 21.3**	**$ 757.8**	**$ 765.8**	**$ 7.9**	

Financing Activities — July 2020

($ Millions)

Balance Sheet	Actual vs. Budget - YTD: Actual	Budget	Variance	Full Year: Q2 Forecast	Budget	Variance
PCB						
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	**$ 881.1**	**$ 881.1**	**$ 0.0**	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 12.5**	**$ 12.8**	**$ 0.2**	**$ 21.4**	**$ 21.3**	**$ (0.1)**
Rate	**2.44%**	**2.48%**	**0.04%**	**2.39%**	**2.38%**	**-0.01%**
FMB/Sr Nts/Loan with PPL						
Beg Bal	$ 5,160.0	$ 5,160.0	$ 0.0	$ 5,160.0	$ 5,160.0	$ 0.0
End Bal	5,660.0	5,160.0	(500.0)	5,235.0	5,035.0	(200.0)
Ave Bal	**$ 5,285.0**	**$ 5,160.0**	**$ (125.0)**	**$ 5,227.3**	**$ 5,156.2**	**$ (71.2)**
Interest Exp	**$ 129.5**	**$ 126.8**	**$ (2.7)**	**$ 222.1**	**$ 216.6**	**$ (5.4)**
Rate	**4.20%**	**4.21%**	**0.01%**	**4.18%**	**4.13%**	**-0.05%**
Short-term Debt						
Beg Bal	$ 538.3	$ 538.3	$ 0.0	$ 538.3	$ 538.3	$ 0.0
End Bal	642.5	630.7	(11.8)	700.5	813.2	112.6
Ave Bal [1]	**$ 461.9**	**$ 543.1**	**$ 81.1**	**$ 553.7**	**$ 599.8**	**$ 46.1**
Interest Exp	**$ 5.3**	**$ 7.3**	**$ 2.0**	**$ 7.7**	**$ 13.9**	**$ 6.2**
Rate	**1.96%**	**2.28%**	**0.33%**	**1.37%**	**2.28%**	**0.91%**
Unamortized Debt Expense Bonds						
Beg Bal	$ (39.3)	$ (39.3)	$ 0.0	$ (39.3)	$ (39.3)	$ 0.0
End Bal	(44.0)	(36.0)	8.0	(41.1)	(36.7)	4.3
Ave Bal	**$ (39.7)**	**$ (37.6)**	**$ 2.0**	**$ (40.5)**	**$ (37.6)**	**$ 2.9**
Total End Bal	**$ 7,139.6**	**$ 6,635.7**	**$ (503.8)**	**$ 6,775.5**	**$ 6,692.5**	**$ (83.0)**
Total Average Bal	**$ 6,588.3**	**$ 6,546.5**	**$ (41.8)**	**$ 6,621.6**	**$ 6,599.3**	**$ (22.2)**
Total Expense Excl I/C [2]	**$ 153.2**	**$ 153.4**	**$ 0.3**	**$ 261.6**	**$ 263.0**	**$ 1.4**
Rate	**3.96%**	**3.99%**	**0.03%**	**3.86%**	**3.90%**	**0.03%**

[1] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

[2] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[3]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 825	$ 238		$ 587	
LG&E	500	195		305	$ -
KU	400	210		190	-
TOTAL	$ 1,725	$ 642	$ -	$ 1,083	$ -

[3] 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

July 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 534	$ 15	$ 23	$ 519	Primarily due to proceeds from KU's First Mortgage Bond issuance in June prior to the retirement of an outstanding First Mortgage Bond later in August 2020.
Accounts Receivable (Trade)	432	437	422	(4)	
Inventory	227	246	226	(19)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	50	56	25	(6)	
Prepayments and other current assets	98	102	96	(4)	
Total Current Assets	1,342	856	793	486	
			0		
Property, Plant, and Equipment	13,312	13,306	12,834	6	
Intangible Assets	110	101	122	9	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	766	747	852	19	
Goodwill	997	997	997	0	
Other Long-term Assets	67	69	88	(2)	
Total Assets	**$ 16,596**	**$ 16,077**	**$ 15,687**	**$ 519**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 259	$ 309	$ 293	$ (50)	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	62	2	
Derivative Liability	3	4	5	(1)	
Accrued Taxes	59	60	60	(1)	
Regulatory Liabilities Current	23	18	27	5	
Other Current Liabilities	247	261	262	(13)	
Total Current Liabilities	656	715	709	(60)	
Debt - Affiliated Company	888	951	846	(63)	
Debt [1]	6,252	5,685	5,414	567	Primarily due to an earlier than budgeted First Mortgage Bond issuance.
Total Debt	7,140	6,636	6,260	504	
Deferred Tax Liabilities	1,123	1,128	1,017	(4)	
Investment Tax Credit	122	122	124	(0)	
Accum Provision for Pension & Related Benefits	185	167	264	18	Actual balance higher than budget due primarily to netting of prepaid post-retirement account balance with pension liability in budget, but included in other long term assets above in actuals and funded status adjustments and actuarial adjustments to final 2020 expense that are not forecasted.
Asset Retirement Obligation	160	110	172	49	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	1,955	1,948	2,027	6	
Derivative Liability	25	14	18	11	Primarily due to lower than budgeted interest rates.
Other Liabilities	150	148	157	2	
Total Deferred Credits and Other Liabilities	3,720	3,638	3,778	82	
Equity	5,081	5,089	4,940	(8)	
Total Liabilities and Equity	**$ 16,596**	**$ 16,077**	**$ 15,687**	**$ 519**	

[1] Includes all ST and LT debt. See Financing Activities page for details.
Note: Schedules may not sum due to rounding.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 217 of 243
Arbough

Balance Sheet - LG&E **July 2020**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 10	$ 5	$ 6	$ 5	
Accounts Receivable (Trade)	194	199	194	(5)	
Inventory	104	107	100	(3)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	22	23	21	(1)	
Prepayments and other current assets	62	72	69	(10)	Primarily due to lower than anticipated accounts receivable from affiliated companies and refined coal contracts and a lower clearing account balance (lease).
Total Current Assets	392	407	389	(15)	
			0		
Property, Plant, and Equipment	5,923	5,935	5,681	(13)	
Intangible Assets	23	19	25	4	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	377	366	426	11	
Goodwill	0	0	0	0	
Other Long-term Assets	49	56	20	(7)	
Total Assets	**$ 6,765**	**$ 6,784**	**$ 6,541**	**$ (19)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 158	$ 197	$ 164	$ (39)	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	3	4	5	(1)	
Accrued Taxes	41	32	33	9	
Regulatory Liabilities Current	9	6	10	3	
Other Current Liabilities	80	86	87	(6)	
Total Current Liabilities	323	357	329	(34)	
Debt - Affiliated Company	0	0	18	0	
Debt [(1)]	2,201	2,202	2,066	(1)	
Total Debt	2,201	2,202	2,084	(1)	
Deferred Tax Liabilities	707	709	663	(2)	
Investment Tax Credit	33	33	34	(0)	
Accum Provision for Pension & Related Benefits	(7)	(0)	7	(7)	
Asset Retirement Obligation	49	40	61	9	
Regulatory Liabilities Non Current	845	843	866	2	
Derivative Liability	25	14	18	11	Primarily due to lower than budgeted interest rates.
Other Liabilities	91	88	89	2	
Total Deferred Credits and Other Liabilities	1,743	1,728	1,738	15	
Equity	2,498	2,498	2,391	0	
Total Liabilities and Equity	**$ 6,765**	**$ 6,784**	**$ 6,541**	**$ (19)**	

[(1)] Includes all ST and LT debt.

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

Balance Sheet - KU

July 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 524	$ 5	$ 17	$ 519	Primarily due to proceeds from KU's First Mortgage Bond issuance in June prior to the retirement of an outstanding First Mortgage Bond later in August 2020.
Accounts Receivable (Trade)	238	238	229	1	
Inventory	123	139	126	(16)	Primarily due to budget inadvertently including refined coal (third party) inventory of $11M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	28	33	5	(5)	
Prepayments and other current assets	45	45	59	(0)	
Total Current Assets	959	461	435	498	
Property, Plant, and Equipment	7,374	7,357	7,138	18	
Intangible Assets	40	35	41	5	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	388	381	423	7	
Goodwill	0	0	0	0	
Other Long-term Assets	79	91	64	(12)	Primarily due a 38bps decrease in discount rate (4% in budget versus current rate of 3.62%), partially offset by a 25bps increase in EROA (7% in budget versus current assumption of 7.25%).
Total Assets	**$ 8,841**	**$ 8,325**	**$ 8,101**	**$ 516**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 136	$ 160	$ 162	$ (24)	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	0	0	0	0	
Accrued Taxes	25	30	36	(5)	
Regulatory Liabilities Current	14	12	18	2	
Other Current Liabilities	119	121	125	(2)	
Total Current Liabilities	326	355	371	(29)	
Debt - Affiliated Company	0	0	0	0	
Debt [(1)]	3,327	2,759	2,623	568	Primarily due to an earlier than budgeted First Mortgage Bond issuance.
Total Debt	3,327	2,759	2,623	568	
Deferred Tax Liabilities	808	807	775	2	
Investment Tax Credit	89	89	90	(0)	
Accum Provision for Pension & Related Benefits	(5)	0	(3)	(5)	
Asset Retirement Obligation	111	70	110	41	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	1,056	1,053	1,098	3	
Derivative Liability	0	0	0	0	
Other Liabilities	48	41	50	7	
Total Deferred Credits and Other Liabilities	2,107	2,059	2,120	48	
Equity	3,081	3,152	2,987	(71)	
Total Liabilities and Equity	**$ 8,841**	**$ 8,325**	**$ 8,101**	**$ 516**	

[(1)] Includes all ST and LT debt.

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

PPL companies

Performance Report

August 2020

Table of Contents	August 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 — August 2020

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	1.12	0.81	0.94	1.03	0.95	1.01
Employee lost-time incidents	0	0	4	3	7	8
DART[1]	1.12	0.27	0.55	0.56	0.46	0.52
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.28	9.10	9.19	9.19	8.50	9.15
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	0.7%	4.5%	1.09%	4.50%	N/A	4.5%
Utility EAF	98.1%	93.4%	89.15%	85.73%	N/A	84.5%
Combined SAIFI	0.07	0.10	0.54	0.66	N/A	0.94
Combined SAIDI (minutes)	6.25	8.91	51.91	63.09	N/A	87.49
Gas Emergency Response Time	29.9	34.5	31.4	34.5	N/A	34.5
GWh Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	998	1,020	7,232	7,281	10,439	10,393
Commercial	719	773	5,043	5,516	7,457	8,123
Industrial	724	810	5,281	6,000	7,983	8,895
Other	242	256	1,724	1,871	2,573	2,775
Retail	2,683	2,859	19,280	20,668	28,451	30,185
Municipals	36	38	247	280	370	409
Off-System Sales	20	11	108	167	160	321
Total	2,739	2,909	19,636	21,115	28,981	30,915
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			2.24%			
Commercial			-5.35%			
Industrial			-7.34%			
Other			-3.83%			
Total			-3.15%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$170	$178	$1,261	$1,329	$1,859	$1,945
Gas Margins	$12	$12	$146	$146	$222	$221
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$59	$63	$481	$506	$750	$766
O&M – GAAP View[3]	$68	$71	$544	$571	$851	$865
Capital Expenditures ($ millions)	$82	$78	$669	$703	$1,089	$1,007
Average Utility Capitalization ($ millions)	$10,433	$10,397	$10,433	$10,397	$10,609	$10,567
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,470	3,606	3,470	3,606	3,606	3,606

	YTD		Full Year	
Financial Metrics[4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	9.6%	10.0%	9.1%	9.7%
Effective Depreciation Rate [5]	3.5%	3.5%	3.5%	3.5%
Effective Interest Rate	4.0%	4.1%	3.9%	4.0%
Effective Tax Rate	20.3%	20.8%	19.4%	20.0%
Moody's CFO pre-WC / Debt				
LGE	24.2%	24.6%	21.9%	23.1%
KU	23.4%	21.5%	22.8%	23.4%
LKE Consolidated	16.6%	16.4%	15.9%	17.3%

Variance Explanations

Lower MTD adjusted gross margins, primarily due to $3 million of lower sales volumes, of which $5 million was related to weather, partially offset by $2 million related to COVID-19, primarily due to higher residential usage, $3 million of lower demand revenues from COVID-19, and 1 million of lower late payment and reconnect fees from COVID-19.

Lower YTD adjusted gross margins, primarily due to $20 million of lower sales volumes, of which $26 million was related to weather, partially offset by $6 million related to COVID-19, primarily due to higher residential usage, $30 million of lower demand revenues, of which $22 million was related to COVID-19 and $8 million of other, $5 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 of other net margin items.

Lower YTD O&M primarily due to $8 million of timing of plant maintenance and operating expenses, $5 million of generation labor and supplemental contractors, $3 million of labor burden and PPL allocated costs, $2 million related to the delay of process water system costs, $2 million of lower bad debt expense, and $3 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.

Major Developments

As of September 1, 2020, Project Engineering and their contractors have gone one year and surpassed 1,000,000 hours worked in the field with zero Recordables. Project Engineering's projects include large power plant demolition projects at five different retired generation stations, CCR impoundment closures throughout Kentucky, and water treatment projects at Ghent, Mill Creek, Trimble County and E.W. Brown.

The Company deployed over 200 resources to assist with storm restoration efforts in the aftermath of Hurricane Laura.

Site Selection magazine released its "Top 20 Utilities" in the U.S. edition, and for the eighth time since 2010 LG&E-KU received this honor. LG&E-KU was the only Kentucky-based utility included in the list. The magazine highlights several economic development topics.

LG&E and KU's "empowering possibilities" branding campaign has won 1st place in the E Source national advertising awards in the brand category. There were approximately 50 other utilities competing in this category and around 130 total campaigns submitted to the awards as a whole. The campaign is most recognized by the TV commercial "This little light of mine" which was later converted into an employee-sung rendition. Extensions of the campaign aim to empower customers with safety and savings, empower businesses with low rates and opportunities, empower communities through diversity and inclusion, and empower employees with career opportunities.

An informal conference in the solar PPA case was held recently during which the Company presented alternatives for how to address the KPSC's review of the economics of the PPA and cost recovery. The Company's proposed methodology was designed to address all expressed KPSC concerns with any cumulative incremental cost (under the limited scenarios presented by the Company where that might occur) to be addressed at the end of the 20-year PPA term. The Companies are filing testimony on September 18th in support of the proposed methodology discussed at the informal conference. After the filing the KPSC will either schedule a formal conference or reestablish the procedural schedule.

A hearing was held in the ECR case and there were a number of questions regarding the appropriate ROE and the least cost analysis. The Company also received a few post hearing data requests. The final order is expected by September 30.

Significant Future Events

The Company will submit a notice of intent to the KPSC on or around October 23 regarding the filing of its 2020 rate case.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 222 of 243
Arbough

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

August 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 1,261	$ 1,329	$ (68)	Due primarily to $20 million of lower sales volumes, of which $26 million was related to weather, partially offset by $6 million related to COVID-19, primarily due to higher residential usage, $30 million of lower demand revenues, of which $22 million was related to COVID-19 and $8 million of other, $5 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 of other net margin items.	$ 1,261	$ 1,279	$ (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	146	146	0		146	129	18	Due primarily to higher base rates, the elimination of the TCJA surcredit effective May 1, 2019, and higher GLT rate base.
Total Gross Margin	1,408	1,475	(67)		1,408	1,407	0	
						0		
O&M	481	506	25	Due primarily to $8 million of timing of plant maintenance and operating expenses, $5 million of generation labor and supplemental contractors, $3 million of labor burden and PPL allocated costs, $2 million related to the delay of process water system costs, $2 million of lower bad debt expense, and $3 million of other that individually were not significant compared to budget.	481	496	15	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 and facility/metering contracts.
Depreciation & Amortization	300	302	2		300	284	(16)	Due primarily to higher plant in service and updated depreciation rates effective 5/1/2019.
Taxes, Other than Income	47	48	1		47	46	(1)	
						0		
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	3	(3)	6	Due primarily to timing of recording $6 million in YTD favorability per actuarial disclosures for pension non-service costs.	3	1	2	
						0		
EBIT	583	616	(33)		583	583	(0)	
						0		
Interest Expense	175	176	1		175	171	(4)	
						0		
Income from Ongoing Operations before income taxes	408	440	(32)		408	412	(4)	
						0		
Income Tax Expense	78	88	9	Lower income taxes primarily due to lower pretax income.	78	66	(13)	Primarily related to recording of Kentucky recycling credit net of valuation allowance in 2019. ($25M recycling credit less $(3)M valuation allowance and $(5)M federal benefit)
						0		
Net Income (loss) from ongoing operations	**330**	**353**	**(23)**		**330**	**347**	**(17)**	
Special Item - (Non Operating Income)	(4)	0	(4)		(4)	0	(4)	
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
Net Income (loss)	$ 326	$ 353	$ (27)		$ 326	$ - $ 347	$ (21)	
KY Regulated Financing Costs	(22)	(22)	(1)		(22)	- (22)	(1)	
KY Regulated Net Income	303	$ 331	$ (28)		303	- $ 325	$ (22)	
Earnings Per Share - Ongoing	$ 0.40	$ 0.43	$ (0.03)		$ 0.40	- $ 0.44	$ (0.04)	

Note: Schedules may not sum due to rounding.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 223 of 243
Arbough

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

August 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 502	$ 521	$ (19)	Due primarily to $7 million of lower sales volumes, of which $6 million was related to weather and $1 million was related to COVID-19, $13 million of lower demand revenues, of which $10 million was related to COVID-19 and $3 million of other, and $2 million of lower late payment and reconnect fees from COVID-19, partially offset by $3 million of other net margin items.	$ 502	$ 511	$ (8)	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	146	146	0		146	129	18	Due primarily to higher base rates, the elimination of the TCJA surcredit effective May 1, 2019, and higher GLT rate base.
Total Gross Margin	649	667	(18)		649	639	10	
						0		
O&M	223	229	5	Primarily due to favorability related to maintenance and operation expenses, generation labor and supplemental contractors, partially offset by expenses related to line locating.	223	228	4	
Depreciation & Amortization	124	125	1		124	117	(8)	Due primarily to higher plant in service and updated depreciation rates effective 5/1/2019.
Taxes, Other than Income	24	24	(0)		24	24	(0)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(0)	(3)	3		(0)	(1)	1	
						0		
EBIT	277	286	(9)		277	270	7	
						0		
Interest Expense	59	60	1		59	58	(2)	
						0		
Income from Ongoing Operations before income taxes	218	226	(8)		218	212	6	
						0		
Income Tax Expense	47	50	3		47	48	1	
						0		
Net Income (loss) from ongoing operations	**$ 171**	**$ 176**	**$ (6)**		**$ 171**	**$ 164**	**$ 6**	

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

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

August 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 759	$ 793	$ (34)	Due primarily to $13 million of lower sales volumes, of which $20 million was related to weather, partially offset by $7 million related to COVID-19, primarily due to higher residential usage, $17 million of lower demand revenues, of which $12 million was related to COVID-19 and $5 million of other, and $3 million of lower late payment and reconnect fees from COVID-19.	$ 759	$ 768	$ (9)	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	
Total Gross Margin	759	793	(34)		759	768	(9)	
						0		
O&M	243	256	13	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.	243	246	3	
Depreciation & Amortization	175	176	1		175	167	(8)	Due primarily to higher plant in service and updated depreciation rates effective 5/1/2019.
Taxes, Other than Income	23	24	1		23	22	(1)	
Other income (expense)	2	(0)	2		2	2	(0)	
						0		
EBIT	320	337	(17)		320	336	(15)	
						0		
Interest Expense	76	75	(1)		76	73	(4)	
						0		
Income from Ongoing Operations before income taxes	244	262	(18)		244	263	(19)	
						0		
Income Tax Expense	51	56	4		51	57	6	Lower income taxes primarily due to lower pretax income.
						0		
Net Income (loss) from ongoing operations	**$ 192**	**$ 206**	**$ (14)**		**$ 192**	**$ 206**	**$ (13)**	

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

Margins Actual vs. Budget — August 2020

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year August-20	MTD Budget August-20	Change $	Change %
Base Service Charge	$ 19	$ 19	$ 0	1%
Base Energy	86	89	$ (3)	-3%
Demand Charge	52	55	$ (3)	-6%
Retail Fuel (Net)	(1)	(0)	$ (0)	211%
DSM	0	0	$ 0	208%
ECR	16	16	$ (0)	-3%
Transmission	(0)	0	$ (1)	-112%
Purchase Power Demand	(3)	(2)	$ (0)	10%
Off-System Sales	0	0	$ 0	125%
Shared Solar Program	0	0	$ 0	9%
Other Revenue	2	3	$ (1)	-40%
Cost of Sales	(2)	(2)	$ 0	-10%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	0	$ (0)	-100%
	$ 170	$ 178	$ (8)	-5%

LKE Gas Margins

	MTD Current Year August-20	MTD Budget August-20	Change $	Change %
Base Service Charge	$ 8	$ 8	$ 0	1%
Distribution Charge	3	3	$ 0	6%
WNA	(0)	-	$ (0)	0%
DSM	0	0	$ 0	100%
GSC	0	-	$ 0	0%
GLT	1	1	$ (0)	-36%
Other Revenue	0	0	$ (0)	-94%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 12	$ 12	$ (0)	-2%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year August-20	YTD Budget August-20	Change $	Change %
Base Service Charge	$ 151	$ 150	$ 1	1%
Base Energy	618	638	$ (20)	-3%
Demand Charge	380	410	$ (30)	-7%
Retail Fuel (Net)	(0)	(2)	$ 2	-92%
DSM	1	1	$ 0	22%
ECR	128	128	$ 0	0%
Transmission	(1)	2	$ (3)	-171%
Purchase Power Demand	(19)	(19)	$ (0)	1%
Off-System Sales	0	0	$ (0)	-40%
Shared Solar Program	0	0	$ 0	58%
Other Revenue	18	23	$ (5)	-22%
Cost of Sales	(14)	(16)	$ 2	-14%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	15	$ (15)	-100%
	$ 1,261	$ 1,329	$ (68)	-5%

LKE Gas Margins

	YTD Current Year August-20	YTD Budget August-20	Change $	Change %
Base Service Charge	$ 64	$ 64	$ 0	0%
Distribution Charge	66	75	$ (8)	-11%
WNA	7	-	$ 7	0%
DSM	1	0	$ 1	11289%
GSC	0	-	$ 0	0%
GLT	7	7	$ 0	1%
Other Revenue	0	1	$ (0)	-49%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 146	$ 146	$ 0	0%

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 226 of 243
Arbough

O&M	August 2020		
($ Millions)			
	Actual vs. Budget - YTD		
	Actual	Budget	Variance
Chief Operating Officer			
Power Production			
All Other	$ 46.8	$ 49.0	$ 2.3
Maintenance	55.8	64.0	8.1
Outages	17.8	18.2	0.4
Power Production	**120.4**	**131.2**	**10.8**
Customer Services			
All Other	$ 64.8	$ 65.5	$ 0.7
Bad Debt Expense	4.0	5.7	1.7
Customer Services	**68.8**	**71.2**	**2.3**
Electric Distribution			
All Other	$ 29.0	$ 29.7	$ 0.8
Storm Restoration	4.3	5.2	0.8
Vegetation Mgmt	17.3	17.2	(0.1)
Electric Distribution	**50.6**	**52.1**	**1.4**
Transmission			
All Other	$ 15.9	$ 16.5	$ 0.6
Storm Restoration	0.3	0.3	(0.0)
Vegetation Mgmt	10.2	9.3	(0.9)
Transmission	**26.3**	**26.0**	**(0.3)**
Gas Distribution			
All Other	$ 25.0	$ 25.5	$ 0.5
Line Locating	8.3	7.3	(1.0)
Inline Inspections	1.2	1.2	0.0
Gas Distribution	**34.4**	**33.9**	**(0.5)**
Energy Supply & Analysis	**8.4**	**9.0**	**$ 0.6**
Project Engineering	**0.3**	**0.5**	**$ 0.2**
Safety & Tech Training	**4.3**	**4.7**	**$ 0.4**
Environmental	**4.6**	**4.9**	**$ 0.2**
Chief Operating Officer	**0.4**	**0.4**	**$ 0.0**
Chief Operating Officer Total	**$ 318.7**	**$ 333.8**	**$ 15.1**
Chief Financial Officer			
Treasurer	**$ 16.9**	**$ 17.6**	**$ 0.6**
Controller	**$ 5.8**	**$ 6.0**	**$ 0.2**
Information Technology	**$ 41.9**	**$ 43.0**	**$ 1.2**
State Reg & Rates	**$ 1.5**	**$ 1.6**	**$ 0.1**
Audit Services	**$ 1.1**	**$ 1.2**	**$ 0.1**
Supply Chain	**$ 2.5**	**$ 2.7**	**$ 0.2**
Other	**$ 1.2**	**$ 1.4**	**$ 0.2**
Chief Financial Officer Total	**$ 70.9**	**$ 73.5**	**$ 2.6**
Communication	**$ 6.4**	**$ 6.8**	**$ 0.4**
Human Resources	**$ 4.5**	**$ 5.0**	**$ 0.6**
General Counsel	**$ 11.2**	**$ 10.8**	**$ (0.4)**
Corporate Cost Center	**$ 55.2**	**$ 54.8**	**$ (0.4)**
Non-Utility	**$ 14.2**	**$ 21.3**	**$ 7.1**
Grand Total	**$ 481.0**	**$ 506.0**	**$ 25.1**

Financing Activities — August 2020

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance
PCB			
Beg Bal	$ 881.1	$ 881.1	$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 14.3**	**$ 14.6**	**$ 0.3**
Rate	**2.44%**	**2.48%**	**0.05%**
FMB/Sr Nts/Loan with PPL			
Beg Bal	$ 5,160.0	$ 5,160.0	$ 0.0
End Bal	5,235.0	5,560.0	325.0
Ave Bal	**$ 5,279.4**	**$ 5,204.4**	**$ (75.0)**
Interest Exp	**$ 147.9**	**$ 145.5**	**$ (2.4)**
Rate	**4.20%**	**4.19%**	**-0.01%**
Short-term Debt			
Beg Bal	$ 538.3	$ 538.3	$ 0.0
End Bal	506.3	481.3	(25.0)
Ave Bal [1]	**$ 472.2**	**$ 536.2**	**$ 64.0**
Interest Exp	**$ 5.8**	**$ 8.5**	**$ 2.8**
Rate	**1.80%**	**2.35%**	**0.55%**
Unamortized Debt Expense Bonds			
Beg Bal	$ (39.3)	$ (39.3)	$ 0.0
End Bal	(43.8)	(38.6)	5.3
Ave Bal	**$ (40.1)**	**$ (37.7)**	**$ 2.4**
Total End Bal	**$ 6,578.5**	**$ 6,883.8**	**$ 305.3**
Total Average Bal	**$ 6,592.6**	**$ 6,584.0**	**$ (8.6)**
Total Expense Excl I/C [2]	**$ 174.6**	**$ 176.1**	**$ 1.4**
Rate	**3.95%**	**3.99%**	**0.04%**

[1] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

[2] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[3]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 825	$ 219		$ 606	
LG&E	500	180		320	$ -
KU	400	107		293	-
TOTAL	$ 1,725	$ 506	$ -	$ 1,219	$ -

[3] 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

August 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 23	$ 321	$ 21	$ (298)	Budget was based on the refinancing assumption of KU's first mortgage issuance, which was completed earlier in the year.
Accounts Receivable (Trade)	426	442	416	(16)	
Inventory	228	248	232	(20)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	51	56	25	(5)	
Prepayments and other current assets	95	99	95	(4)	
Total Current Assets	824	1,167	789	(342)	
			0		
Property, Plant, and Equipment	13,330	13,325	12,865	5	
Intangible Assets	108	99	120	9	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	756	744	857	12	
Goodwill	997	997	997	0	
Other Long-term Assets	69	70	89	(1)	
Total Assets	**$ 16,086**	**$ 16,403**	**$ 15,717**	**$ (317)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 271	$ 309	$ 289	$ (38)	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	63	62	62	1	
Derivative Liability	3	4	5	(2)	
Accrued Taxes	80	81	81	(1)	
Regulatory Liabilities Current	23	18	33	5	
Other Current Liabilities	244	280	291	(36)	Primarily due to reclass of ARO liability balance from current to non-current, decrease in credit cash adjustment due to timing of last business day payments compared to December 2019, decrease in accrued interest due to early payoff of KU FMB and LKE Sr Note, and decrease in customer advances balance related to transmission project. ARO, credit cash and customer advances budget balances assumed a static balance as of December 2019, when the budget was finalized.
Total Current Liabilities	684	756	761	(72)	
Debt - Affiliated Company	1,419	951	849	469	Primarily due to an earlier and higher than budgeted long term intercompany issuance with PPL.
Debt [1]	5,159	5,933	5,339	(774)	Primarily due to timing and amount of the KU First Mortgage Bond issuance and maturity and earlier than budgeted maturity of the LKE Senior Note.
Total Debt	6,578	6,884	6,188	(305)	
Deferred Tax Liabilities	1,120	1,125	1,015	(4)	
Investment Tax Credit	122	122	124	(0)	
Accum Provision for Pension & Related Benefits	179	166	264	13	
Asset Retirement Obligation	148	104	166	45	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	1,948	1,948	2,027	(0)	
Derivative Liability	24	14	22	10	Primarily due to lower than budgeted interest rates.
Other Liabilities	151	147	157	4	
Total Deferred Credits and Other Liabilities	3,692	3,625	3,774	66	
Equity	5,131	5,138	4,993	(7)	
Total Liabilities and Equity	**$ 16,086**	**$ 16,403**	**$ 15,717**	**$ (317)**	

[1] Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E

August 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 11	$ 5	$ 7	$ 6	
Accounts Receivable (Trade)	187	201	188	(13)	
Inventory	108	113	110	(4)	
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	22	23	20	(1)	
Prepayments and other current assets	63	71	73	(8)	
Total Current Assets	391	412	398	(21)	
			0		
Property, Plant, and Equipment	5,936	5,953	5,698	(17)	
Intangible Assets	22	18	24	4	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	368	364	429	4	
Goodwill	0	0	0	0	
Other Long-term Assets	61	58	20	3	
Total Assets	**$ 6,779**	**$ 6,805**	**$ 6,570**	**$ (26)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 154	$ 197	$ 170	$ (43)	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	3	4	5	(2)	
Accrued Taxes	51	43	43	9	
Regulatory Liabilities Current	8	6	12	2	
Other Current Liabilities	82	92	99	(10)	Primarily due to reclass of ARO liability balance from current to non-current and a decrease in credit cash adjustment due to timing of last business day payments compared to December 2019. Budget balances assumed a static balance as of December 2019, when the budget was finalized.
Total Current Liabilities	330	373	360	(43)	
Debt - Affiliated Company	0	0	62	0	
Debt [1]	2,186	2,187	1,991	(1)	
Total Debt	2,186	2,187	2,053	(1)	
Deferred Tax Liabilities	708	709	663	(1)	
Investment Tax Credit	33	33	34	(0)	
Accum Provision for Pension & Related Benefits	0	(0)	7	0	
Asset Retirement Obligation	47	37	59	9	
Regulatory Liabilities Non Current	839	843	867	(3)	
Derivative Liability	24	14	22	10	Primarily due to lower than budgeted interest rates.
Other Liabilities	91	88	89	3	
Total Deferred Credits and Other Liabilities	1,742	1,724	1,740	18	
Equity	2,521	2,522	2,416	(0)	
Total Liabilities and Equity	**$ 6,779**	**$ 6,805**	**$ 6,570**	**$ (26)**	

[1] Includes all ST and LT debt.

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

Balance Sheet - KU

August 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 12	$ 312	$ 14	$ (300)	Budget was based on the refinancing assumption of KU's first mortgage issuance, which was completed earlier in the year.
Accounts Receivable (Trade)	239	242	228	(3)	
Inventory	120	135	122	(15)	Primarily due to budget inadvertently including refined coal (third party) inventory of $11M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	29	33	5	(4)	
Prepayments and other current assets	43	44	103	(0)	
Total Current Assets	444	766	471	(322)	
Property, Plant, and Equipment	7,379	7,358	7,151	21	
Intangible Assets	39	34	40	5	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	387	381	424	7	
Goodwill	0	0	0	0	
Other Long-term Assets	87	92	65	(5)	
Total Assets	**$ 8,336**	**$ 8,632**	**$ 8,151**	**$ (295)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 145	$ 159	$ 153	$ (14)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	32	31	31	0	
Derivative Liability	0	0	0	0	
Accrued Taxes	36	42	47	(7)	
Regulatory Liabilities Current	15	12	20	3	
Other Current Liabilities	114	130	142	(16)	Primarily due to reclass of ARO liability balance from current to non-current, decrease in credit cash adjustment due to timing of last business day payments compared to December 2019 and decrease in customer advances balance related to transmission project. Budget balances assumed a static balance as of December 2019, when the budget was finalized.
Total Current Liabilities	341	375	393	(35)	
Debt - Affiliated Company	0	0	0	0	
Debt [(1)]	2,724	3,022	2,623	(298)	Primarily due to timing and amount of KU's First Mortgage Bond issuance and maturity.
Total Debt	2,724	3,022	2,623	(298)	
Deferred Tax Liabilities	810	807	777	3	
Investment Tax Credit	89	89	90	(0)	
Accum Provision for Pension & Related Benefits	0	0	(3)	0	
Asset Retirement Obligation	101	66	107	35	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	1,056	1,053	1,098	2	
Derivative Liability	0	0	0	0	
Other Liabilities	48	40	49	8	
Total Deferred Credits and Other Liabilities	2,104	2,055	2,118	49	
Equity	3,168	3,179	3,018	(11)	
Total Liabilities and Equity	**$ 8,336**	**$ 8,632**	**$ 8,151**	**$ (295)**	

[(1)] Includes all ST and LT debt.

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

PPL companies

Performance Report

September 2020

Table of Contents	September 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 — September 2020

	Current Month		YTD		Full Year	
Safety	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
TCIR - Employees[1]	1.54	1.13	1.00	1.04	0.95	1.01
Employee lost-time incidents	2	1	6	5	8	8
DART[1]	0.77	0.38	0.57	0.54	0.46	0.52
Customer Service	**Actual**	**PY**	**Actual**	**PY**	**Forecast**	**PY**
Retail Customer Experience Rating	9.33	9.12	9.20	9.18	8.50	9.15
Reliability	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Utility EFOR	2.5%	4.5%	1.2%	4.5%	N/A	4.5%
Utility EAF	90.0%	91.7%	89.2%	86.4%	N/A	84.5%
Combined SAIFI	0.07	0.06	0.61	0.72	N/A	0.94
Combined SAIDI (minutes)	5.48	6.30	57.40	69.39	N/A	87.49
Gas Emergency Response Time	30.0	34.5	31.2	34.5	N/A	34.5
GWh Sales	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Residential	739	746	7,971	8,027	10,402	10,393
Commercial	623	683	5,666	6,199	7,451	8,123
Industrial	737	745	6,018	6,745	8,020	8,895
Other	213	233	1,937	2,103	2,567	2,775
Retail	2,312	2,407	21,592	23,075	28,440	30,185
Municipals	31	32	278	312	370	409
Off-System Sales	5	35	114	203	164	321
Total	2,348	2,475	21,984	23,590	28,974	30,915
Weather-Normalized Retail Sales Growth			**TTM**			
Residential			3.39%			
Commercial			-5.78%			
Industrial			-7.83%			
Other			-4.40%			
Total			-3.07%			

	Current Month		YTD		Full Year	
Margins ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Electric Margins	$152	$157	$1,413	$1,486	$1,862	$1,945
Gas Margins	$13	$12	$159	$158	$223	$221
O&M ($ millions)	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
O&M – Management View[2]	$64	$65	$545	$571	$750	$766
O&M – GAAP View[3]	$72	$73	$616	$645	$850	$865
Capital Expenditures ($ millions)	$87	$77	$755	$780	$1,089	$1,007
Average Utility Capitalization ($ millions)	$10,472	$10,435	$10,472	$10,435	$10,610	$10,567
Head Count	**Actual**	**Budget**	**Actual**	**Budget**	**Forecast**	**Budget**
Full-time Employees	3,453	3,606	3,453	3,606	3,606	3,606

	YTD		Full Year	
Financial Metrics[4]	**Actual**	**Budget**	**Full Year Forecast**	**Full Year Budget**
Utility ROE[5]	9.4%	9.7%	9.2%	9.7%
Effective Depreciation Rate [5]	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%	19.0%	20.0%
Moody's CFO pre-WC / Debt				
LGE	23.1%	23.3%	22.1%	23.1%
KU	23.2%	22.7%	23.5%	23.4%
LKE Consolidated	16.4%	16.8%	16.2%	17.3%

Variance Explanations

Lower MTD margins primarily due to $2 million of lower sales volumes from weather, $3 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, $29 million related to weather partially offset by $6 million related to COVID-19 due to higher residential usage, $33 million of lower demand revenue, $25 million related to COVID-19 and $8 million of other, $5 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 $8 million of timing of plant maintenance and operating expenses, $7 million of generation labor and supplemental contractors, $3 million of labor burden and PPL allocated costs, $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.

Major Developments

The Company has released approximately 100 support personnel to assist Entergy Louisiana with Hurricane Delta. This represents the third deployment in recent months as resources were also sent to help with Hurricanes Sally and Laura.

The KPSC issued an Order approving LKE's Effluent Limitation Guidelines ("ELG") compliance plan. The KPSC also set a definitive materiality threshold for our capital projects requiring a certificate of public convenience and necessity prior to making commitments or starting construction at $100 million. The KPSC set the return on equity for the ELG plan at 9.2%. LG&E and KU will have the opportunity to address return on equity on all of its ECR plans and base rates in its upcoming base rate proceeding.

LG&E and KU have fully subscribed section 3 of the Community Solar Share facility in Simpsonville, KY. It is expected to be fully operational in the Spring of 2021. We have already begun signing customers up for section 4.

FERC issued two orders on the rehearing requests the parties filed regarding FERC's requirement of a Transition Mechanism as a condition for the termination of the end of the Company's depancaking obligations. In the orders, FERC modified and set aside in part FERC's prior orders, resulting in certain changes to the Transition Mechanism requirements. The orders provided certainty that LKE's depancaking obligations will end by 2029 and excluded certain contracts as argued by LKE. The Orders did require reimbursement of some costs that we argued to exclude; however, those rulings were expected.

The Virginia State Corporation Commission ("VSCC") issued an order terminating the moratorium on disconnects October 5, 2020. This follows a similar ruling by the KPSC in which the moratorium on disconnections was terminated effective October 20. The Orders include prescriptive measures on how all utilities under their jurisdictions should deal with customers regarding their past due accounts. The KPSC continues the moratorium against charging late payment fees to residential customers through the end of the year.

Significant Future Events

The Company will submit a notice of intent to the KPSC on or around October 23 regarding the filing of its 2020 rate case.

A hearing has been scheduled in the solar PPA case for October 27.

Case Nos. 2020-00349 and 2020-00350
Attachment to Filing Requirement
Tab 45 - 807 KAR 5:001 Sec. 16(7)(o)
Page 234 of 243
Arbough

Income Statement: Actual vs. Budget (YTD) - LKE Consolidated **September 2020**

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 1,413	$ 1,486	$ (73)	Due primarily to $23 million of lower sales volumes, of which $29 million was related to weather, partially offset by $6 million related to COVID-19, primarily due to higher residential usage, $33 million of lower demand revenues, of which $25 million was related to COVID-19 and $8 million of other, $5 million of lower late payment and reconnect fees from COVID-19, and $15 million of additional revenue budgeted in January.	$ 1,413	$ 1,446	$ (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	159	158	1		159	140	19	Due primarily to higher base rates, the elimination of the TCJA surcredit effective May 1, 2019, and higher GLT rate base.
Total Gross Margin	1,572	1,644	(72)		1,572	1,586	(14)	
						0		
O&M	545	571	26	Due primarily to $8 million of timing of plant maintenance and operating expenses due to shifts in outage schedules as a result of COVID-19, $7 million of generation labor and supplemental contractors, $3 million of labor burden and PPL allocated costs, $2 million related to the delay of process water system costs and $6 million of other that individually were not significant compared to budget.	545	557	12	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	338	341	2		338	321	(18)	Due primarily to higher plant in service and updated depreciation rates effective 5/1/2019.
Taxes, Other than Income	53	54	1		53	52	(1)	
						0		
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	3	(3)	5	Due primarily to timing of recording $4 million in YTD favorability per actuarial disclosures for pension non-service costs and employee recognition meals, Power of One expenses, and travel reductions due to COVID-19 limitations.	3	1	1	
						0		
EBIT	639	676	(37)		639	658	(19)	
						0		
Interest Expense	196	198	2		196	192	(4)	
						0		
Income from Ongoing Operations before income taxes	442	478	(36)		442	466	(23)	
						0		
Income Tax Expense	83	96	12	Lower income taxes primarily due to lower pretax income and tax benefits on R&D tax credit adjustments for 2015-2019 return years.	83	78	(5)	Primarily related to recording of Kentucky recycling credit net of valuation allowance in 2019 ($25M recycling credit less $(3)M valuation allowance and $(5)M federal benefit), partially offset by lower taxes due to lower pretax income.
						0		
Net Income (loss) from ongoing operations	**359**	**382**	**(23)**		**359**	**388**	**(29)**	
Special Item - (Non Operating Income)	(4)	0	(4)		(4)	0	(4)	
Discontinued Operations	(0)	0	(0)		(0)	(0)	0	
Net Income (loss)	$ 355	$ 382	$ (28)		$ 355	$ - $ 388	$ (33)	
KY Regulated Financing Costs	(25)	(24)	(0)		(25)	- (24)	(0)	
KY Regulated Net Income	330	$ 358	$ (28)		330	- $ 364	$ (33)	
Earnings Per Share - Ongoing	$ 0.43	$ 0.46	$ (0.03)		$ 0.43	- $ 0.50	$ (0.06)	

Note: Schedules may not sum due to rounding.

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

September 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	Budget	Variance	Comments	Actual	PY Actual	Variance	Comments
Gross Margin:								
Electric Margin	$ 566	$ 586	$ (20)	Due primarily to $8 million of lower sales volumes, of which $7 million was related to weather and $1 million was related to COVID-19, $14 million of lower demand revenues, of which $11 million was related to COVID-19 and $3 million of other, and $2 million of lower late payment and reconnect fees from COVID-19.	$ 566	$ 580	$ (14)	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	159	158	1		159	140	19	Due primarily to higher base rates, the elimination of the TCJA surcredit effective May 1, 2019, and higher GLT rate base.
Total Gross Margin	725	744	(19)		725	720	4	
						0		
O&M	254	258	5	Primarily due to favorability related to maintenance and operation expenses, generation labor and supplemental contractors, partially offset by expenses related to line locating.	254	256	3	
Depreciation & Amortization	140	141	2		140	132	(8)	Due primarily to higher plant in service and updated depreciation rates effective 5/1/2019.
Taxes, Other than Income	27	27	(0)		27	27	(0)	
Equity in earnings	0	0	0		0	0	0	
Other income (expense)	(0)	(3)	3		(0)	(2)	1	
						0		
EBIT	304	315	(11)		304	304	0	
						0		
Interest Expense	66	68	1		66	65	(2)	
						0		
Income from Ongoing Operations before income taxes	238	247	(9)		238	239	(1)	
						0		
Income Tax Expense	47	52	4		47	51	4	
						0		
Net Income (loss) from ongoing operations	**$ 190**	**$ 195**	**$ (5)**		**$ 190**	**$ 188**	**$ 2**	

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

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

September 2020

($ Millions)

	Actual vs. Budget - YTD				Actual vs. PY - YTD			
	Actual	**Budget**	**Variance**	**Comments**	**Actual**	**PY Actual**	**Variance**	**Comments**
Gross Margin:								
Electric Margin	$ 847	$ 885	$ (38)	Due primarily to $15 million of lower sales volumes, of which $22 million was related to weather, partially offset by $7 million related to COVID-19, primarily due to higher residential usage, $19 million of lower demand revenues, of which $14 million was related to COVID-19 and $5 million of other, and $3 million of lower late payment and reconnect fees from COVID-19.	$ 847	$ 866	$ (19)	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	
Total Gross Margin	847	885	(38)		847	866	(19)	
						0		
O&M	274	289	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.	274	276	2	
Depreciation & Amortization	197	198	1		197	188	(9)	Due primarily to higher plant in service and updated depreciation rates effective 5/1/2019.
Taxes, Other than Income	26	27	1		26	25	(1)	
Other income (expense)	2	(0)	2		2	3	(1)	
						0		
EBIT	353	371	(18)		353	380	(28)	
						0		
Interest Expense	85	84	(1)		85	82	(3)	
						0		
Income from Ongoing Operations before income taxes	267	286	(19)		267	298	(31)	
						0		
Income Tax Expense	50	58	7	Lower income taxes primarily due to lower pretax income and tax benefits on R&D tax credit adjustments for 2015-2019 return years.	50	62	12	Lower income taxes primarily due to lower pretax income and tax benefits on R&D tax credit adjustments for 2015-2019 return years.
						0		
Net Income (loss) from ongoing operations	**$ 217**	**$ 229**	**$ (12)**		**$ 217**	**$ 237**	**$ (19)**	

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

Margins Actual vs. Budget — September 2020

($ Millions)

MARGINS (MTD)

LKE Electric Margins

	MTD Current Year September-20	MTD Budget September-20	Change $	Change %
Base Service Charge	$ 19	$ 18	$ 0	1%
Base Energy	67	70	$ (2)	-3%
Demand Charge	51	54	$ (3)	-5%
Retail Fuel (Net)	0	(0)	$ 0	-203%
DSM	0	0	$ 0	185%
ECR	16	16	$ 0	1%
Transmission	0	1	$ (1)	-98%
Purchase Power Demand	(2)	(2)	$ 0	-4%
Off-System Sales	0	0	$ (0)	-88%
Shared Solar Program	0	0	$ 0	8%
Other Revenue	2	3	$ (1)	-33%
Cost of Sales	(2)	(2)	$ 0	-16%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	0	$ (0)	-100%
	$ 152	$ 157	$ (5)	-3%

LKE Gas Margins

	MTD Current Year September-20	MTD Budget September-20	Change $	Change %
Base Service Charge	$ 8	$ 8	$ 0	1%
Distribution Charge	3	3	$ (0)	-6%
WNA	(0)	-	$ (0)	0%
DSM	0	0	$ 0	290%
GSC	0	-	$ 0	0%
GLT	1	1	$ 0	48%
Other Revenue	0	0	$ (0)	-94%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 13	$ 12	$ 1	5%

MARGINS (YTD)

LKE Electric Margins

	YTD Current Year September-20	YTD Budget September-20	Change $	Change %
Base Service Charge	$ 170	$ 168	$ 1	1%
Base Energy	685	708	$ (22)	-3%
Demand Charge	431	464	$ (33)	-7%
Retail Fuel (Net)	0	(2)	$ 2	-105%
DSM	2	1	$ 1	39%
ECR	144	144	$ 0	0%
Transmission	(1)	2	$ (4)	-154%
Purchase Power Demand	(22)	(22)	$ (0)	1%
Off-System Sales	0	0	$ (0)	-49%
Shared Solar Program	0	0	$ 0	53%
Other Revenue	20	26	$ (6)	-23%
Cost of Sales	(16)	(18)	$ 3	-14%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
Additional Revenue Budgeted	-	15	$ (15)	-100%
	$ 1,413	$ 1,486	$ (73)	-5%

LKE Gas Margins

	YTD Current Year September-20	YTD Budget September-20	Change $	Change %
Base Service Charge	$ 72	$ 72	$ 0	0%
Distribution Charge	69	78	$ (8)	-11%
WNA	7	-	$ 7	0%
DSM	1	0	$ 1	10067%
GSC	1	-	$ 1	0%
GLT	8	8	$ 1	8%
Other Revenue	0	1	$ (1)	-51%
Cost of Sales	-	-	$ -	0%
Tax Cuts and Job Act (TCJA)	-	-	$ -	0%
	$ 159	$ 158	$ 1	1%

O&M	September 2020		
($ Millions)			
	Actual vs. Budget - YTD		
	Actual	Budget	Variance
Chief Operating Officer			
Power Production			
All Other	$ 52.7	$ 55.2	$ 2.6
Maintenance	63.6	73.8	10.2
Outages	19.0	19.2	0.3
Power Production	**135.2**	**148.2**	**13.0**
Customer Services			
All Other	$ 72.7	$ 74.1	$ 1.4
Bad Debt Expense	6.6	7.0	0.4
Customer Services	**79.3**	**81.1**	**1.8**
Electric Distribution			
All Other	$ 32.8	$ 33.5	$ 0.8
Storm Restoration	4.4	5.5	1.1
Vegetation Mgmt	19.3	19.3	(0.0)
Electric Distribution	**56.6**	**58.4**	**1.8**
Transmission			
All Other	$ 17.8	$ 18.6	$ 0.9
Storm Restoration	0.3	0.3	(0.1)
Vegetation Mgmt	11.3	10.3	(1.0)
Transmission	**29.4**	**29.2**	**(0.2)**
Gas Distribution			
All Other	$ 27.8	$ 28.7	$ 0.9
Line Locating	9.6	8.2	(1.4)
Inline Inspections	2.3	1.2	(1.1)
Gas Distribution	**39.7**	**38.1**	**(1.6)**
Energy Supply & Analysis	**9.4**	**10.1**	**$ 0.7**
Project Engineering	**0.3**	**0.5**	**$ 0.2**
Safety & Tech Training	**4.8**	**5.2**	**$ 0.4**
Environmental	**5.5**	**5.5**	**$ (0.1)**
Chief Operating Officer	**0.4**	**0.4**	**$ 0.0**
Chief Operating Officer Total	**$ 360.7**	**$ 376.8**	**$ 16.1**
Chief Financial Officer			
Treasurer	**$ 19.1**	**$ 19.8**	**$ 0.6**
Controller	**$ 6.4**	**$ 6.8**	**$ 0.4**
Information Technology	**$ 46.9**	**$ 48.6**	**$ 1.7**
State Reg & Rates	**$ 1.6**	**$ 1.8**	**$ 0.2**
Audit Services	**$ 1.2**	**$ 1.3**	**$ 0.1**
Supply Chain	**$ 2.8**	**$ 3.0**	**$ 0.3**
Other	**$ 1.3**	**$ 1.6**	**$ 0.2**
Chief Financial Officer Total	**$ 79.4**	**$ 82.9**	**$ 3.5**
Communication	**$ 7.0**	**$ 7.6**	**$ 0.6**
Human Resources	**$ 5.1**	**$ 5.7**	**$ 0.6**
General Counsel	**$ 13.1**	**$ 12.8**	**$ (0.3)**
Corporate Cost Center	**$ 62.2**	**$ 61.6**	**$ (0.5)**
Non-Utility	**$ 17.2**	**$ 23.5**	**$ 6.3**
Grand Total	**$ 544.8**	**$ 570.9**	**$ 26.2**

Financing Activities — September 2020

($ Millions)

Balance Sheet	Actual vs. Budget - YTD Actual	Budget	Variance
PCB			
Beg Bal	$ 881.1	$ 881.1	$ 0.0
End Bal	881.1	881.1	0.0
Ave Bal	**$ 881.1**	**$ 881.1**	**$ 0.0**
Interest Exp	**$ 16.2**	**$ 16.4**	**$ 0.2**
Rate	**2.45%**	**2.48%**	**0.03%**
FMB/Sr Nts/Loan with PPL			
Beg Bal	$ 5,160.0	$ 5,160.0	$ 0.0
End Bal	5,235.0	5,060.0	(175.0)
Ave Bal	**$ 5,275.0**	**$ 5,190.0**	**$ (85.0)**
Interest Exp	**$ 166.4**	**$ 163.3**	**$ (3.1)**
Rate	**4.21%**	**4.20%**	**-0.01%**
Short-term Debt			
Beg Bal	$ 538.3	$ 538.3	$ 0.0
End Bal	498.2	678.1	179.9
Ave Bal [1]	**$ 470.8**	**$ 550.4**	**$ 79.6**
Interest Exp	**$ 6.1**	**$ 9.7**	**$ 3.6**
Rate	**1.69%**	**2.31%**	**0.62%**
Unamortized Debt Expense Bonds			
Beg Bal	$ (39.3)	$ (39.3)	$ 0.0
End Bal	(43.2)	(38.1)	5.2
Ave Bal	**$ (40.4)**	**$ (37.8)**	**$ 2.7**
Total End Bal	**$ 6,571.0**	**$ 6,581.1**	**$ 10.1**
Total Average Bal	**$ 6,586.4**	**$ 6,583.7**	**$ (2.7)**
Total Expense Excl I/C [2]	**$ 196.2**	**$ 197.8**	**$ 1.6**
Rate	**3.95%**	**3.98%**	**0.04%**

[1] Short-term Debt YTD actual reflects average daily balances. All other average balances use an average monthly balance.

[2] Total expense line includes additional revolving credit items. Total will not match sum of PCB, FMB, and STD.

Credit Facilities ($ Millions)	Committed Capacity	Borrowed[3]	Letters of Credit Issued	Unused Capacity	Money Pool Loans
LKE	$ 825	$ 153		$ 672	
LG&E	500	206		294	$ -
KU	400	139		261	-
TOTAL	$ 1,725	$ 498	$ -	$ 1,227	$ -

[3] 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 — September 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 25	$ 15	$ 30	$ 10	Primarily due to limited liquidity at quarter end we pre-funded (with Commercial Paper borrowings) a portion of the large First Mortgage Bond payments made on October 1.
Accounts Receivable (Trade)	402	407	407	(4)	
Inventory	230	256	233	(25)	Primarily due to budget inadvertently including refined coal (third party) inventory of $16M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	54	55	27	(1)	
Prepayments and other current assets	92	99	94	(7)	
Total Current Assets	803	831	791	(28)	
			0		
Property, Plant, and Equipment	13,367	13,346	12,913	21	
Intangible Assets	110	97	119	13	Primarily due to the variance in the operating lease asset which is offset by the variance in the operating lease liability in Other Liabilities
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	742	742	851	(0)	
Goodwill	997	997	997	0	
Other Long-term Assets	69	70	97	(2)	
Total Assets	**$ 16,088**	**$ 16,084**	**$ 15,768**	**$ 4**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 271	$ 310	$ 318	$ (39)	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	62	1	
Derivative Liability	2	4	5	(2)	
Accrued Taxes	58	62	56	(4)	
Regulatory Liabilities Current	17	15	31	3	
Other Current Liabilities	260	295	312	(35)	Primarily due to reclass of ARO liability balance from current to non-current, decrease in credit cash adjustment due to timing of last business day payments compared to December 2019 and decrease in customer advances balance related to transmission project. ARO, credit cash and customer advances budget balances assumed a static balance as of December 2019, when the budget was finalized.
Total Current Liabilities	672	748	786	(76)	
Debt - Affiliated Company	1,353	854	779	499	Primarily due to an earlier and higher than budgeted long term intercompany issuance with PPL.
Debt [1]	5,218	5,727	5,452	(509)	
Total Debt	6,571	6,581	6,231	(10)	
Deferred Tax Liabilities	1,156	1,161	1,060	(4)	
Investment Tax Credit	122	122	124	(0)	
Accum Provision for Pension & Related Benefits	163	165	262	(2)	
Asset Retirement Obligation	163	99	147	64	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	1,961	1,940	2,021	20	
Derivative Liability	23	13	20	10	Primarily due to lower than budgeted interest rates.
Other Liabilities	155	143	152	12	
Total Deferred Credits and Other Liabilities	3,743	3,643	3,786	100	
Equity	5,102	5,112	4,966	(9)	
Total Liabilities and Equity	**$ 16,088**	**$ 16,084**	**$ 15,768**	**$ 4**	

[1] Includes all ST and LT debt. See Financing Activities page for details.

Note: Schedules may not sum due to rounding.

Balance Sheet - LG&E

September 2020

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 10	$ 5	$ 12	$ 5	
Accounts Receivable (Trade)	175	184	181	(9)	
Inventory	113	121	119	(8)	Primarily due to budget inadvertently including refined coal (third party) inventory of $5M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	23	22	21	1	
Prepayments and other current assets	58	72	68	(14)	Primarily due to lower than anticipated accounts receivable from associated companies and refined coal contracts.
Total Current Assets	378	404	401	(26)	
			0		
Property, Plant, and Equipment	5,960	5,969	5,727	(9)	
Intangible Assets	24	17	24	6	
Other Property and Investments	1	1	1	0	
Regulatory Assets Non Current	359	363	423	(4)	
Goodwill	0	0	0	0	
Other Long-term Assets	80	59	25	21	Primarily due to a change in pension funded status based on actuarial remeasurement as of 8/31/2020 driven by a 25bps increase in EROA (7% in budget versus current assumption of 7.25%), partially offset by a 99bps decrease in discount rate (4% in budget versus current rate of 3.01%).
Total Assets	**$ 6,801**	**$ 6,812**	**$ 6,601**	**$ (12)**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 151	$ 195	$ 190	$ (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	32	31	31	1	
Derivative Liability	2	4	5	(2)	
Accrued Taxes	32	32	29	1	
Regulatory Liabilities Current	6	4	12	1	
Other Current Liabilities	86	98	103	(12)	Primarily due to reclass of ARO liability balance from current to non-current. Budget balances assumed a static balance as of December 2019, when the budget was finalized.
Total Current Liabilities	309	365	368	(56)	
Debt - Affiliated Company	0	0	0	0	
Debt [1]	2,212	2,228	2,103	(16)	
Total Debt	2,212	2,228	2,103	(16)	
Deferred Tax Liabilities	712	715	683	(3)	
Investment Tax Credit	33	33	34	(0)	
Accum Provision for Pension & Related Benefits	0	(0)	6	0	
Asset Retirement Obligation	63	36	54	27	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	853	839	865	14	
Derivative Liability	23	13	20	10	Primarily due to lower than budgeted interest rates.
Other Liabilities	93	86	86	7	
Total Deferred Credits and Other Liabilities	1,777	1,723	1,748	54	
Equity	2,502	2,496	2,381	6	
Total Liabilities and Equity	**$ 6,801**	**$ 6,812**	**$ 6,601**	**$ (12)**	

[1] Includes all ST and LT debt.

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

Balance Sheet - KU **September 2020**

($ Millions)

	Actual	YTD Budget	PY Actual	Variance to Budget	Comments
Assets:					
Current Assets:					
Cash and Cash Equivalents	$ 15	$ 5	$ 18	$ 10	Primarily due to limited liquidity at quarter end we pre-funded (with Commercial Paper borrowings) a portion of the large First Mortgage Bond payments made on October 1.
Accounts Receivable (Trade)	227	223	225	4	
Inventory	118	135	113	(17)	Primarily due to budget inadvertently including refined coal (third party) inventory of $11M
Deferred Income Taxes	0	0	0	0	
Regulatory Assets Current	31	33	6	(2)	
Prepayments and other current assets	51	43	39	8	
Total Current Assets	441	439	402	2	
Property, Plant, and Equipment	7,391	7,363	7,168	28	
Intangible Assets	41	33	40	7	
Other Property and Investments	0	0	0	0	
Regulatory Assets Non Current	382	380	426	1	
Goodwill	0	0	0	0	
Other Long-term Assets	96	93	73	3	
Total Assets	**$ 8,352**	**$ 8,310**	**$ 8,108**	**$ 42**	
Liabilities and Equity:					
Current Liabilities:					
Accounts Payable (Trade)	$ 148	$ 160	$ 160	$ (12)	
Dividends Payable to Affiliated Companies	0	0	0	0	
Customer Deposits	32	31	32	1	
Derivative Liability	0	0	0	0	
Accrued Taxes	27	30	29	(3)	
Regulatory Liabilities Current	12	10	20	1	
Other Current Liabilities	119	134	153	(15)	Primarily due to reclass of ARO liability balance from current to non-current and decrease in customer advances balance related to transmission project. Budget balances assumed a static balance as of December 2019, when the budget was finalized.
Total Current Liabilities	337	366	393	(29)	
Debt - Affiliated Company	0	0	0	0	
Debt [(1)]	2,756	2,774	2,625	(18)	
Total Debt	2,756	2,774	2,625	(18)	
Deferred Tax Liabilities	828	814	795	14	
Investment Tax Credit	89	89	90	(0)	
Accum Provision for Pension & Related Benefits	0	0	(0)	0	
Asset Retirement Obligation	100	63	93	37	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	1,049	1,092	6	
Derivative Liability	0	0	0	0	
Other Liabilities	50	38	47	11	Primarily due to the variance in the operating lease liability which is offset by the variance in the operating lease liability in Intangible Assets
Total Deferred Credits and Other Liabilities	2,121	2,053	2,117	68	
Equity	3,137	3,117	2,973	20	
Total Liabilities and Equity	**$ 8,352**	**$ 8,310**	**$ 8,108**	**$ 42**	

[(1)] Includes all ST and LT debt.

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